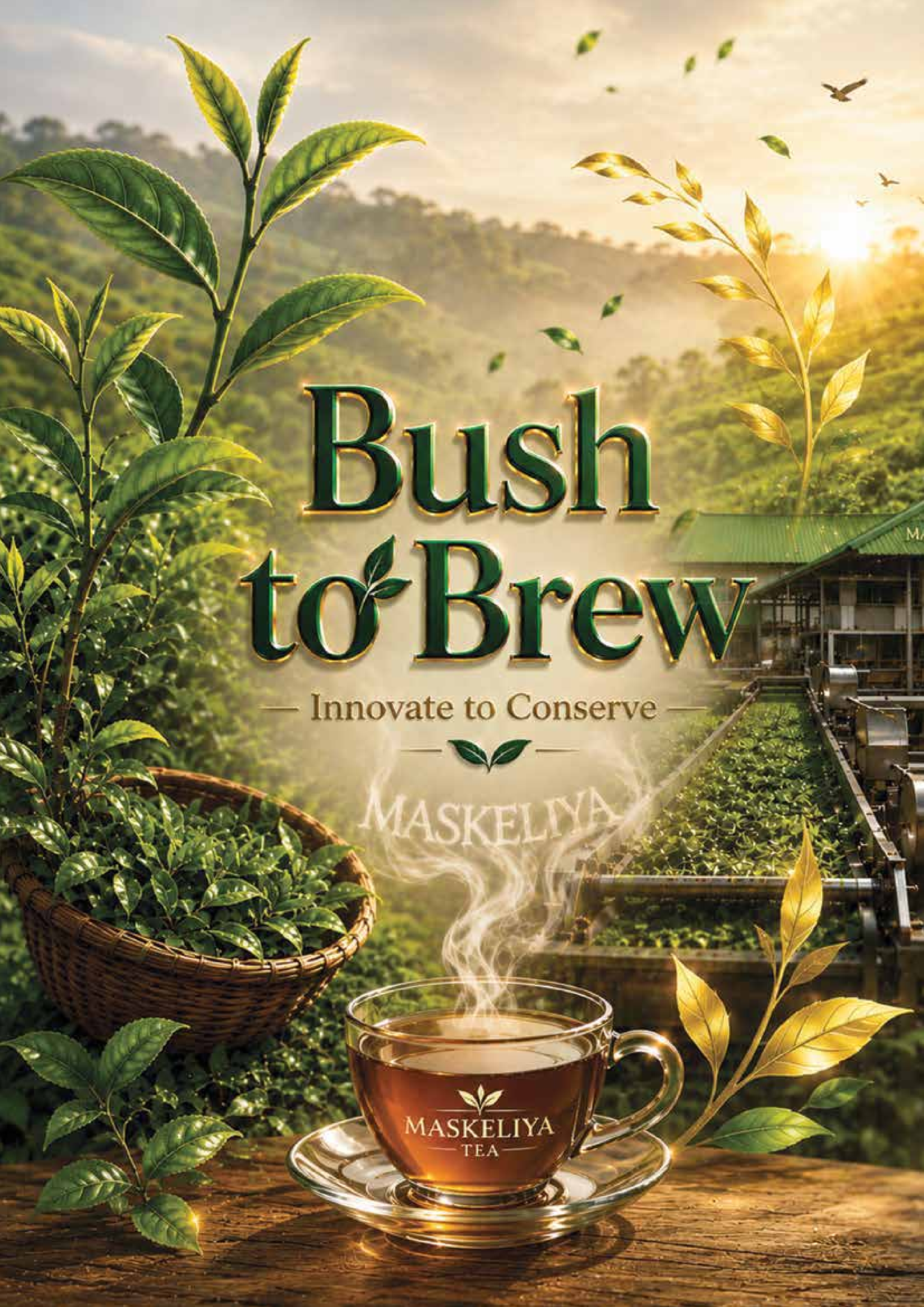
ARPICO PLANTATIONS
NURTURING NATURE. ENRICHING LIVES.

Perpetuation

MASKELIYA PLANTATIONS PLC

ANNUAL REPORT 2025/26


Bush to Brew
Innovate to Conserve
MASKELIYA
MASKELIYA
TEA

The Braille version of 1st Integrated Annual Report is available upon request.

Please feel free to contact us to request a viewing of the Braille version of our 1st integrated annual report. We are committed to ensuring accessibility for all individuals and we will do our best to accommodate your needs. Please reach out to Finance Division of Maskeliya Plantations PLC for assistance in accessing the Braille version of our report.

* Terms and conditions apply

Tel: 94114310500

Perpetuation

"Perpetuation is preserving and continuing a legacy or heritage into the future indefinitely. Rooted in over 150 years of history in the hill country, Sri Lanka's tea industry is a cornerstone of the national economy. Sustaining this vital ecosystem and its many stakeholders is a collective responsibility for the future"

Maskeliya Plantations PLC is not merely a business enterprise, we relentlessly pursue to manage our plantations within a framework of an ecosystem thereby ensuring environmentally sound, socially just and economically viable business entity. Measures are often taken to venture into new territories to nourish the present and secure the future without resting on our laurels.

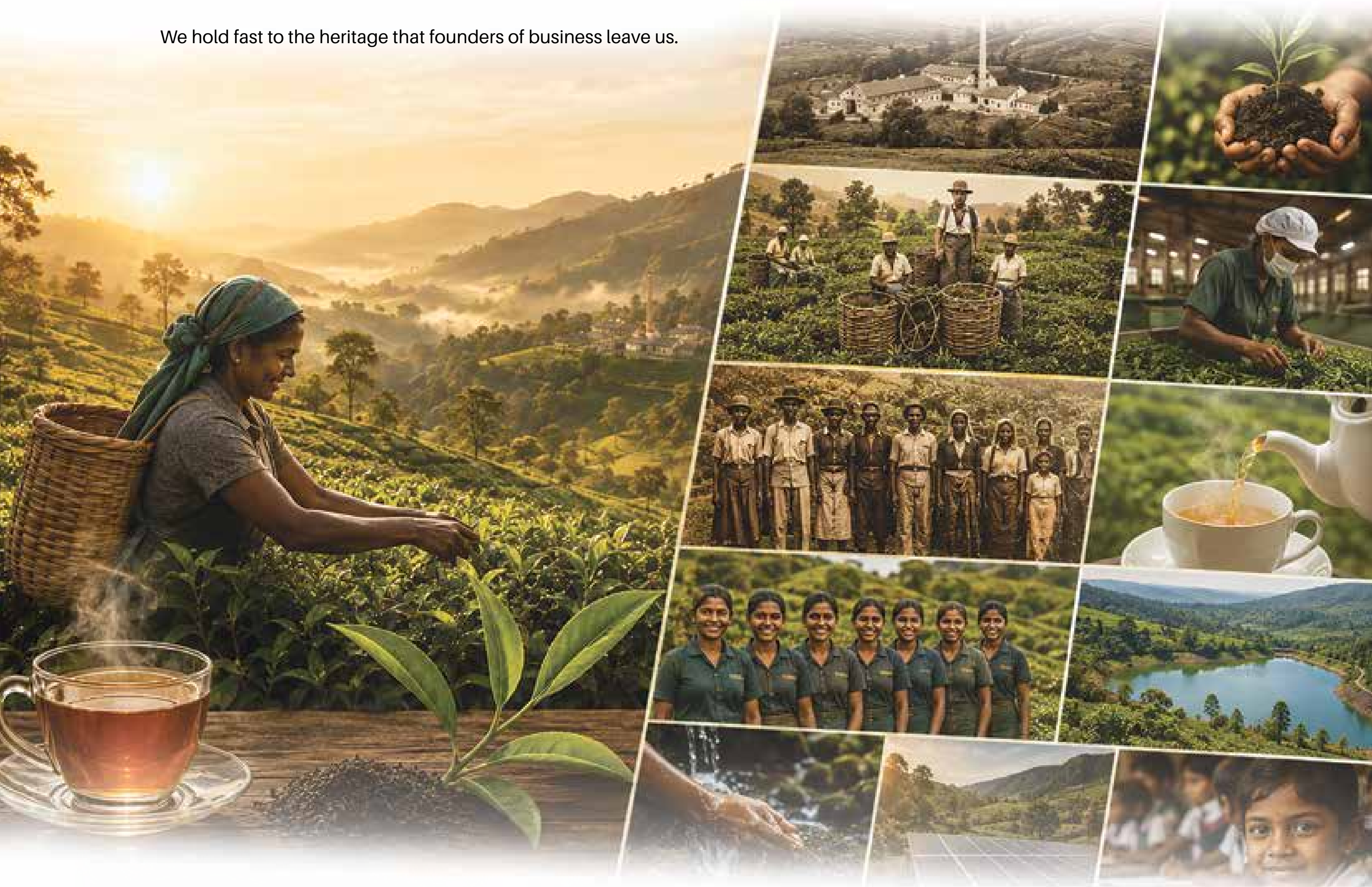
We are always committed to protecting the natural ecosystem, expanding resources for the future, and bringing a resurgence to the country. Our workforce is our strength. We are dedicated to their well-being, economic status, health, and welfare. We are moving towards a prosperous and flourishing future as a responsible institution that preserves environmental balance and protects social resources.

Our fundamental foundation is to create value for society and to utilize principles unique to us in doing so. Our vision, mission, and objectives are all interconnected with value creation.

Our journey from a fresh tea leaf to a fresh cup of tea was not an easy one. Despite many ups and downs, looking back at the journey we have traveled, it is no secret that we can be proud together with you. Let us all join hands and take this journey strongly into the future.

Our business has evolved and got diversified in many ways, but essence of core value has now become quintessence which is uncompromised state for business ethics. To the full sense of the word, value creation model of our business is mainly based on ethics.

We hold fast to the heritage that founders of business leave us.



Contents

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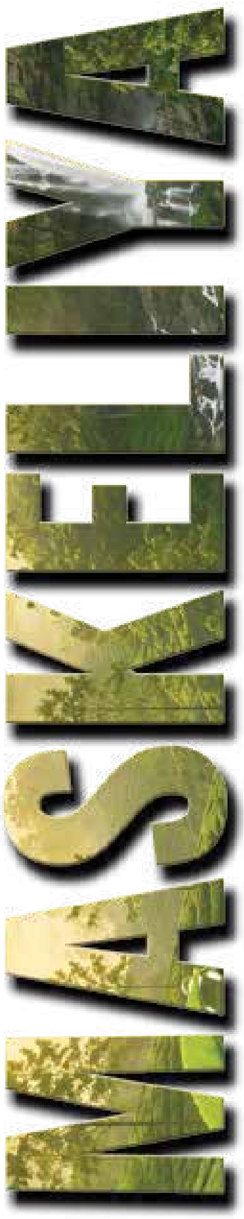
About Our Report

GRI 2-3

We are pleased to present our Inaugural Integrated Annual Report for 2025/2026,

Through this report, we aim to provide all our valued stakeholders with comprehensive insights into our value creation process and overall operational performance for the financial year ended 31st March 2026.



Board Responsibility Statement

The Board of Directors of Maskeliya Plantations PLC acknowledges its ultimate responsibility for the integrity, accuracy and completeness of the financial and non-financial disclosures contained within this Annual Report. To the best of their knowledge and belief, the disclosures present a true and fair view of the company's operational performance, financial position and sustainability impacts.

Explore More On Page:202

Independent Assurance

GRI 2-5

External assurance for the financial disclosures and statements within this report has been provided by the Independent Auditors (Ernst & Young). The nature, scope and conclusions of their assessment are detailed in the Independent Auditor's Report included herein.

Explore More On Page:203

Governance Approval

The Audit Committee and the Board of Directors have comprehensively reviewed this Annual Report and formal approval was granted by the Board of Directors on August 25, 2026.

Basis of the Report

This Integrated report covers both financial and non-financial information, offering a clear overview of our strategic direction, operating context, risks and opportunities and ongoing sustainability efforts. In doing so, it reinforces our commitment to transparency, accountability and a continuous focus on creating long-term value for all our stakeholders.

Financial Position The financial report presents the financial position of the organization as of March 31, 2026.

Report Alignment & Capitals Framework The sustainability report presented alongside this financial report is fully aligned with the financial disclosures. Material matters featured across both reports are identified and structured through the lens of the 6 Capitals framework (Financial, Manufactured, Intellectual, Human, Social & Relationship and Natural Capitals).

Operational Scope

This report is limited strictly to operational activities directly under management control, specifically encompassing the Agriculture, Manufacturing, and Technologies & Finance sectors.

Reporting Boundary

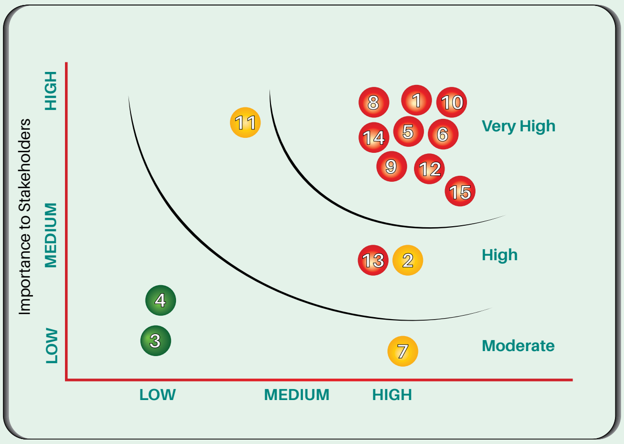
The disclosures and financial details provided in this report are restricted strictly to Maskeliya Plantations PLC and its affiliated estates.

Materiality Matrix & Disclosure Policy

Material issues are evaluated based on their direct impact on the organization and its key stakeholders, categorized into High, Medium, and Low priority levels:

- **Disclosed Topics:** The report provides detailed disclosures for material matters identified as having **High** or **Medium** impact.
- **Non-Disclosed Topics:** Matters evaluated as having a **Low** impact on both the organization and its stakeholders are deemed non-material for reporting purposes and are explicitly excluded from prioritized disclosure.

Materiality Matrix & Disclosure Policy



Importance to Organization

1. Board Structure & Management
2. Energy Management
3. Water Management
4. Waste Management
5. GHG Emission
6. Biodiversity
7. Materials
8. Occupational Health and Safety
9. Non-discrimination
10. Forced or Compulsory Labour
11. Freedom of Association
12. Local Communities
13. Economic Performance
14. Anticorruption
15. Risk Management

Key Takeaway

- Total 15 material Topics have been identified.
- GHG Emission is the most Important element to business and stakeholders.
- Water management is less Important to Company and Stakeholders.

Key Capitals

Reporting Standards and Framework

1. Financial Reporting Standards issued by Institute of Chartered Accountants of Sri Lanka –(SLFRS/LKAS)
2. Companies Act No. 7 of 2007
3. Securities & Exchange Commission (SEC) & Stock Exchange Rules
4. Global Reporting Initiative ("GRI") Standards
5. FRS Sustainability Disclosure Standards (ISSB)

- IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2: Climate-related Disclosures

GRI 2-3
Contact us...
mpl.rpk@arpico.com or in writing to:
Maskeliya Plantations PLC,
No.310, High Level Road,
Nawinna,
Maharagama.
Tel : 011-4310500

|Chairman's Message

Dear Shareholders ,

On behalf of the Board of Directors, it is my privilege to present the inaugural Integrated Annual Report and the Audited Financial Statements of Maskeliya Plantations PLC for the financial year ended 31 March 2026.

The global economy demonstrated resilience during 2025, gradually stabilizing following the lingering effects of the COVID-19 pandemic, elevated inflation and monetary tightening. However, the first quarter of 2026 witnessed renewed economic uncertainty, driven by escalating geopolitical tensions in the Middle East and other regions. Rising crude oil prices contributed to increased energy costs, higher raw material prices and further pressure on overall production costs.

Sri Lanka's total tea production reached 264 million kilograms in 2025, recording a modest increase compared with the 262 million kilograms produced in 2024. Tea exports totaled 257 million kilograms, generating approximately USD 1.5 billion in foreign exchange earnings and reaffirming the sector's significant contribution to the national economy.

Company performance

I am pleased to report that the Company achieved a significant milestone during the financial year, surpassing LKR 7.0 billion in total turnover. This performance demonstrates the resilience of our business and the continued demand for our products despite the challenging operating environment. At the same time, the Company faced significant cost pressures during the year.

At Maskeliya Plantations PLC, the Board recognises that sustainable long-term value creation is fundamentally linked to strong environmental, social and governance (ESG) practices. We therefore continue to strengthen our approach to corporate stewardship, with our sustainability initiatives aligned with the Global Reporting Initiative (GRI) Standards. Under the guidance of the Board, the Sustainability Team monitors key ESG performance indicators and provides regular, data-driven assessments to support informed decision-making and accountability across the organization.

Socio-Climatic & Macroeconomic Headwinds

The plantation sector continues to operate in a highly challenging environment. Global economic uncertainty, geopolitical developments, persistent inflation and rising input costs continue to place pressure on operating costs and business performance. Changing weather patterns, including periods of drought and excessive rainfall, also pose significant risks to agricultural productivity and crop yields. At the same time, changes in government fiscal and tax policies, together with rapid technological developments, continue to reshape the regulatory and operational environment in which the plantation sector operates. Maintaining a viable plantation business while ensuring long-term sustainability has become a priority. We remain committed to fulfilling our responsibility towards environmental protection and sustainable land management.

Forward Strategic Outlook

Looking ahead, our focus will remain on strengthening the resilience, productivity and long-term sustainability of the Company while creating value for all stakeholders. Enhancing operational efficiency will be a key priority in addressing the challenges associated with labour availability. Greater emphasis is therefore being placed on the use of efficient tea-plucking machines and on training employees to operate such equipment effectively. Diversification will remain an important component of our strategy. The cultivation of mandarin, cinnamon and coffee is being undertaken on suitable non-forested and low-yielding land. To date, 185 hectares have been cultivated with coffee, with harvesting already underway. These initiatives are expected to contribute towards improving land productivity and creating additional sources of value for the Company. At the same time, we will continue to strengthen the value of our asset base through targeted investments in fixed assets and agricultural development, while maintaining a clear focus on productivity, efficiency and sustainable returns.

Acknowledgement

I extend my sincere appreciation to the Board of Directors and the Management Team for their guidance, commitment and continued dedication throughout the year. I also wish to acknowledge and thank all our employees for their valuable contribution and commitment to the Company. Finally, I express my appreciation to all our stakeholders including shareholders, business partners and suppliers for their continued trust, confidence and support.

Dr. Sena Yaddehige

Chairman

25 August 2026

Colombo

ABOUT US

Maskeliya Plantations PLC is one of Sri Lanka's leading plantation companies with a long-standing heritage in the tea industry. Listed on the Colombo Stock Exchange, the company operates under the management of RPC Management Services (Pvt) Ltd. Its core business encompasses the cultivation, manufacture, and marketing of premium-quality black tea, while also managing timber plantations and diversifying into crops such as coffee, cinnamon, and pears. With a portfolio of 18 estates and 15 tea factories located across the renowned tea-growing regions of Upcot, Maskeliya, Talawakelle, and Bandarawela, the company is committed to producing market-oriented teas that consistently meet the highest standards of quality. In addition to its plantation operations, Maskeliya Plantations PLC offers a unique hospitality experience through its guest bungalows Blue Magpie Lodge, Fishing Hut, Devon Bungalow, Mahakanda Bungalow, and Udahena Bungalow providing visitors with an opportunity to enjoy the scenic beauty, tranquility, and rich heritage of Sri Lanka's tea Industry. Through continuous innovation, sustainable agricultural practices, and close collaboration with industry stakeholders, Maskeliya Plantations PLC continues to strengthen its reputation as a trusted producer of world-class Ceylon tea while creating long-term value for all its stakeholders.

"To be a result oriented innovative tea company, internationally reputed for quality"

"Provide a return on investment above the risk free investment rate to shareholders, maintain market leadership, both in terms of quality and price, optimise sustainable, land productivity, maximise worker productivity, operate within the concept of a sustainable environment, optimise the use of available resources"

To customer - Produce quality tea that meets customer needs.

To employer - Be an employer of choice in the plantation sector.

To community - Be socially and environmentally responsible.

To stakeholders - Increase the wealth of our stakeholders

|We are Maskeliya

OUR FUTURE
To be the most admired Plantation Company in Sri Lanka.

OUR PURPOSE
Growing Maskeliya Plantations to be the industry leader in the Sri lanka

OUR APPROACH
Integrity, Honesty, Open and Transparent

OUR SOLUTIONS
Innovation, Improvement through continuous change

OUR HERITAGE
Perseverance, Determination and Resilience

OUR PROMISE
Responsibilities

|Organizational Structure

GRI 2-2

MASKELIYA PLANTATIONS PLC

- Richard Pieris & Company PLC (Ultimate Parent Company)
  - RPC Management Services (Pvt) Ltd (Parent Company)
    - Maskeliya Plantations PLC

Upcot Region
- Brunswick
- Glentilt
- Glenugie
- Mocha
- Strathspey

Maskeliya Region
- Brownlow
- Hapugastenne
- Laxapana
- Moray
- Mousakellie

Talawakelle Region
- Ferham
- St.Clair
- Talawakelle
- Troup

Bandarawela Region
- Ampittiakande
- Craig
- Leangawella
- Poonagalla

Journey So Far...

The Government of Sri Lanka as part of its restructuring plan for the Plantation Industry decided to privatize this sector and in June 1992 incorporated 22 Regional Plantation Companies and assigned to these Companies Estates that had been previously vested with the Government and managed by JEDB/SLSPC on a 53-Year lease. Separate Managing Agents were also selected to manage each of these Companies and Maskeliya Plantations PLC is one of these companies.

The Managing Agent appointed by the Government in June 1992 was Uva Western Plantations (Pvt) Ltd. In January 1996, the Government offered 51% of the Issued Share Capital of Rs.200 million through the Colombo Stock Exchange to pre qualified bidders. RPK Management Services (Pvt) Ltd (RPK), a 50:50 joint venture Company between Richard Pieris Company Ltd and John Keells Holdings Ltd being the successful bidder acquired the 51% stake at Rs.21/50 per share.

In September 1997, 20% of the Issued Share Capital consisting of 4,000,000 Ordinary Shares was offered to the public at a price of Rs.15/- per share. This offer was over subscribed many times over and on a pro-rata basis shares were allocated to more than 16,000 applicants. Subsequently, 19% of the Company's Share Capital amounting to 3,800,000 shares was sold through the Colombo Stock Exchange.

In December 1997, as the final step of the Government's privatization programme, the remaining 10% stake consisting 2,000,000 shares were gifted to the employees. Over 17,000 eligible employees qualified for these shares.

In February 1998, the Convertible Debentures held by Kegalle Plantations Ltd (KPL) were converted to 6,976,744 ordinary shares. As a result, the Share Capital of the Company increased to Rs.269,767,450 and KPL was allocated 28.6% of the Issued Share Capital

In September 2002, the shares held by Kegalle Plantations Ltd were sold to RPK Management Services (Pvt) Ltd. As a result RPK's holdings in Maskeliya Plantations PLC was increased to 17,176,744 ordinary shares or 63.67% holding of the Issued Share Capital.

On 31 March 2004, Richard Pieris & Company PLC bought over the stake of John Keells Holdings PLC in RPK. Thereby RPK became a wholly owned subsidiary of Richard Pieris & Company PLC and to reflect this change, the name of the Company too was changed as RPC Management Services (Pvt) Ltd.

Subsequently, RPC Management Services (Pvt) Ltd increased its Shareholding of Maskeliya Plantations PLC to 73.48%. Consequent to a rights issue by Maskeliya Plantations PLC in November 2012 a further increase of its Shareholding up to 83.40% was made by RPC Management Services (Pvt) Ltd.

The Company recorded its highest ever Gross Profit, Profit before Tax & Profit after Tax in the Financial Year 2024/25, marking a significant milestone in Maskeliya Plantations PLC's operational and financial performance. This reflects the solid progress we have made in strengthening our financial position through disciplined operations, strategic growth initiatives, and prudent fiscal management. As we look ahead, we remain focused on sustaining this positive momentum, creating long-term value, and maintaining a balanced approach to growth and shareholder returns.

2025

The Company recorded its highest ever Gross Profit, Profit before Tax & Profit after Tax in the financial year 2024/25.

2012

Consequent upon a rights issue by Maskeliya Plantations PLC in November 2012 a further increase of its Shareholding up to 83.40% was made by RPC Management Services (Pvt)Ltd.

2004

Richard Pieris & Co. PLC bought over the stake of John Keells Holdings PLC in RPK.

2002

RPK's holdings in Maskeliya Plantations PLC was increased to 17,176,744 ordinary shares or 63.67% holding of the Issued Share Capital.

1997

Step of the Government's privatization programmes, the remaining 10% stake consisting 2,000,000 shares were gifted to the employees.

1996

RPK Management Services (Pvt) Ltd (RPK), a 50:50 joint venture Company between Richard Pieris Company Ltd and John Keells Holdings Ltd being the successful bidder acquired the 51% stake.

1992

The Government of SL has decided to privatise the plantation sector

The Managing Agent appointed by the Government in June 1992 was Uva Western Plantations (Pvt) Ltd

Estate Profile

Upcot Region-Western High

Brunswick

Extent (Hectares)	676.26
Postal Address	Brunswick Estate Maskeliya -22070
Distance from Colombo (Km)	153
Production Capacity Kg. '000	1,900
Nos Workers	731
Elevation (Meters)	1,250
Factories	1
Other Buildings	1,521

Glentilt

Extent (Hectares)	456.85
Postal Address	Glentilt Estate Maskeliya- 22070
Distance from Colombo (Km)	139
Production Capacity Kg. '000	828
Nos Workers	387
Elevation (Meters)	1,320
Factories	1
Other Buildings	1,198

Glenugie

Extent (Hectares)	309.15
Postal Address	Glenugie Estate Upcot - 22075
Distance from Colombo (Km)	154
Production Capacity Kg. '000	759
Nos Workers	338
Elevation (Meters)	1,325
Factories	1
Other Buildings	910

Mocha

Extent (Hectares)	422.25
Postal Address	Mocha Estate Maskeliya - 22070
Distance from Colombo (Km)	140
Production Capacity Kg. '000	820
Nos Workers	295
Elevation (Meters)	1,335
Factories	1
Other Buildings	1,077

Strathspey

Extent (Hectares)	703.62
Postal Address	Strathspey Estate Upcot - 22075
Distance from Colombo (Km)	156
Production Capacity Kg. '000	1,656
Nos Workers	555
Elevation (Meters)	1,327
Factories	1
Other Buildings	1,937

Maskeliya Region-Western High

Brownlow

Extent (Hectares)	245.75
Postal Address	Brownlow Estate Maskeliya - 22070
Distance from Colombo (Km)	137
Production Capacity Kg. '000	Silent
Nos Workers	162
Elevation (Meters)	1,200
Factories(Silent)	
Other Buildings	947

Hapugastenne

Extent (Hectares)	323.77
Postal Address	Hapugastenne Estate Maskeliya - 22070
Distance from Colombo (Km)	139
Production Capacity Kg. '000	960
Nos Workers	83
Elevation (Meters)	1,189
Factories	1
Other Buildings	463

Laxapana

Extent (Hectares)	737.05
Postal Address	Laxapana Estate Maskeliya - 22070
Distance from Colombo (Km)	166
Production Capacity Kg. '000	1,311
Nos Workers	585
Elevation (Meters)	1,160
Factories(Silent)	1
Other Buildings	1,177

Moray

Extent (Hectares)	682.35
Postal Address	Moray Estate Maskeliya - 22070
Distance from Colombo (Km)	153
Production Capacity Kg. '000	1200
Nos Workers	442
Elevation (Meters)	1185
Factories	1
Other Buildings	1213

Mousakellie

Extent (Hectares)	558.75
Postal Address	Mousakelle Estate Maskeliya - 22070
Distance from Colombo (Km)	140
Production Capacity Kg. '000	1200
Nos Workers	234
Elevation (Meters)	1,372
Factories	1
Other Buildings	1526

view

Talawakelle Region-Western High

Ferham

Extent (Hectares)	313.21
Postal Address	Ferham Estate Talawakelle - 22100
Distance from Colombo (Km)	164
Production Capacity Kg. '000	Silent
Nos Workers	117
Elevation (Meters)	1,345
Factories(Silent)	-
Other Buildings	682

St.clair

Extent (Hectares)	519.69
Postal Address	St. Clair Estate Talawakelle - 22100
Distance from Colombo (Km)	156
Production Capacity Kg. '000	800
Nos Workers	237
Elevation (Meters)	1,200
Factories	1
Other Buildings	1,523

Talawakelle

Extent (Hectares)	399.23
Postal Address	Talawakelle Estate Talawakelle - 22100
Distance from Colombo (Km)	159
Production Capacity Kg. '000	1,300
Nos Workers	137
Elevation (Meters)	1,219
Factories	1
Other Buildings	908

Troup

Extent (Hectares)	287.75
Postal Address	Troup Estate Talawakelle - 22100
Distance from Colombo (Km)	144
Production Capacity Kg. '000	500
Nos Workers	223
Elevation (Meters)	1,379
Factories	1
Other Buildings	409

Bandarawela Region-Uva High

Ampittiakande

Extent (Hectares)	1,241.62
Postal Address	Ampittiakande Estate Poonagalla - 90100
Distance from Colombo (Km)	224
Production Capacity Kg. '000	800
Nos Workers	313
Elevation (Meters)	1,295
Factories (Silent)	1
Other Buildings	682

Craig

Extent (Hectares)	418.48
Postal Address	Craig Estate Bandarawella - 90104
Distance from Colombo (Km)	212
Production Capacity Kg. '000	950
Nos Workers	228
Elevation (Meters)	1,402
Factories	1
Other Buildings	1,042

Leangawella

Extent (Hectares)	460.79
Postal Address	Leangawella Estate Leangawella SPO - 90106
Distance from Colombo (Km)	217
Production Capacity Kg. '000	Silent
Nos Workers	83
Elevation (Meters)	1,167
Factories(Silent)	-
Other Buildings	831

Poonagalla

Extent (Hectares)	1,804.76
Postal Address	Poonagalla Estate Poonagalla SPO - 90100
Distance from Colombo (Km)	225
Production Capacity Kg. '000	2,100
Nos Workers	302
Elevation (Meters)	1,402
Factories	1
Other Buildings	1,793

Landmarks

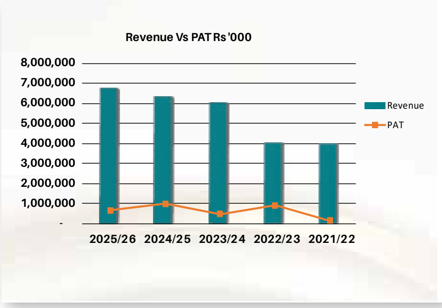

Talawakelle Region
Western High
Upcot Region &
Maskeliya Region
Western High
Bandarawela Region
Uva High

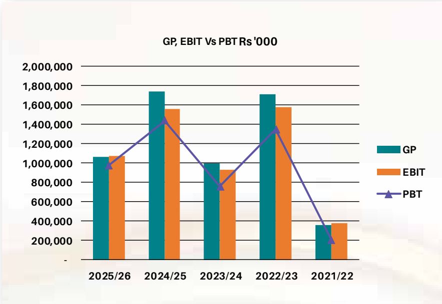
Financial Highlights

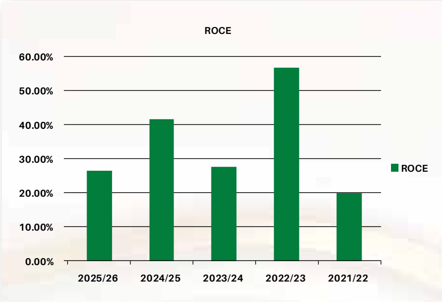
Performance - Year Ended 31 March				
Earning Highlights and Ratios		**2026**	**2025**	**Variance %**
Revenue	Rs'000	7,066,659	6,732,928	5%
Profit before Interest and Tax	Rs'000	1,079,373	1,557,694	(31%)
Profit/Loss after Tax	Rs'000	658,072	958,374	(31%)
Capital Expenditure	Rs'000	287,684	264,427	9%
Gross Profit Margin	%	15.04	25.88	(42%)
Net Profit Margin	%	9.31	14.23	(35%)
Return on Capital Employed	%	26.48	41.57	(36%)
Financial Position Highlights and Ratios March				
Fixed Assets	Rs'000	5,269,148	5,087,657	4%
Current Assets	Rs'000	1,900,605	1,904,839	(0.22%)
Total Assets	Rs'000	7,169,753	6,992,497	3%
Current Liabilities	Rs'000	1,314,803	1,609,299	18%
Shareholders' Fund	Rs'000	2,967,936	2,688,571	10%
Stated Share Capital	Rs'000	673,721	673,721	0%
Capital Employed	Rs'000	2,967,936	2,761,488	7%
Current Ratio	Times	1.45	1.18	23%
Quick Assets Ratio	Times	0.70	0.49	43%

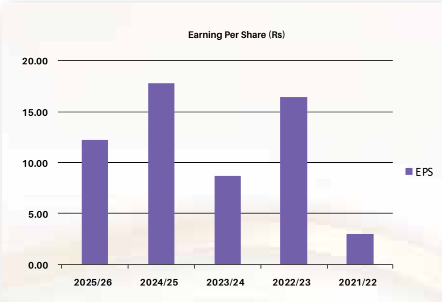
Key Indicators

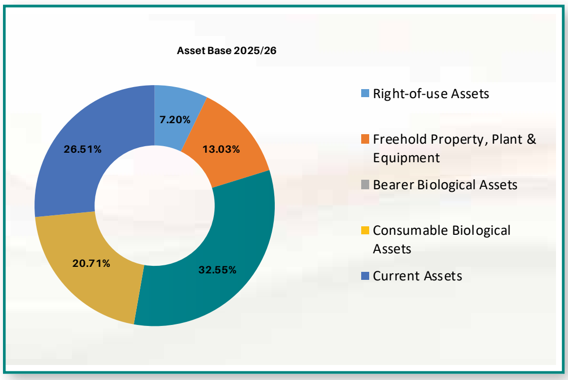
Earnings per Share	Rs.	12.20	17.76	(31%)
Net Asset Value per Share	Rs.	55.01	49.83	10%
Market Price of a Share	Rs.	69.90	78.90	(11%)
Dividend per Share	Rs.	4.00	4.50	(11%)
Market Capitalization	Rs'000	3,771,349	4,256,930	(11%)
Return on Average Equity	%	23.27	39.47	(41%)

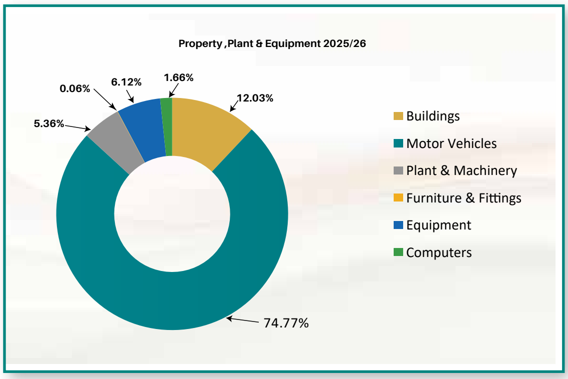












Key Performance

Turnover
25/26 Rs. 7 Bn
24/25 Rs. 6.7 Bn

Total Assets
25/26 Rs. 7.1 Bn
24/25 Rs. 6.9 Bn

EPS
25/26 Rs. 12.20
24/25 Rs. 17.76

Current Ratio
25/26 Times 1.45
24/25 Times 1.18

Net Asset Per Share
25/26 Rs. 55.01
24/25 Rs. 49.83

Market Capitalization
25/26 Rs. 3.7 Bn
24/25 Rs. 4.2 Bn

DPS
25/26 Rs. 4.00
24/25 Rs. 4.50

Shareholders Equity
25/26 Rs.2.9 Bn
24/25 Rs. 2.6 Bn

Gross profit
25/26 Rs. 1Bn
24/25 Rs. 1.7 Bn

PAT
25/26 Rs. 0.66 Bn
24/25 Rs. 0.96 Bn

ROCE
25/26 26.48 %
24/25 41.57 %

Capital Expenditure
25/26 Rs.0.29 Bn
24/25 Rs.0. 26 Bn

PBIT
25/26 Rs. 1Bn
24/25 Rs. 1.5 Bn

Non - Financial Highlights

Economic Performance

Employees	4,182(Mn)
Government of Sri Lanka	321(Mn)
Shareholders	216(Mn)
Lenders of capital	100(Mn)

Human Capital

Total Employees	5,915
Employee Recruitment Rate	18.55%
Female Representation	53.19%
New Recruits	1,011
Training Headcount	7,008
Total Training Hours	104,510

Natural Capital

Hydropower Generation	661,355(kWh)
Conservation Area	449.72(Ha)
Energy Intensity	1.92(kg/kg made tea)
GHG Emission	13,269(tCO_2e)

Operational

Production Volume	6,417(kg)
Revenue Extent	5,352.22(Ha)
Productivity / Yield	1,160(kg/ha)

Regional Outcomes

Regions	Extent (Revenue) - Hectares 2025/26	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17
Upcot Region	1,732.92	1,744.02	1,744.02	1,714.25	1,742.95	1,745.95	1,749.44	1,752.32	1,750.02	1,752.61
Maskeliya Region	1,291.48	1,294.48	1,303.51	1,303.81	1,303.60	1,324.37	1,330.12	1,325.62	1,323.90	1,335.34
Talawakelle Region	1,004.23	1,004.23	1,004.23	1,004.23	1,004.23	1,004.23	1,004.23	1,005.00	1,010.98	1,018.48
Bandarawela Region	1,323.59	1,323.59	1,328.59	1,325.59	1,334.59	1,340.21	1,474.36	1,474.36	1,469.36	1,493.40
Total	**5,352.22**	**5,366.32**	**5,380.35**	**5,347.88**	**5,385.37**	**5,414.76**	**5,558.15**	**5,557.30**	**5,554.26**	**5,599.83**

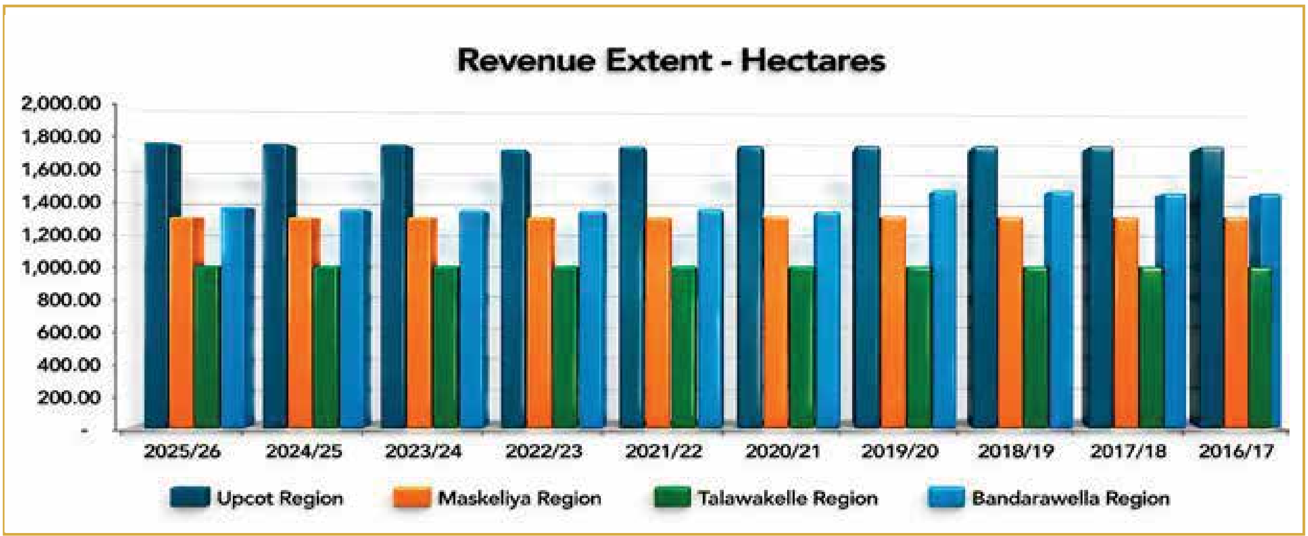
Regions	Production Kg '000 2025/26	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17
Upcot Region	2,160	2,049	2,051	1,562	1,988	2,145	2,451	2,707	2,751	2,313
Maskeliya Region	1,734	1,736	1,540	1,151	1,525	1,653	1,742	1,991	2,042	1,781
Talawakelle Region	1,158	1,146	1,240	998	1,244	1,428	1,492	1,535	1,477	1,343
Bandarawela Region	1,365	1,414	1,336	1,221	1,513	1,416	1,307	1,303	1,354	1,314
Total	**6,417**	**6,346**	**6,168**	**4,933**	**6,270**	**6,643**	**6,992**	**7,536**	**7,624**	**6,751**

Regions	Yield - (Kg/Ha) 2025/26	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17
Upcot Region	1,234	1,166	1,156	840	1,090	1,193	1,352	1,512	1,548	1,295
Maskeliya Region	1,342	1,341	1,176	866	1,156	1,235	1,303	1,486	1,524	1,320
Talawakelle Region	1,153	1,141	1,235	994	1,239	1,417	1,466	1,500	1,461	1,319
Bandarawela Region	891	925	872	790	974	903	759	812	846	752
Total	**1,160**	**1,144**	**1,105**	**863**	**1,105**	**1,173**	**1,204**	**1,318**	**1,341**	**1,160**

Regions	N.S.A. (Rs/Kg) 2025/26	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17
Upcot Region	1,060.49	1,072.86	980.16	1,249.75	627.40	606.70	524.40	570.53	604.66	512.84
Maskeliya Region	1,078.89	1,106.06	998.61	1,256.56	646.64	611.32	519.20	565.36	596.64	518.65
Talawakelle Region	1,110.99	1,108.19	1,000.56	1,304.46	635.98	594.66	487.70	534.48	572.82	501.90
Bandarawela Region	950.98	989.50	913.79	1,012.90	520.30	512.39	407.18	444.77	493.62	471.63
Total	**1,051.27**	**1,069.75**	**974.49**	**1,203.76**	**607.93**	**585.15**	**493.36**	**540.08**	**576.63**	**504.18**

Regions	C.O.P. (Rs/Kg) 2025/26	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17
Upcot Region	888.14	843.43	845.92	953.13	585.08	567.35	535.66	493.69	499.12	482.52
Maskeliya Region	861.06	803.22	817.37	909.12	576.90	556.80	521.27	489.06	474.72	462.19
Talawakelle Region	814.40	773.22	761.20	808.60	508.14	481.46	485.48	470.25	481.11	428.15
Bandarawela Region	827.11	797.62	799.58	840.26	516.10	506.89	529.97	525.82	511.49	473.72
Total	**854.53**	**809.54**	**811.72**	**885.66**	**551.18**	**533.37**	**520.30**	**493.24**	**491.29**	**464.63**

MASKELIYA



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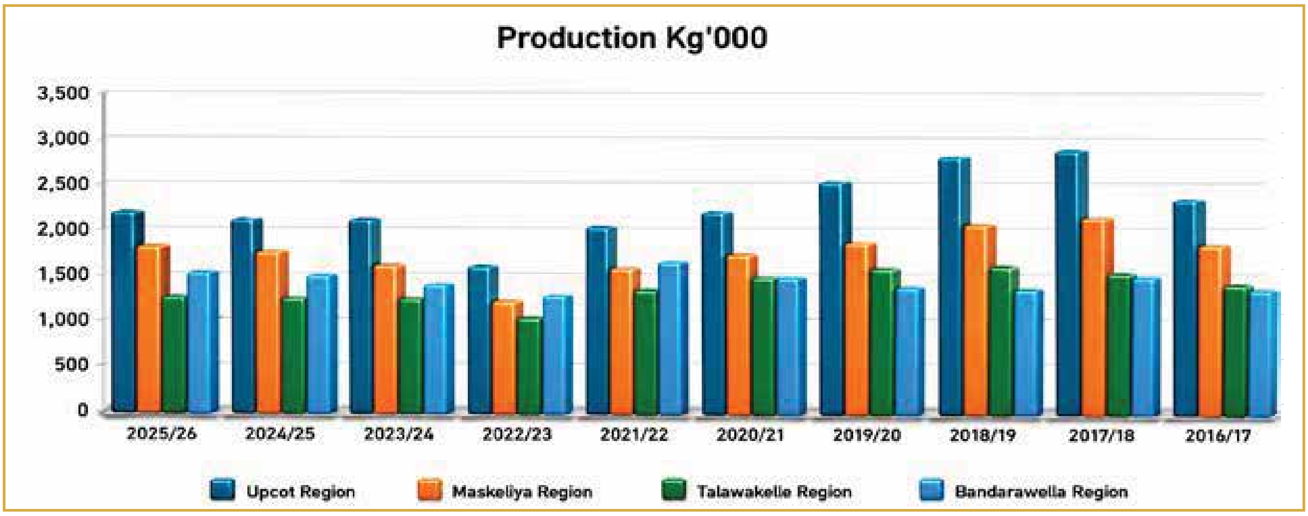

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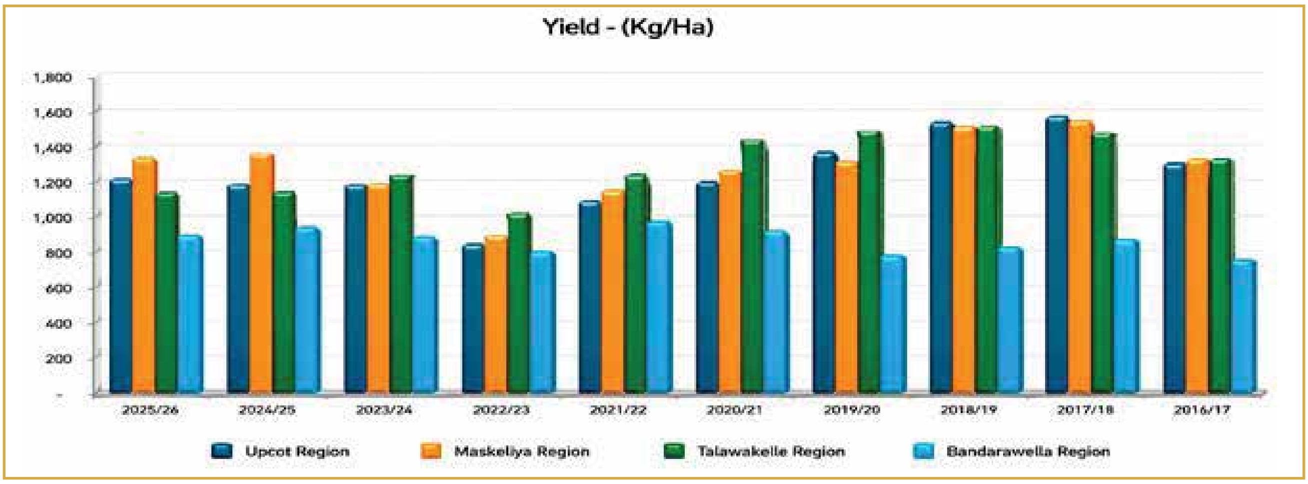

MASKELIYA

view

MASKELIYA

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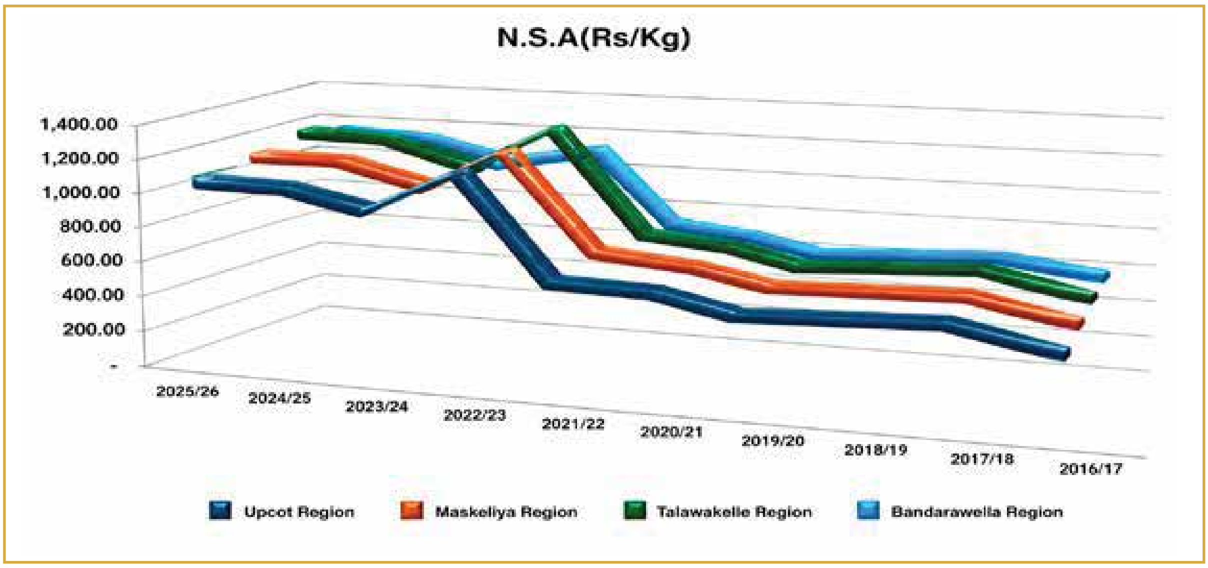

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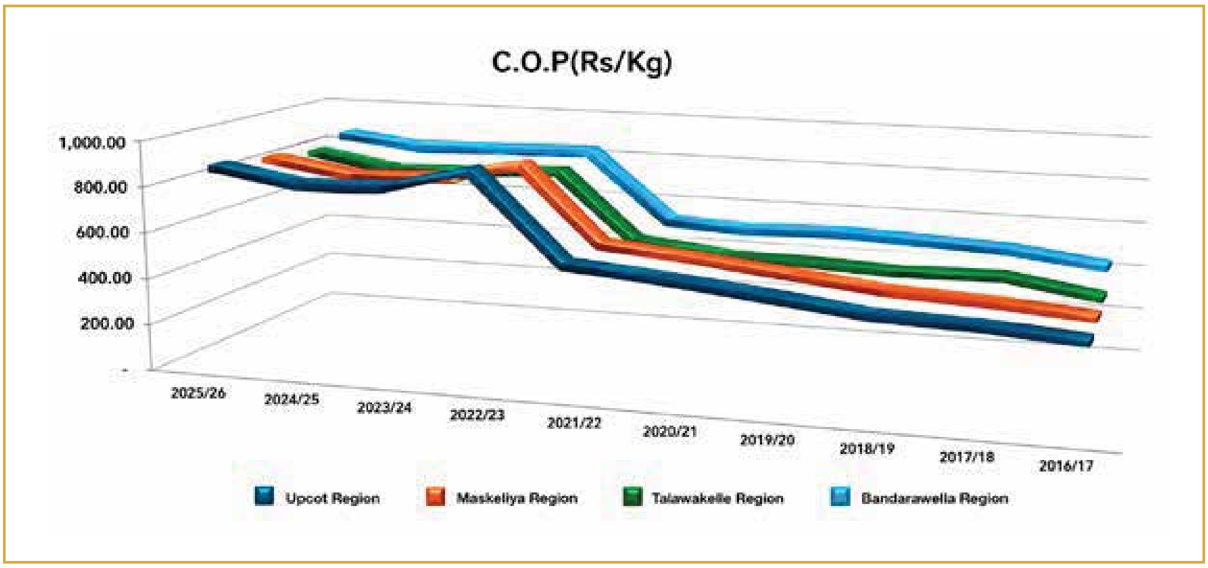


MASKELIYA

|Board Profiles

GRI 2-9

DR. SENA YADDEHIGE

Chairman

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

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

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

His repertoire of innovations and developments includes contactless sensor technology and drive by wire systems. Furthermore, as a radiation specialist, Dr. Yaddehige is also the creator of several other technologies and components in radiation processing, for which he owns several patents from around the world. Locally, he holds the patent for slow release fertiliser, which provides relatively better results than quick release fertilisers while being a safer alternative for the environment. Dr. Yaddehige also pioneered the development unit for Lithium batteries in Sri Lanka.

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

MR. SHAMINDA YADDEHIGE

Director

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

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

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

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

DR. SARATH SAMARAWEERA

Director

Dr. Sarath Samaraweera is an Honours graduate in Mechanical Engineering with 56 years involvement in Tea Industry in Sri Lanka. He holds a Doctorate from the University of London, Imperial College of Science and Technology. He is a Chartered Engineer.

As the Development Engineer of the Tea Research Institute, he was responsible for the development of first-ever Fluidized Bed Dryer for Tea. He was the Technologist and Assistant Director of the Institute till 1990. He then joined the private sector, first in South Africa and then with Tea Smallholder Factories PLC, a subsidiary of John Keells Holdings PLC Colombo, as the Head of Operations before retiring in 2011.

He was a Commissioner of the "Presidential Commission of Inquiry into problems facing the Tea Industry and Trade", famously known as the "Kelegama Commission". Over the decades, he has provided consultancy services to many state and industry institutions leading to improvement of tea processing sector in Sri Lanka. He was the National Consultant to the UNDP-

GEF Mid Term Review of NAMA in the Energy Generation and End-User Sectors in Sri Lanka. In 2019 and in 2020, he undertook consultancies for GIZ "Powering for Agriculture" on several projects related to the industry drive towards environmentally sustainable tea industry in Sri Lanka.

He continues to serve many Consultative Committees of the Tea Research Board. He is an Honorary Member of the Colombo Tea Traders Association and functions the Committee as an Industry Expert. He is also an Honorary Member of Sri Lanka Tea Factory Owners Association and an Honorary Life member of the Institution of Engineers Sri Lanka.

MR.LASANTHA WICKREMASINGHE
Director

Mr. Lasantha Wickremasinghe, is a fellow member and a past president of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and a fellow member of the Association of Accounting Technicians of Sri Lanka (AAT).

Mr. Wickremasinghe is a Partner at B. R. De Silva & Co. Chartered Accountants, a member firm of Nexia International. He also holds several positions, including Senior Independent Non-Executive Director at Commercial Credit & Finance PLC; Independent Director at Colombo Fort Investments PLC and Harischandra Mills PLC; and member of the Board of Management of the Api Wenuwen Api Fund.

MR. ADRIAN PERERA
Director

Mr. Adrian Perera is a Fellow Member of ACCA (UK), Fellow member of CIMA (UK) ,Chartered Global Management Accountant , Fellow Member of the Certified Management Accountants of Sri Lanka, the National Management Accounting Body, Associate Member of the Institute of Charted Accountants of Sri Lanka ,an Associate Member of the Institute of Bankers of Sri Lanka, Life Member of the Association of Professional Bankers of Sri Lanka, Fellow and Founder Member of the Certified Professional Managers of Sri Lanka, Founder member of the Commonwealth Association of Accountants and he has a Master's degree in Business Administration from the Post Graduate Institute of Management, University of Sri Jayawardenapura, Executive Diploma in Business Administration from University of Colombo, Post Graduate Diploma in Diplomatic and World Affairs from BIDTI the National Diplomatic Training Institute and a Registered Company Secretary, member of the Sri Lanka Institute of Directors and have attended training programs locally and internationally extensively. He was the former Chairman of ACCA Sri Lanka and was a Governing Council Member of the Certified Management Accountants of Sri Lanka the National Management Accounting body and CIMA (UK) Sri Lanka division.

He has over 30 years' of experience in Banking, Finance, Treasury, Hospitality, agriculture, Manufacturing and Information Technology ,he was the Group CEO of Thinnvali Hotels (Jaffna) and Thinnai Farms (Jaffna) and Director of Sascon Property Development Ltd & Sascon Holdings Pvt Ltd, former Director/ Audit Committee Chairman of Britex Holding Ltd a construction material manufacturing Co with brands that have been in the market for over 50 years and former Director Corporate Affairs of OASIS Hospital Ltd now renamed as Kings Hospital Ltd. Previously he was the COO of Equicapital Investment Ltd and was instrumental in setting up of the first overseas Investment for Lanka ORIX, the founder Chief Executive Officer of Lanka Rating Ltd former RAM Ratings Lanka, Director Kelsey Development PLC ,Audit Committee Chairman and RPT Committee Member, George Stuarts Assets Management Ltd as Audit Committee Chairman and member of Investment Committee. Mr.A Perera is also an Independent Non-Executive Director at Colombo Land & Development PLC and also serves as the Chairman of the Audit Committee, Remuneration Committee,RPT Committee and Nomination and Governance Committee.

Charter Vice President Public Relations CIMA(UK) Sri Lanka division Toast Masters Club, was the Chairman of the CIMA Library Committee, Vice President and Assistant Treasurer of the Organization of Professional Association, which is an Association consisting of 48 Professional Associations was the chairman of Publicity and Journal Committee of CMA and was a frequent paper presenter at the South Asia Federation of Accountants conferences in Sri Lanka, Bangladesh, Pakistan, India and Nepal and was a frequent economic commentator of the future Sri Lankan economic land scape to the local media and Bloomberg.

MR. SUDHEERA EPITAKUMBURA
Director

Sudheera Epitakumbura is the Head of Finance of Richard Pieris and Company PLC who joined the Company in 2009 as Group Management Accountant and subsequently discharged duties as the Financial Controller of the Plantation Sector and was elevated to the position of Deputy Group Chief Finance Officer until he takes up the current position as Head of Finance.

Sudheera is a Fellow Member of Institute of Charted Accountants of Sri Lanka and Associate Member of the Association of Chartered Certified Accountants (UK). He was graduated in 2001 from the University of Sri Jayewardenepura with B.Sc. Business Administration (Special) Degree.

He has gained experience in the field of Finance and Auditing more than 25 years.

|Key Personnel - Head Office

Mr. VIPULA PUSSELLE
Chief Executive Officer

Mr. Vipula Pusselle holds a diploma from the National Institute of Plantation Management and a certificate in Leadership and Human Resource Management from the Administrative Staff College of India, Hyderabad. He began his career in 1984 as an Assistant Superintendent under the Janatha Estate Development Board.

He served as an Assistant Superintendent across estates in Nuwara Eliya, Bogawantalawa, and Talawakelle before being promoted to Superintendent at Glentilt Estate in 1994. He was elevated to Group Manager in 2009 and joined the corporate management team of Maskeliya Plantations PLC in 2012 as Deputy General Manager.

With over four decades of experience in the tea industry, Mr. Pusselle has served numerous estates within Maskeliya Plantations in various capacities. He has held the post of Chief Executive Officer of Maskeliya Plantations PLC since 2023, discharging his duties with deep dedication and commitment in driving towards the company's impressive performance.

- Mr. Y D Laksiri - Sector Financial Controller
- Mr. H K Caldera - Finance Manager
- Mr. H M B M Jayathilake - Senior Accountant
- Mr. R M S S Herath - Manager Information Systems
- Mr. L P Tennakoon - Manager Plantations
- Mr. M P Bandara - Manager Forestry
- Mr. J P Gallappaththi - Manager Coffee
- Mr. M D C A Gunathilake - Manager Marketing
- Ms. K A Weerakkody - Assistant Manager
- Mr. K S Piumantha - Assistant Accountant

Key Personnel - Estates

Talawakelle
Deputy Chief Operating Officer - Mr. I A A D Weerakoon
Deputy Manager - Mr. T M N D B Tennakoon
Asst. Superintendent - Mr. M M V N B Manathunga

Glentilt
Superintendent - Mr. D D M C Dunusinghe
Asst. Superintendent - Mr. A M Wanasinghe
Mr. S M A D B Samarasekara

Hapugastenne
Senior Asst. Superintendent - Mr. C M Wanasinghe (In Charge)

Laxapana
Deputy General Manager - Mr. T N B Herath
Asst. Superintendent - Mr. K M L Sandaruwan
Mr. A U D Atigodage

Moray
Superintendent - Mr. M H B Galahitiyawa
Asst. Superintendent - Mr. D A I De Silva
- Mr. W A I A Gunasekara

Ferham
Deputy Manager(In Charge) - Mr. D W Gunawardana
Asst. Superintendent - Mr. A K Wijayabandara

Ampittiakande
Superintendent - Mr. A R M D C Abeykoon
Asst. Superintendent -Mr. K M N T Kapukotuwa

Brownlow
Superintendent(Acting) - Mr. W S K Sri Colambage

Leangawella
Superintendent(Acting) - Mr. K A H L Kumarasinghe

Brunswick
Superintendent - Mr. J M N M Jayaweera
Asst. Superintendent - Mr. G D N K Premarathna
Mr. K H M S T Herath
Mr. P M A A Samarasinghe

Glenugie
Superintendent - Mr. H M T K Houpe
Asst. Superintendent - Mr. M M T D B Yalegame

Mocha
Superintendent - Mr. U M C Wijerathne
Asst. Superintendent - Mr. H P K Dilshan
Asst. Superintendent - Mr. E K D Z Abesekara

Moussakellie
Superintendent - Mr. W A K G Wimalasena
Asst. Superintendent - Mr. R Harshan
Mr. H P R R C Bandaranayake

Strathspey
Superintendent - Mr. S E B Madugalla
Asst. Superintendent - Mr. W G V D Weerasinghe
Mr. Y G M N Jayasooriya

St. Clair
Superintendent - Mr. S M N S Dassanayake
Asst. Superintendent - Mr. S M Dimbulana

Troup
Superintendent - Mr. V C Hewage

Craig
Superintendent - Mr. B V G Madushanka
Asst. Superintendent - Mr. P K M Perera

Poonagalla
Superintendent - Mr. W D R Amarasinghe
Asst. Superintendent - Mr. W D Wijaykumar

Company Operational Highlights

For the financial year ended March 2026, Maskeliya Plantations PLC demonstrated strong operational discipline and estate management across its portfolio. Total made tea output reached 6.4 million kg across a total revenue extent of 5,352.22 hectares, yielding an average productivity rate of 1,160 kg/ha.

Financially, the operational model delivered robust margins, realizing a company-wide Net Sale Average (NSA) of Rs. 1,051.27/kg against a Total Cost of Production (COP) of Rs. 854.53/kg. This produced a healthy operational margin of Rs. 200.38/kg, equivalent to an average estate profit of Rs. 232,450.22 per hectare.

Maskeliya Plantations continued its focus on enhancing operational efficiency and maintaining cost discipline across its plantation operations. Strategic priorities included improving plucking and harvesting productivity, strengthening field maintenance, and enforcing sound agricultural practices to sustain crop quality and long-term yields.

The Company also emphasized soil nutrition and mature area management to support the health and productivity of tea fields. Additionally, strict estate-level administrative cost controls contributed to improved overall cost management.

Furthermore, enhancements in tea processing, manufacturing, and transport practices ensured the efficient conversion of green leaf into high-quality made tea. The Company's focus on labor productivity, resource optimization, and operational cost control underscores its commitment to sustainable and efficient plantation management.

Exceptional Performance of Talawakelle Estate

The financial and operational evaluation highlights Talawakelle Estate as key revenue drivers within the corporate portfolio. Operating in high-grown regions, this Estate delivered exceptional productivity, disciplined cost control, and superior price realization relative to company benchmarks.

Talawakelle Estate stood out as the portfolio's top operational performer. Its competitive edge stems from strict cost management and high field productivity, which contained harvesting and upkeep expenses. Combined with market-leading factory processing that secured top-tier pricing, Talawakelle generated an unmatched profit margin and profit per hectare, significantly outpacing expectation.

Under the leadership of Mr. Iroshan Weerakoon, Estate Superintendent and Deputy Chief Operating Officer of the Company, Talawakelle Estate consistently delivered exceptional financial results. During the year under review, the estate generated a profit exceeding Rs. 200 million and has accumulated over Rs. 1 billion in total profit over the past five years.

Performance of Moray Estate

Moray Estate maintained strong land productivity alongside well-controlled factory overheads and overall COP. Supported by favorable price realization at auction, Moray delivered solid operating margins and profitability per hectare that substantially outperformed corporate baselines. Notably, Moray has achieved over Rs. 100 million in profit annually for the past four consecutive years.

Development and Technological Initiatives

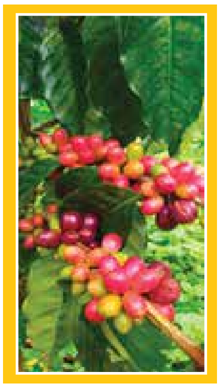
The continuous modernization of estate operations remains essential for enhancing operational efficiency, product quality, and long-term sustainability. Recent strategic initiatives across our estates reflect a clear commitment to infrastructure upgrades, technology integration, and process automation.

A primary pillar of this strategy focuses on capital investment in factory infrastructure. Continuous improvements across the factories in Talawakelle Estate optimized production workflows and elevated quality control standards. In parallel, the factory reroofing project at Moray Estate provided critical asset protection—ensuring weatherproofing, enhanced safety, and structural longevity for core manufacturing facilities.

Beyond traditional infrastructure improvements, the integration of modern agricultural and industrial technology represents a transformative step forward. Deploying drone technology for chemical spraying revolutionized field operations by enabling precise, targeted applications, reducing chemical waste, and minimizing occupational exposure for manual workers. Furthermore, initial factory automation initiatives streamlined manufacturing processes, improved product consistency, and optimized labor productivity.

Crop Diversification

Coffee Cultivation Maskeliya Plantations PLC is actively transforming its traditional agricultural model through a strategic coffee cultivation program across its estates. Designed as a long-term diversification initiative, this project aims to enhance land productivity, reduce reliance on tea production, and unlock higher profit margins through specialty coffee. By strategically integrating coffee into its land footprint, the Company is building a resilient, dual-crop model that strengthens its revenue base while optimizing land utilization across diverse growing regions.



The foundation of this strategy was established during the 2022/2023 planting program, marking the initial push into large-scale cultivation. Utilizing a mono-crop system, the Company planted 224,249 coffee plants across 84.3 hectares spanning 18 estates. Currently, 165,957 of these plants have survived and matured, bringing the crop to its commercial bearing stage in the 2026/2027 financial year. This milestone marks the commencement of commercial harvesting and the Company's first direct financial return on its coffee investment, backed by encouraging vegetative health and promising yield potential.

Building on this momentum, the 2023/2024 planting program introduced an inter-planting system designed to maximize existing agricultural infrastructure. Focusing heavily on two estates in the Bandarawela region, the Company planted 232,500 coffee trees across 100 hectares within existing seedling tea fields. This dual-crop model has proven highly effective maximizing land productivity and generating an additional income stream without disturbing ongoing tea development. Expansion continued in the 2024/2025 season with an additional 10,000 plants established across 4 hectares on a targeted estate; these young fields currently exhibit excellent growth and field establishment.

To date, Maskeliya Plantations PLC has successfully planted over 466,000 coffee plants across 188.3 hectares, establishing an operational footprint spanning multiple regions and field structures. As early acreage transitions into active commercial production and newer fields mature, the specialty coffee program stands out as a core driver of sustainable growth protecting the business against single-crop market volatility and positioning the Company as a forward-thinking player in high-value specialty agriculture.

Pears Cultivation

The Pears Cultivation Project at Leangawella Estate, Bandarawela, represents a strategic milestone in non-traditional crop diversification within the estate sector. The project optimizes available land, introduces commercially viable fruit crops, and generates new revenue streams alongside existing operations.

The initiative spans approximately 8.50 hectares divided into two primary blocks, housing a population of 4,000 pears trees. Block 1 was established in 2013, followed by Block 2 in 2018. As the plantation has reached maturity, between 2,000 and 3,000 trees are currently in their fruiting stage. With an average expected yield of 20 to 25 fruits per tree (approximately 5 kg per tree), the project has entered a stable commercial production phase.

To ensure optimal productivity, the estate follows a structured agronomic schedule. The annual cycle begins with flowering from February to March, leading to a two-month harvest window between late July and August. Soil health and plant nutrition are managed through scheduled fertilizer applications, starting with organic poultry manure in October, followed by targeted Yara fertilizer blends before flowering and after fruit set, and concluding with foliar sprays during May and June. Crop protection strategies combine motorized slashing for weed control, targeted chemical treatments for pests and fungal threats, and specialized protective covers imported from Thailand.

In terms of quality assurance and commercialization, the estate successfully secured Good Agricultural Practices (GAP) certification, ensuring strict adherence to food safety and sustainable farming standards. Harvested fruits are fitted with protective covers prior to distribution to preserve quality, with Arpico Super Centers serving as the primary retail channel. Although the project faces operational challenges notably adverse weather and market sensitivities regarding fruit grades and sizes management strategies remain focused on minimizing crop losses, refining harvest quality, and maximizing commercial returns.

Eco-Tourism

Sri Lanka's central tea country presents an exceptional portfolio of hospitality assets, seamlessly spanning refined colonial heritage and immersive eco-tourism. Across Moray Estate in Maskeliya, the Dimbula region in Talawakelle, and the Uva region in Bandarawela, four distinct properties The Fishing Hut, Blue Magpie, Devon Bungalow, and Mahakanda Bungalow collectively define the region's economic and experiential landscape. Rather than operating as isolated destinations, these properties form an integrated highland corridor capturing the historical, ecological, and geographical diversity of the tea country.

At the core of this portfolio lies a dual focus on historical preservation and biodiversity conservation. The heritage segment, anchored by the 1923-built Devon Bungalow (located opposite Devon Falls) and the Mahakanda Bungalow (on Ampittiakande Estate), showcases restored early 20th-century planter architecture featuring classic fireplaces, manicured lawns, and expansive views across rolling tea fields.

Complementing this historical architecture is the ecological segment situated along the border of the Peak Wilderness Sanctuary in Maskeliya. Here, Blue Magpie offers comfortable eco-tourism focused on endemic flora and fauna such as the Sri Lanka Blue Magpie alongside birdwatching trails and mountain streams. Further along the same estate, The Fishing Hut provides an authentic wilderness retreat, utilizing log construction, kerosene lighting, and zero mobile connectivity along the Baththulu Oya stream to deliver an off-grid digital detox and direct access for Adam's Peak trekkers.

Synthesizing these four assets creates a comprehensive travel itinerary transitioning from classic highland luxury to raw nature immersion. By bridging the Dimbula and Uva tea districts with the untouched rainforest ecosystems of Maskeliya, this unified estate network provides a cohesive destination experience that merges historic estate culture, specialized wildlife observation, and sustainable mountain adventure.

Value Creation

1.1.4. ORGANISATIONAL OVERVIEW AND VALUE CHAIN (SLFRS S1.32)

Maskeliya Plantations PLC recognizes sustainability as a strategic business imperative influencing long-term enterprise value creation. The company's tea cultivation and manufacturing operations are exposed to environmental, social, governance, market and climate-related risks that could reasonably affect cash flows, access to finance, operating performance and enterprise value.

This report has been prepared in alignment with IFRS S1 and S2 requirements and provides disclosures relating to governance, strategy, risk management and metrics and targets associated with sustainability related risks and opportunities.

The reporting period covers the financial year ending 31 March 2026 from 1st of April 2025 by taking reporting current period as the base year. Company's entire sustainability approach is linked to double materiality concept which is composed of financial materiality and impact materiality.

1.1.5. VALUE CREATION MODEL

Value creation model is based on eight quality management principles and needs and expectations of the stake holders. Entire focus is given to business risks management and identify potential opportunities for business to be sustainable. Some of the risks have been converted into opportunities.

Maskeliya plantations draw inspiration from some elemental forces such as adaptability, renewal and harmony. We believe our sustainable practices must nourish the present and secure the future with nature and history as our guide, we continue to innovate, adapt and thrive.

Maskeliya plantations adapt our farming practices to regenerate the land, conserve water and protect biodiversity. Nature has long been revered as a source of wisdom and resilience. Forefathers embodied the ingenuity and balance found in the natural world.

Our aim is to operate a socially just, environmentally sound and economically viable business entity.

GRI 2-6: Activities, Products, Services and Markets Served

Maskeliya Plantations PLC operates in the agricultural sector, specifically within the plantation and tea cultivation and manufacturing industry, with its operations focused on the cultivation, processing, and production of tea, timber and other agricultural crops.Maskeliya Plantations PLC is principally engaged in the cultivation, processing, manufacturing, marketing and sale of highquality Ceylon tea. Operations comprise estate cultivation, factory processing, logistics, and sales through the Colombo Tea Auction, indirect exports and strategic customer partnerships.

The Company's principal products include:

- Orthodox Black Tea
- Rotorvane Tea
- Premium Ceylon Tea Grades
- Bulk Tea for Export Markets

Primary markets served include:

- Colombo Tea Auction

Markets Served Through Buyers:

- Middle East
- Russia & CIS
- Europe
- North America
- AsiaPacific
- Other international tea importing countries

GRI 2-6: Supply Chain

The Company's upstream supply chain includes:

- Tea planting materials
- Fertilizers
- Agrochemicals
- Fuel and energy suppliers
- Packaging material suppliers
- Machinery and spare parts suppliers
- Transport providers
- Certification bodies
- Technology providers

Support activities include procurement, governance, human resource management, research & development, quality assurance and sustainability management.

GRI 2-6: Downstream Entities

Downstream business relationships include:

- Colombo Tea Brokers
- Tea Auction Participants
- Exporters
- International Tea Buyers
- Brand Owners
- Overseas Distributors

- Retailers
- Logistics Companies
- Shipping Lines
- End Consumers

These partners create value through blending, packaging, branding, international distribution and retailing of Maskeliya Plantations' tea products.

Other Relevant Business Relationships

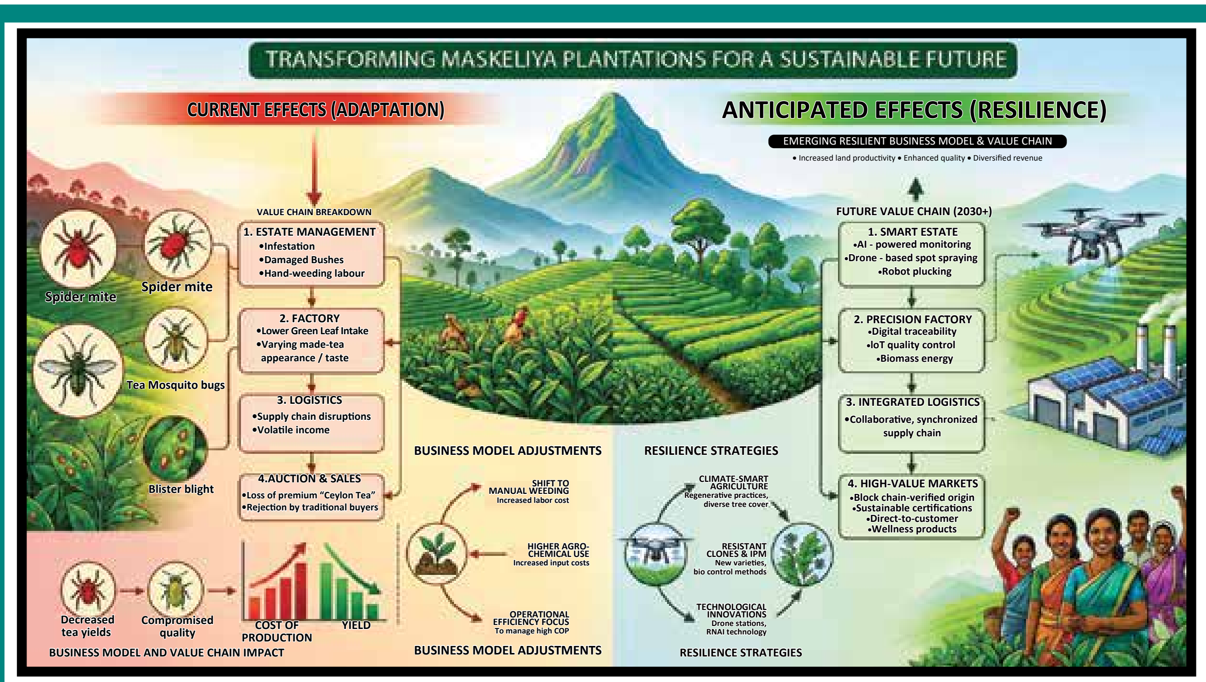
Maskeliya Plantations PLC maintains strategic relationships with:

- Financial institutions
- Government agencies
- Plantation Human Development Trust (PHDT)
- Department of Labour
- Tea Research Institute of Sri Lanka
- Sri Lanka Tea Board
- Certification bodies (Rainforest Alliance, ISO, GMP)
- Local communities
- Employee unions
- Shareholders and investors

These relationships support sustainable plantation management, responsible business conduct and longterm value creation.

GRI 2-6: Significant Changes Compared with the Previous Reporting Period

Compared to the previous reporting period of 31 March 2025, there were no material changes to the Company's principal activities, products, supply chain structure, downstream distribution channels or key business relationships compared with the previous reporting period, except for normal operational improvements in production efficiency, sustainability initiatives and customer engagement.



Current risks have been identified and measures are taken for the adaptation activities while resilience is managed by way of identification and mitigatory actions for the anticipated risks.

GRI 2-6 ACTIVITIES, VALUE CHAIN AND OTHER BUSINESS RELATIONSHIPS

MASKELIYA PLANTATIONS PLC VALUE CHAIN (2025/26)

Stakeholder Engagement

GRI 2-29

At Maskeliya Plantations PLC, our stakeholders are integral to our long-term success and resilience. We recognize that our business creates value through strong, transparent, and collaborative relationships with those who influence, or are influenced by, our operations. As a responsible plantation company, we are committed to maintaining meaningful engagement with our stakeholders to understand their expectations, respond to emerging challenges, and create sustainable value for all.

The evolving economic, environmental, and social landscape continues to reshape stakeholder expectations. In response, we adopt a proactive and structured stakeholder engagement approach that enables us to identify material issues, strengthen stakeholder confidence, enhance decision-making, and support the long-term sustainability of our business.

Our engagement process promotes open dialogue, mutual trust, and continuous improvement, ensuring that stakeholder perspectives are incorporated into strategic planning, operational management, and sustainability initiatives.

Stakeholder Engagement Process

Our stakeholder engagement framework follows a systematic five-step process that enables us to identify key stakeholders, understand their expectations, and respond effectively to matters that influence both our business and our stakeholders.

Identification of Key Stakeholders

The first step in our stakeholder engagement process is identifying stakeholders who have a direct or indirect relationship with the Company. Stakeholders are identified based on their involvement with our operations, their level of influence, and the extent to which they are affected by our business activities. Our key stakeholder groups include investors and shareholders, customers, employees, suppliers and business partners, brokers, local communities, and government and regulatory authorities. This identification process ensures that all relevant stakeholder groups are recognized and considered in our engagement approach.

Assessment of Stakeholder Influence and Expectations

Once stakeholders are identified, we assess each group based on their level of influence, interest, expectations, and strategic importance to the Company. The assessment considers their impact on business performance, involvement in achieving strategic objectives, expectations regarding our operations, and their potential contribution to long-term value creation. This process enables us to understand stakeholder priorities and ensure that engagement efforts are focused on addressing matters that are most significant to both the Company and our stakeholders.

Stakeholder Mapping

Stakeholder mapping is carried out to categorize stakeholders according to their level of influence and interest. This helps us determine the most appropriate engagement methods, communication approaches, and frequency of interaction required for each stakeholder group. Through effective stakeholder mapping, we are able to prioritize key relationships, allocate resources efficiently, identify potential risks and opportunities, and maintain constructive relationships with stakeholders who have a significant impact on our business operations and sustainability objectives.

Engagement and Communication

We maintain continuous engagement with stakeholders through structured communication channels that promote transparency, trust, and collaboration. Engagement is conducted through various platforms, including Annual General Meetings, investor meetings, financial and sustainability disclosures, customer discussions, employee meetings, training programmes, welfare committees, supplier and broker interactions, community consultations, regulatory meetings, site visits, audits, and grievance mechanisms. These engagement activities provide opportunities to understand stakeholder concerns, communicate our progress, gather feedback, and strengthen long-term partnerships.

Feedback Evaluation and Response

Stakeholder feedback is an important component of our decision-making and continuous improvement process. Feedback received through meetings, consultations, surveys, complaints, reviews, and ongoing dialogue is systematically evaluated to identify key concerns, expectations, and opportunities for improvement. The insights gained are incorporated into our governance practices, operational strategies, and sustainability initiatives. By responding effectively to stakeholder feedback, we aim to enhance performance, address emerging issues, improve stakeholder relationships, and create sustainable value for all stakeholders.

Our Commitment

At Maskeliya Plantations PLC, stakeholder engagement is not a one-time exercise but a continuous process embedded within our governance framework. By maintaining open communication, responding to stakeholder expectations, and integrating their perspectives into our decision-making, we strengthen our ability to deliver sustainable value while supporting the long-term prosperity of our stakeholders, our communities, and the plantation sector.

Stakeholder Group	How We Identify Our Stakeholders	Key Areas of Interest	Purpose of Engagement	Engagement Channels	Our Response
Investors & Shareholders	Shareholding records, investment relationships, regulatory requirements	Financial performance, governance, ESG performance, business strategy, risk management, dividend policy	To promote transparency, maintain investor confidence, and support informed investment decisions	Annual General Meeting (AGM), Annual and Quarterly Reports, Investor briefings, Colombo Stock Exchange disclosures, Company website	Ensure timely, accurate, and transparent disclosures while incorporating investor feedback into strategic and governance decisions.

Customers	Commercial relationships, long-term buyers, export markets	Product quality, food safety, ethical sourcing, traceability, sustainability certifications, reliable supply	To strengthen customer relationships, meet market expectations, and maintain long-term market access	Customer meetings, site visits, audits, certification assessments, product reviews, email and virtual meetings	Continuously improve quality, sustainability practices, and customer service based on customer requirements and market trends.
Employees	Employment relationships across estates and corporate operations	Fair remuneration, occupational health and safety, employee welfare, housing, training, career development, diversity and inclusion	To create a safe, inclusive, and productive workplace while supporting employee wellbeing and professional development	Employee meetings, Joint Consultative Committees, Trade Union discussions, Training programmes, Performance appraisals, Grievance mechanism, Internal communications	Foster an inclusive working environment by addressing employee concerns, investing in skills development, improving welfare, and ensuring compliance with labor standards.
Suppliers & Business Partners	Procurement processes, supplier registration, contractual relationships	Fair procurement, timely payments, ethical business practices, quality standards, responsible sourcing	To build responsible and mutually beneficial supply chain partnerships while ensuring sustainable procurement practices	Supplier meetings, Performance reviews, Contract management, Site visits, Audits	Promote ethical sourcing, strengthen supplier capabilities, monitor performance, and encourage continuous improvement.
Communities	Estate communities, neighboring villages, community organizations	Employment opportunities, education, healthcare, environmental stewardship, infrastructure development, community wellbeing	To create shared value, strengthen community relationships, and minimize social and environmental impacts	Community consultations, Development programmes, Awareness campaigns, Grievance channels, Stakeholder meetings	Support sustainable community development initiatives while addressing concerns through open dialogue and collaborative engagement.
Government & Regulatory Authorities	Statutory and regulatory obligations, industry affiliations	Regulatory compliance, taxation, labor regulations, environmental management, occupational health and safety	To ensure compliance with applicable laws and contribute to national economic and environmental priorities	Regulatory reporting, Meetings, Site inspections, Industry consultations, Formal correspondence	Maintain proactive engagement through timely reporting, regulatory compliance, and constructive collaboration with relevant authorities.
Brokers	Trading relationships, tea auction channels, market intermediaries, contractual arrangements	Product quality, market demand, pricing trends, supply reliability, ethical sourcing, compliance requirements, customer expectations	To maintain effective market access, strengthen trading relationships, understand market dynamics, and ensure alignment with customer and industry requirements	Broker meetings, Tea auction interactions, Market feedback discussions, Product quality reviews, Industry forums, Email and virtual communications	Maintain strong relationships with brokers through transparent communication, consistent product quality, timely supply, and responsiveness to market feedback while supporting sustainable value chain practices.

Materiality Assessment

GRI 3-1

Understanding Materiality

At Maskeliya Plantations PLC, materiality represents the sustainability matters that are most significant to our impacts on the economy, environment and people, including human rights, while also considering their relevance to our ability to create long term value. Materiality is viewed not merely as a reporting requirement, but as a strategic process that enables us to identify sustainability priorities, strengthen business resilience and support responsible tea cultivation while safeguarding the environment and the communities connected to our estates.

As a plantation company operating within Sri Lanka's tea sector, our value creation is closely connected with natural resources, employees and workers, estate communities, customers, suppliers, investors, regulatory authorities and the broader agricultural ecosystem. Accordingly, our materiality assessment considers impacts, dependencies, risks and opportunities across our activities and relevant business relationships.

The assessment is guided by the Global Reporting Initiative (GRI) Standards, including GRI 3: Material Topics 2021 and applicable sector considerations, together with relevant regulatory requirements, stakeholder expectations and other sustainability reporting considerations. The Company also applies a Double Materiality Assessment approach, considering both the significance of the Company's impacts and the potential influence of sustainability matters on long-term value creation.

Materiality Assessment Methodology

Maskeliya Plantations PLC follows a structured five stage materiality assessment process to identify, assess, prioritise and integrate sustainability matters into its business and reporting. The process considers the Company's plantation value chain, stakeholder perspectives, actual and potential impacts, sustainability-related risks and opportunities and relevant reporting requirements.

Topic Identification

The process begins by identifying sustainability matters relevant to Maskeliya Plantations PLC's activities and value chain. This includes tea cultivation and estate operations, workforce management, employee welfare, natural resource use, climate change, biodiversity, water, energy, waste, occupational health and safety, community relations, product quality, customers, suppliers, responsible business practices and governance.

Potential sustainability matters are identified using operational information, risk assessments, audits, regulatory requirements, plantation-sector trends, stakeholder expectations and relevant sustainability frameworks. The Company also considers applicable GRI Sector Standards and impacts commonly associated with the agriculture and plantation sector, together with matters relevant to its products and geographic locations.

Stakeholder Engagement

Stakeholder engagement forms an important input into the identification and assessment of material matters. The Company engages investors and shareholders through the AGM, investor engagements and corporate disclosures; customers through customer meetings, site visits, audits and product reviews; employees and workers through employee meetings, suggestion boxes, grievance mechanisms and internal communications; trade unions through meetings and discussions; suppliers and business partners through supplier meetings, reviews and audits; estate communities through consultations and grievance channels; and government and regulatory authorities through reporting, meetings, inspections and consultations.

Going forward, the Company will further utilize these established stakeholder engagement channels to obtain stakeholder views and ideas on sustainability matters and incorporate their perspectives into the identification and prioritization of material topics. This will enable broader stakeholder participation in determining the material topics of greatest significance to the Company and its stakeholders.

Relevance & Impact Analysis

The sustainability matters identified through the process are assessed to understand their relevance to the Company's activities and the significance of their impacts on the economy, environment and people, including human rights.

The assessment considers actual and potential, positive and negative impacts, together with their scale, scope, duration, affected stakeholders and geographic context. For negative impacts, the Company considers the severity of impacts, including scale, scope and irremediable character, and likelihood where the impact is potential. Human rights impacts receive particular consideration in accordance with the GRI approach.

The assessment also considers the Company's dependencies, sustainability-related risks and opportunities and their potential implications for operational continuity, financial resilience, competitiveness and long-term value creation.

Prioritization & Mapping

The outcomes of the impact assessment are used to prioritize sustainability matters according to their significance. The Company considers operational evidence, risk assessments, audit findings, regulatory requirements, sector considerations and management judgments when determining the relative priority of each matter. Stakeholder engagement is not currently used as a primary basis for determining material topics. The Company recognizes the value of stakeholder perspectives and intends to progressively strengthen stakeholder engagement in future materiality assessments to support the identification and prioritization of material topics.

The prioritized matters are mapped according to two complementary dimensions:

- **Significance to Maskeliya Plantations PLC's ability to create value**

  This reflects the extent to which sustainability matters influence operational continuity, business resilience, strategic objectives, financial performance and long-term growth.

- **Impact on Stakeholders and the Environment**

  This reflects the significance of the Company's actual and potential positive and negative impacts on employees, estate communities, customers, suppliers, ecosystems and other stakeholders throughout the value chain.

Integration into Strategy & Reporting

The identified material topics provide the foundation for Maskeliya Plantations PLC's sustainability priorities, management approaches and disclosures. Material matters are integrated, where relevant, into business planning, risk management, operational decision-making, policies, targets, performance monitoring and stakeholder engagement. For each material topic, the Company considers the relevant requirements of GRI 3-3, including the impacts identified, policies and commitments, actions taken to manage impacts, effectiveness of actions, targets and indicators, lessons learned and, where applicable, stakeholder engagement. The materiality assessment also supports the Company's broader long-term value creation approach. The identified topics are considered across the Company's six capitals to demonstrate how sustainability considerations are connected with the Company's business model, resilience and value creation.

Double Materiality Assessment

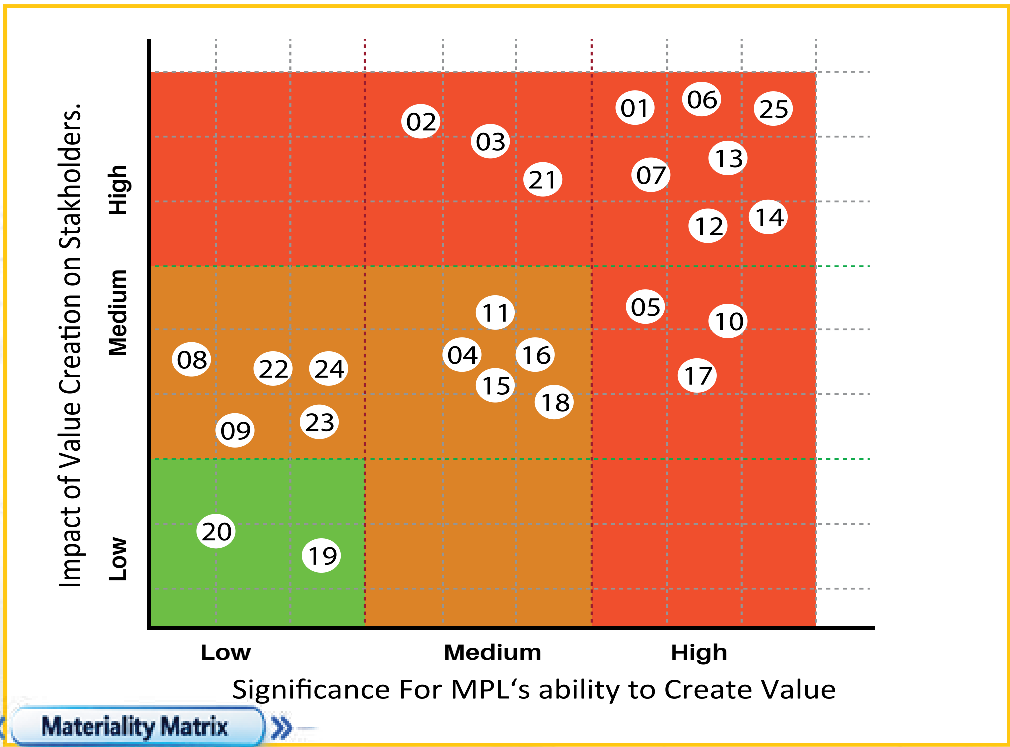
As a complementary perspective to the GRI impact materiality process, Maskeliya Plantations PLC considers sustainability matters from an impact materiality perspective. Impact materiality assesses how the Company's activities and relevant business relationships create actual and potential positive and negative impacts on the economy, environment and people, including human rights. This includes impacts associated with land management, biodiversity, climate change, water resources, employee wellbeing, community development, responsible agricultural practices and other aspects of plantation operations. Together, these considerations support the Company's Double Materiality Assessment while ensuring that the identification of GRI material topics remains grounded in the significance of the Company's impacts, as required by the GRI Standards.

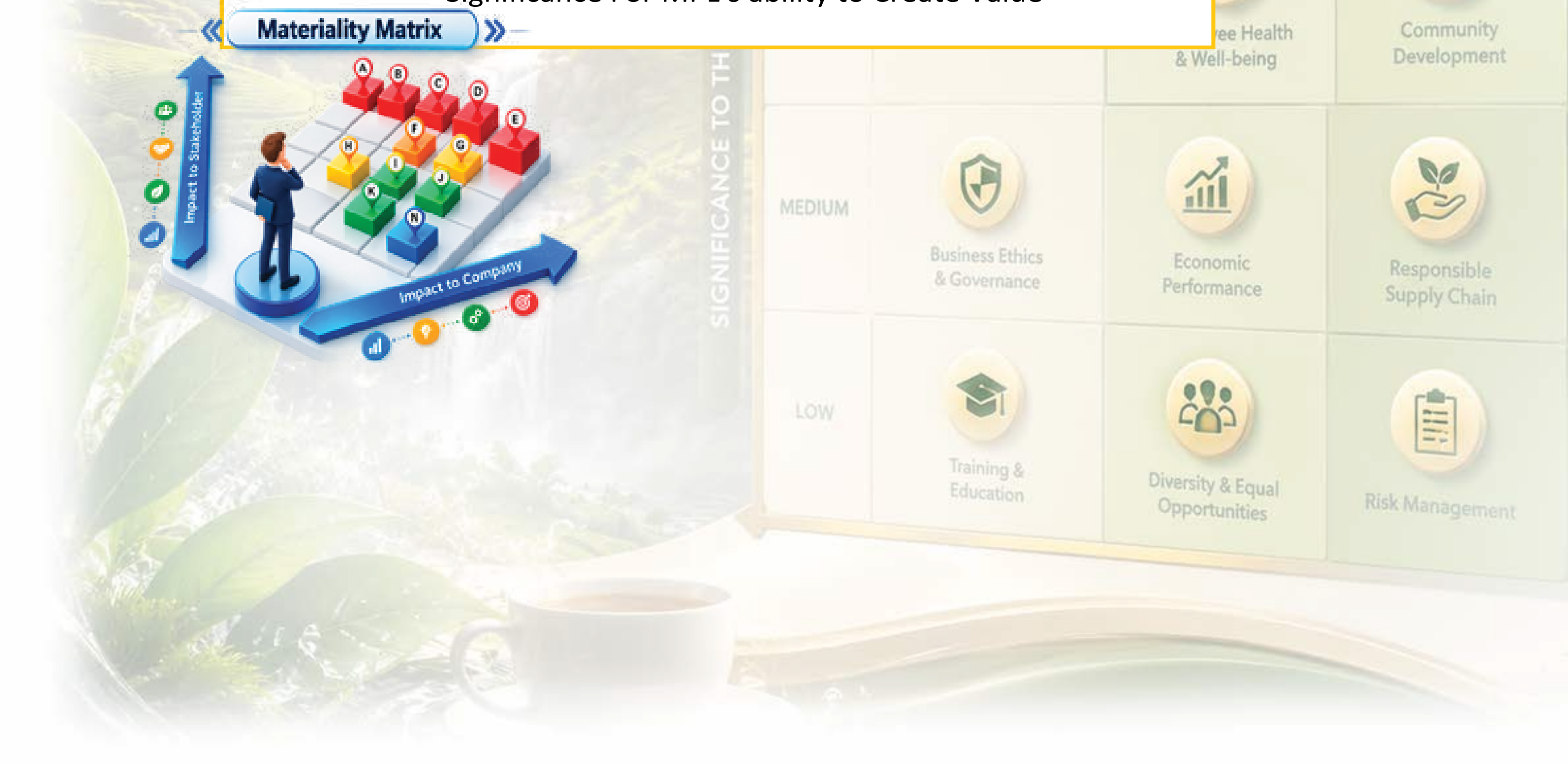
Materiality Matrix

The Materiality Matrix provides a visual representation of the priority sustainability matters identified through the assessment. It demonstrates the relative position of each topic based on:

- Impact on Stakeholders and the Environment
- Significance to Maskeliya Plantations PLC's Ability to Create Value

The matrix enables the Company to focus management attention and reporting on sustainability matters of greatest significance. The detailed material topics corresponding to the topics shown in the matrix are presented in the Double Materiality Assessment / Material Topics table.





GRI 3-2/3-3

Material Topic	GRI Disclosure / Standard	Why the Topic is Material	Topic Boundary	Management Approach	Impact Materiality	Financial Materiality	Double Materiality	Priority	Relevant SDGs
1. Economic Performanc	GRI 201	Influences profitability, economic value creation, business resilience and long-term sustainability.	Internal	Financial planning, productivity improvement, cost management and responsible value creation.	High	High	Yes	Very High	SDG 8, SDG 12
2. Market Presence	GRI 202	Fair wages, employment conditions and market positioning influence employees, communities and business competitiveness.	Internal & External	Fair employment practices, remuneration management and market competitiveness.	High	Medium	Yes	High	SDG 8, SDG 10
3. Indirect Economic Impacts	GRI 203	Plantation operations contribute to employment, livelihoods, infrastructure and economic development in estate communities.	Internal & External	Local employment, community investment and infrastructure development.	High	Medium	Yes	High	SDG 1, SDG 8, SDG 11
4. Pro-curement Practices	GRI 204	Responsible procurement affects local suppliers, supply-chain resilience, cost efficiency and ethical business practices.	Internal & External	Transparent procurement, supplier selection, responsible sourcing and payment practices.	Medium	Medium	Yes	Medium	SDG 8, SDG 12
5. Anti-Corruption	GRI 205	Corruption risks can affect business integrity, stakeholder trust, regulatory compliance and corporate reputation.	Internal & External	Code of conduct, anti-corruption controls, awareness, reporting and whistleblowing mechanisms.	Medium	High	Yes	High	SDG 16

6. Tax	GRI 207	Responsible tax management contributes to government revenue and supports regulatory compliance and financial sustainability.	Internal & External	Tax governance, compliance, accurate reporting and timely settlement of tax obligations.	High	High	Yes	Very High	SDG 8, SDG 16
7. Energy	GRI 302;	Energy availability, efficiency and cost influence operational performance and environmental impacts.	Internal & External	Energy efficiency, renewable energy, monitoring and reduction of energy consumption.	High	High	Yes	Very High	SDG 7, SDG 13
8. Water	GRI 303 / 13.7	Water is essential to tea cultivation and estate operations, while inefficient use can affect ecosystems and communities.	Internal & External	Water conservation, monitoring, efficient use, protection of water sources and responsible water management.	Medium	Low	No	Medium	SDG 6, SDG 12
9. Waste	GRI 306 / 13.8	Waste generation and disposal can affect soil, water, ecosystems, communities and operational efficiency.	Internal & External	Waste segregation, reduction, reuse, recycling, composting and responsible disposal.	Medium	Low	No	Medium	SDG 12
10. Emissions / Climate Change	GRI 305	Climate change and GHG emissions can affect crop productivity, ecosystems, operating costs and long-term resilience.	Internal & External	Emission monitoring, energy efficiency, renewable energy and climate adaptation measures.	Medium	High	Yes	Medium	SDG 7, SDG 13, SDG 15

11. Biodiversity	GRI 101 / 13.3	Plantation activities interact with natural ecosystems, habitats and biodiversity.	Internal & External	Biodiversity conservation, habitat protection, responsible land management and ecosystem monitoring.	Medium	Medium	Yes	Medium	SDG 13, SDG 15
12. Employ-ment	GRI 401	Employment practices directly affect workers' livelihoods, retention, productivity and estate operations.	Internal	Fair employment practices, employee welfare, retention and workforce planning.	High	High	Yes	Very High	SDG 1, SDG 2, SDG 5, SDG 8
13. Mate-rials	GRI 301	Efficient materials reduce costs and waste.	Internal & External	Efficient material use, responsible sourcing, waste reduction, and recycling.	High	High	Yes	Very High	SDG 12, SDG 13
14. Occu-pational Health & Safety	GRI 403 / 13.19	Plantation work involves occupational risks; effective safety management is essential to protect workers and maintain operational continuity.	Internal	OHS management systems, risk assessments, training, PPE, incident reporting and preventive measures.	High	High	Yes	Very High	SDG 3, SDG 8
15. Training & Education	GRI 404	Skills development supports employee capability, productivity, career progression and organisational resilience.	Internal	Technical, safety, leadership and professional development programmes.	Medium	Medium	Yes	Medium	SDG 4, SDG 8

16. Diversity & Equal Opportunity	GRI 405	Equal opportunity and inclusive employment practices contribute to a fair and productive workplace.	Internal	Equal opportunity, fair recruitment, career development and inclusive workplace practices.	Medium	Medium	Yes	Medium	SDG 5, SDG 10
17. Non-discrimination	GRI 406	Discrimination can negatively affect employee rights, dignity, wellbeing and workplace inclusion.	Internal	Non-discrimination policies, grievance mechanisms, awareness and fair employment practices.	Medium	High	Yes	High	SDG 5, SDG 10
18. Freedom of Association & Collective Bargaining	GRI 407	Respect for workers' rights and collective representation supports constructive labour relations.	Internal	Trade union engagement, employee representation, collective discussions and grievance mechanisms.	Medium	Medium	Yes	Medium	SDG 8, SDG 16
19. Child Labour	GRI 408 / 13.17	Preventing child labour protects fundamental human rights and strengthens responsible employment and supply-chain practices.	Internal & External	Employment controls, supplier requirements, monitoring and compliance with applicable labour laws.	Low	Low	No	Low	SDG 8, SDG 16
20. Forced or Compulsory Labour	GRI 409 / 13.16	Prevention of forced labour is fundamental to human rights and responsible employment practices.	Internal & External	Labour policies, contractual controls, monitoring and supplier requirements.	Low	Low	No	Low	SDG 8, SDG 16

21. Local Communi-ties	GRI 413 / 13.12	Estate operations have significant social and economic interactions with surrounding communities.	External	Community consultations, development programmes, grievance channels, livelihood and wellbeing initiatives.	High	Medium	Yes	High	SDG 1, SDG 3, SDG 8, SDG 11
22. Supplier Environ-mental Assessment	GRI 308	Supplier activities may create environmental impacts and influence the sustainability of the Company's value chain.	External	Supplier screening, environmental criteria, assessments, audits and improvement programmes.	Medium	Low	No	Medium	SDG 12, SDG 15
23. Supplier Social Assessment	GRI 414	Supplier labour and human-rights practices may affect people beyond the Company's direct operations.	External	Supplier due diligence, social criteria, assessments, audits and corrective actions.	Medium	Low	No	Medium	SDG 8, SDG 12
24. Marketing & Labelling	GRI 417	Accurate product information, responsible marketing and labelling support customer trust and market access.	External	Product information controls, customer requirements, certification and responsible marketing practices.	Medium	Low	Yes	Medium	SDG 12
25. Customer Health & Safety	GRI 416	Product safety and quality are essential to protect consumers, meet customer expectations and maintain market access.	External	Quality assurance, food safety controls, certification, audits, traceability and corrective actions.	High	High	Yes	Very High	SDG 3, SDG 12

Environmental, Social & Governance Report

Maskeliya Plantations PLC – Financial Year 2025/26

Maskeliya Plantations PLC continues to strengthen its commitment to sustainable and climate-resilient tea plantation management, integrating Environmental, Social and Governance (ESG) considerations into its estate operations and long-term business strategy. The Company's ESG approach is aligned with the GRI Universal Standards 2021, SLFRS S1, SLFRS S2 and the United Nations Sustainable Development Goals (UN SDGs).

Environmental Responsibility

Environmental stewardship is a key priority for Maskeliya Plantations, given the Company's operations across 18 estates located within Sri Lanka's central and Uva highlands, many of which are associated with ecologically sensitive landscapes, forests, streams, reservoirs and biodiversity-rich habitats.

The Company focuses on climate resilience, GHG emission reduction, sustainable energy, water conservation, soil health and biodiversity protection. Climate adaptation measures include improved drainage, soil and water conservation, replanting and infilling, sustainable agronomic practices and monitoring of climate-related risks.

Water sources across the estates are identified and protected through conservation programmes, buffer zones, vegetative barriers, fencing, riparian planting and regular water quality monitoring. The Company also implements soil conservation practices such as terracing, drainage systems, mulching, ground cover and vegetation-based erosion control.

Biodiversity conservation remains an important focus. Natural forests, wetlands, streams, water catchments, biological corridors and other high-value ecosystems are identified and protected. The Company maintains minimum 5-metre terrestrial and 10-metre aquatic buffer zones, while promoting natural regeneration and the protection of native species.

The Company is also promoting responsible agrochemical management and a 9R circular economy approach, including reduction, reuse, repair, refurbishment, repurposing and recycling of resources and waste.

Social Responsibility

Maskeliya Plantations recognizes its employees and estate communities as important stakeholders in achieving sustainable business growth. Its social priorities include employee wellbeing, fair wages, healthcare, nutrition, occupational health and safety, training, diversity and equal opportunity.

The Company promotes a zero-harm culture through occupational health and safety training, PPE, workplace risk assessments, factory safety controls and accident reporting and investigation procedures. Employee development is supported through technical, leadership and digital skills training.

Community development remains an important part of the Company's estate management model. Initiatives include estate housing improvements, childcare facilities, healthcare support, water connectivity, sanitation infrastructure and livelihood-related programmes.

The Company also promotes women empowerment and equal opportunity, with a strategic target to increase women in management by 40% by 2032.

Governance & Responsible Business

Maskeliya Plantations continues to strengthen ESG governance through transparent reporting, regulatory compliance, responsible procurement, risk management, ethical business practices and stakeholder engagement.

The Company's sustainability practices are supported by specific policies covering ecosystem conservation, wildlife protection, agrochemical management and supplier evaluation. Supplier and service-provider selection considers quality, reliability, delivery, compliance and sustainability-related requirements, while social and environmental assessments are conducted for contractors operating within estate boundaries.

Climate-related risks and adaptation priorities are incorporated into the Company's environmental management approach to support the long-term resilience of plantation operations.

ESG Strategic Targets – 2032

Maskeliya Plantations has established measurable ESG targets to guide its sustainability journey:

ESG Area	2032 Target
GHG emission intensity	20% reduction
Renewable energy	20% increase
Water intensity	20% reduction
High-value biodiversity areas	100% conserved
LTIFR	100% reduction
Training hours	15% increase
Community beneficiaries	100% reach
Women in management	40% increase
Compliance	100%
Corruption	Zero cases
ESG-assessed suppliers	100%

These targets demonstrate the Company's intention to move beyond ESG compliance towards measurable improvements in environmental performance, employee wellbeing, community development and responsible governance.

Sustainability Related Disclosures

Sustainability Related Financial Disclosures and Sustainability Related Climate Disclosures

A. Notes to the report

a. Responsibility of establishment of procedures, implementation, monitor, review and setting objectives and targets has been entrusted with the sustainability team as empowered by the board of directors. Decisions taken by the sustainability team should be in consistence with board level policies and objectives set by the board of directors for the corresponding year. Sustainability team reports the progress to the board biannually.

b. Maskeliya Plantations PLC has considered the reporting year (2025/2026) as the base year as per the guidance circulated by the chartered accountants of Sri Lanka (CA) Ref: TEC/ACC/2024/03/01 07 March 2024. Maskeliya Plantations PLC is voluntary adapting SLFRS S1 and SLFRS S2 for 2025/26 as and early adoption.

c. In the base year, fully compliance to legal requirements is ensured and GHG quantification was done based on the data and information recorded and audited in the reporting year was done by independent auditors.

d. Fully compliance to other requirements specified in SLFRS S1 and SLFRS S2 will be ensured from 2026/2027 reporting year and detailed plan of action has been illustrated and it is evident in this report

e. Evidence for implementation will be found in 2026/2027 annual report.

1. Objective

The primary objective of implementing the SLFRS S1 standard on Maskeliya Plantations PLC is to provide institutional investors, lenders, and creditors with decision-useful, financially material information regarding the company's sustainability-related risks and opportunities.

By adopting this standard, Maskeliya Plantations PLC aims to systematically bridge the gap between traditional agricultural operations and long-term financial resilience.

a. Facilitate Informed Capital Allocation

- **Assess Cash Flows**: Help investors understand how environmental shifts directly alter future cash flow predictability.
- **Evaluate Capital Costs:** Provide transparent metrics that credit institutions need to gauge credit risk and determine borrowing costs.
- **Attract Green Capital**: Position the company favorably for foreign and local climate-aligned investments via standardized disclosures.

b. Disclose Financially Material Sustainability Factors

- **Climate Vulnerability:** Quantify how extreme weather patterns and changing rainfall affect crop yields in key plantation districts like Maskeliya, Upcot, Talawakelle, and Bandarawela.
- **Resource Optimization:** Inform stakeholders about water consumption, soil management strategies, and agrochemical usage metrics.
- **Labor Sustainability:** Frame human capital metrics such as estate worker welfare, wages, and labor availability as direct financial risk factors.

c. Establish Structured Governance and Strategy

- **Board Accountability:** Mandate that the Board explicitly oversee, manage, and sign off on material sustainability risks before public submission.
- **Strategic Integration:** Align traditional Corporate Social Responsibility (CSR) initiatives with global, financially quantified risk-management strategies

Objective of implementing the SLFRS S2 standard on Maskeliya Plantations PLC is to ensure the company discloses clear, material information about its climate-related risks and opportunities.

This climate-specific standard operates alongside SLFRS S1 to give investors, lenders, and creditors financial insights into how climate change impacts the company's business model, strategy, cash flows and value chain.

d. Disclose Climate-Related Risks and Opportunities

- **Physical Risks:** Quantify how extreme weather events (such as prolonged droughts, floods, or landslides) and shifting monsoon patterns physically disrupt tea cultivation and processing across its estates.
- **Transition Risks:** Address the financial implications of shifting toward a low-carbon economy, including regulatory changes by CA Sri Lanka and new international carbon policies.

- **Climate Opportunities:** Detail cost savings and revenue opportunities emerging from resource-efficient practices, such as shifting to renewable biomass for tea drying or utilizing precision agriculture.

e. Standardize Reporting Across Core Pillars

SLFRS S2 forces the plantation's climate disclosures into a rigid, globally accepted structure:

- **Governance:** Formally document the specific processes, controls, and board-level oversight used to monitor climate risks.
- **Strategy:** Describe how identified climate variables alter the company's short-, medium-, and long-term financial planning.
- **Risk Management:** Outline how climate risk identification is systematically intergrated into the broader corporate risk management matrix.
- **Metrics and Targets:** Track progress against strict environmental milestones, using sectoral guidance to account for estate-level performance.

f. Track and Mitigate Greenhouse Gas (GHG) Emissions

- **Scope 1 & 2 Accounting:** Establish clear accounting for direct emissions from owned sources (e.g., estate transport, machinery) and indirect emissions from purchased electricity.
- **Scope 3 Readiness:** Prepare the value chain to track upstream and downstream emissions (e.g., global shipping and distribution), aligning with local regulatory timelines. Scope 3 emissions are not covered this reporting year.
- **Transition Plans:** Formulate and publish verifiable carbon reduction pathways that satisfy the integration roadmaps outlined by the Colombo Stock Exchange

1.1. Basis of Preparation

1.1.1. Compliance With SLFRS Sustainability Disclosure Standards

Prepared in accordance with SLFRS S1 and SLFRS S2– General Requirements for Disclosure of Sustainability-related Financial Information and general requirements for disclosure of sustainability related climate information.

Compliance with SLFRS Sustainability Disclosure Standards

The sustainability report of Maskeliya Plantations PLC has been prepared in accordance with the SLFRS S1 and S2 standards localized to reflect ISSB standards by the Institute of Chartered Accountants of Sri Lanka. Transitional reliefs applied under the localized SLFRS Sustainability Disclosure Standards has been included in Appendix I of this report.

Disclosure topics in the Sustainability Accounting Standards Board (SASB) standards have been referred to and considered when preparing this report.

1.1.2. Connectivity with Financial Statements (Reporting Period, Reporting Entity and Presentation Currency)

The sustainability report has been prepared for Maskeliya Plantations PLC which is prepared in accordance with the Sri Lanka Financial Reporting Standards (SLFRS), IFRS Accounting Standards in Sri Lanka. This report covers the financial year ended 31 March 2026 and is aligned with the reporting period of the related consolidated financial statements.

The company defines time period based on when the climate-related risks and opportunities could reasonably be expected to occur. As of the end of the reporting period the following time-periods were identified which align with the timelines used for strategic decision-making:

- Short Term (below 3 years)
- Medium Term (3 to 10 years)
- Long Term (over 10 years)

The sustainability-related financial disclosures cover the same reporting entity as the related consolidated financial statements. The reporting entity comprises 18 estates and head office. In preparing these sustainability-related financial disclosures, the company has assessed its own operations and its value chain which includes, amongst others, the joint ventures and associates of the company.

The presentation currency of the sustainability-related financial disclosures is Sri Lankan Rupees (LKR), which aligns to the presentation currency used in the consolidated financial statements. Unless specified otherwise, all amounts are rounded to the nearest million.

1.1.3. First Time Adoption of IFRS Sustainability Disclosure Standard and Transition Reliefs

The company is reporting under the SLFRS Sustainability Disclosure Standards for the first time for the annual reporting period ended on 31 March 2026. It has applied the following standards for its annual reporting period commencing 1 April 2025:

- SLFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'
- SLFRS S2 'Climate-related Disclosures'

As of 31 March 2026, there are no other IFRS Sustainability Disclosure Standards issued by the ISSB. However, company has disclosed both financial related risks and opportunities and climate related risks and opportunities which are reasonably expected to affect the company's prospects. When disclosing climate related risks and opportunities, under GHG quantification, scope 1 and scope 2 emission have been covered and scope 3 emission has not been taken into account this reporting year.

Climate resilience disclosures have not been covered as specified

In preparing disclosures to fulfil the requirements, Company has adopted an intergrated approach for governance and strategy for both S1 and S2 standards to avoid duplication in accordance with SLFRS S1. Oversight of sustainability- related risks and opportunities is managed on an integrated basis, the company has avoided duplication by providing integrated risk management disclosures instead of separate disclosures for each sustainability-related risk and opportunity.

IFRS Sustainability Disclosure Standards provide transition reliefs for the first annual reporting period in which an entity applies the standards. The SLFRS Sustainability Disclosure Standards issued by Institute of Chartered Accountants of Sri Lanka provide additional transition reliefs for issuers in Sri Lanka.

The Group has applied the transition relief where it is not required to disclose comparative information in the first annual reporting period.

2. Scope

The scope of SLFRS S1 and SLFRS S2 for Maskeliya Plantations PLC revolves around disclosing how sustainability and climate-related risks directly affect the company's financial performance, cash flows, and long-term enterprise value.

a. Scope of SLFRS S1: General Requirements for Sustainability-Related Financial Disclosures

SLFRS S1 requires Maskeliya Plantations PLC to disclose all material sustainability-related risks and opportunities across its entire value chain.

- **Reporting Boundary:** Disclosures must share the same reporting entity boundaries as the general-purpose financial statements, spanning across all its key production geographical segments including Maskeliya, Upcot, Talawakelle, and Bandarawela.

- **Social & Estate Community Relations:** The scope covers reporting on labor relations, fair wages, living conditions, health, and welfare safety for its expansive workforce.

- **Agricultural Supply Chain Integrity:** The company to identify risks relating to agricultural input access, fertilizer usage rules, and fairtrade requirements across the upstream and downstream value chain.

- **The Four Pillar Core Framework: For every identified material risk, reporting must cover:**
  - o Governance: The Board's explicit oversight mechanism for sustainability goals.
  - o Strategy: How sustainability risks alter corporate business planning and financial positions.
  - o Risk Management: The operational processes used to identify, assess, and mitigate risks.
  - o Metrics & Targets: Performance data showing real progress against localized sustainability benchmarks.

b. Climate-Related Disclosures

- **Physical Climate Risks:** Scope mandates disclosure on physical crop exposures. This includes erratic rainfall, extreme droughts, and soil erosion that harm tea leaf yields across the company's regional plantations.

- **Transition Risks:** Maskeliya Plantations PLC reports on the financial impact of shifting toward a low-carbon economy. This covers carbon tax laws, rising fuel costs for tea factory machinery, and strict clean energy guidelines.

- **Greenhouse Gas (GHG) Accounting:**
  - o Scope 1: Direct emissions from energy usage at production factories and company vehicles.
  - o Scope 2: Indirect emissions stemming from purchased national grid electricity used to power manufacturing plants.
  - o Scope 3: Value-chain emissions, such as tea transport logistics and distribution, if deemed financially material.

- **Climate Scenario Analysis**: The company models and reports its business resilience under multiple global temperature increase pathways, demonstrating how its crop output adapts to climate shifts

2.1. Reporting Boundary

2.1.1. Reporting Entity

The entities, assets and operations (referred to as the 'reporting entity') included in the company's sustainability report has been determined to reflect the full scope of the company's activities that could reasonably be expected to give rise to material sustainability-related risks and opportunities, including those arising across its value chain.

The reporting entity comprises of 18 tea estates and head office collectively referred to as the company. The organizational boundary adopted for the purposes of this report is informed by, but not identical to, the financial reporting boundary. While the company's consolidated financial statements for the year ended 31 March 2026 include all entities over which control is exercised in accordance with applicable accounting standards, the sustainability reporting boundary has been refined to focus on materiality that are most relevant from a sustainability risk and impact perspective. Materiality for the purpose of defining the reporting boundary has been determined based on a combination of ownership structure and the relative contribution of each estate to the company's consolidated financial performance, particularly in terms of net profit contribution. This approach ensures that the disclosures are decision-useful and focused on entities that have the most significant influence on the company's sustainability-related risks and opportunities.

The company also has entities, activities, resources, and relationships that form part of its value chain. These have been considered in assessing the sustainability-related risks and opportunities of the company. In the current reporting period, all metrics reported (except for GHG emissions) relate to the company's own operations.

2.1.2 Reporting Boundary for GHG Emissions

The company uses the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) the GHG Protocol') to measure its GHG emissions unless otherwise stated by SLFRS S2. The company uses the GHG Protocol Corporate Value Chain Standard 2011 ('Scope 3 Standard') to define the fifteen (15) Scope 3 categories as part of the requirement to disclose Scope 3 GHG emissions.

The company's reporting boundary for GHG emissions includes its organisational boundary and operational boundary.

a. Organizational Boundary

The company applies the operational control approach to establish its organisational boundary for the reporting of GHG emissions.

The company believes that the use of the operational control approach is the most appropriate method to measure the company's GHG emissions, considering that there are entities and assets outside the company's financial reporting group over which it has operational control.

b. Operational Boundary

Direct GHG emissions from sources that are owned or controlled by businesses and operations within the company's organizational boundary are reported as Scope 1 GHG emissions of the company. GHG emissions from the generation of purchased electricity consumed by these businesses and operations are reported as Scope 2 GHG emissions of the company. The company's relevant portion of other indirect emissions arising from its activities are reported as the company's Scope 3 GHG emissions. Scope 3 emissions have not been taken into consideration in this reporting year.

3. Conceptual Foundation

Maskeliya Plantations PLC is progressively aligning its sustainability strategy with the SLFRS S1 standard introduced by the Institute of Chartered Accountants of Sri Lanka. As a major agribusiness operating under the Richard Pieris Group, the company's financial resilience is intrinsically linked to environmental and social parameters.

Adopting the conceptual foundations of SLFRS S1 enables the organization to bridge the gap between traditional agricultural sustainability and financial valuation.

The key components of the SLFRS S1 conceptual foundation, custom-tailored to the business model of Maskeliya Plantations PLC, are structured below.

a. Determining Financial Materiality

Under SLFRS S1, information is deemed material if omitting, misstating, or obscuring it could reasonably influence the capital-allocation decisions of investors and lenders. Rather than reporting general corporate social responsibility (CSR) initiatives, Maskeliya Plantations PLC prioritizes sustainability factors that directly affect its cash flow, access to finance, or cost of capital.

Climate and Environmental Interventions: Severe shifts in microclimates across the western highlands directly drive tea yields. Material disclosures must connect physical climate disruptions (e.g., erratic rainfall patterns, droughts) to direct financial variables like crop damage, decreased revenue, and rising operational costs.

Socio-Economic Dynamics: The company manages a substantial workforce of thousands of employees across multiple estates. Worker retention, wage adjustments, and community infrastructure are financially material as they directly affect labor availability, productivity, and overall cost of production.

b. Ensuring Fair Presentation and Qualitative Characteristics

For sustainability disclosures to serve capital providers, Maskeliya Plantations upholds the standard's core qualitative constraints:

Relevance & Faithful Representation: Disclosures must transparently present both the positive advancements—such as Rainforest Alliance and negative material impacts, including rising crop-protection expenditures or workforce shortages.

Verifiability & Comparability: To ensure transparency, performance data (e.g., fuel consumption, fertilizer application metrics, or occupational health indices) are auditable by independent third parties. Using standardized metrics ensure that capital markets can reliably benchmark the company against regional peers.

c. Reporting Entity Alignment

The conceptual framework of SLFRS S1 mandates absolute uniformity across corporate report structures:

Identical Reporting Boundaries: The reporting entity defining the sustainability statements match the legal boundaries utilized in the Colombo Stock Exchange financial filings.

Consolidated Scope: The disclosures comprehensively capture all managed estates, operational factories, and supply chain networks included in the consolidated financial statements.

d. Integrating Connected Information

Linking Strategies to Capital Outlays: If the company deploys sustainable agricultural practices (e.g., soil conservation or water resource management), the disclosure explicitly connects these actions to future capital expenditures (CAPEX) or projected crop yields.

Consistency of Assumptions: The forward-looking assumptions, macroeconomic projections, and risk frameworks utilized in the sustainability narrative must accurately mirror the internal data models applied in the financial statement valuations and asset impairment tests.

e. Mapping the Value Chain

Maskeliya Plantations PLC documents the upstream and downstream vulnerabilities that could impact its commercial prospects:

Upstream Risks: Price volatility and availability of essential inputs, such as fertilizers, tea cultivars, and energy supply.

Downstream Risks: Logistics bottlenecks, changing compliance standards in major export markets, and changing buyers' preferences at the Colombo Tea Auctions.

Practical Implementation Framework for Management

To systematically apply these conceptual pillars, the sustainability team deploys the following mechanical sequence of actions:

Establish Multi-Disciplinary Governance: Create a dedicated oversight task force bridging estate superintendents and the corporate finance team to direct the sustainability reporting ecosystem.

Execute value chain materiality audits: Audit operations from nursery development through field harvesting up to factory shipping to flag every critical intersection point with environmental and social capital.

Quantify Financial Projections: Systematically track and isolate sustainability-linked expenses, detailing how specific climate vulnerabilities alter cash flows and operating margins over short-, medium-, and long-term horizons.

Synchronize Reporting Timelines: Align the internal data gathering schedules so that sustainability metrics are prepared, reviewed, and approved simultaneously with the annual financial statement release.

4. Fair Presentation

Fair presentation requires the company to faithfully represent all material sustainability-related risks and opportunities that could affect its cash flows, access to finance, or cost of capital over the short, medium, or long term.

The Core Concept of Fair Presentation

To meet the "fair presentation" threshold under SLFRS S1, Maskeliya Plantations PLC disclosed information that is relevant, materially complete, neutral, and free from error.

Complete Information Disclosure: The company disclosed its complete agricultural value chain, from tea bush nurturing and field harvesting to processing factories and logistics.

Materiality Assessment: Information is material if omitting it could influence investors' capital allocation decisions. For a Regional Plantation Company (RPC) like Maskeliya, fair presentation means identifying agricultural risks like soil degradation, fertilizer shortages, and labor vulnerabilities.

Financial Connection: Material sustainability disclosures has not been isolated in a separate marketing section. They have explicitly been linked back to the financial statements, demonstrating how sustainability impacts asset values, capital expenditure, and operating margins.

Climate-Related Fair Presentation

Under SLFRS S2, a fair presentation requires a detailed, structured look at climate-specific vulnerabilities using four core pillars: Governance, Strategy, Risk Management, and Metrics & Targets.

a. **Governance**

- **Sustainability team Oversight:** Disclose how the team monitors climate risks like changing rainfall patterns in Maskeliya, Upcot, Talawakelle, and Bandarawela.
- **Management Role:** Detail the exact roles responsible for addressing climate adaptation, such as estate superintendents executing rainwater harvesting or shade tree planting.

b. **Strategy**

- **Physical Risks:** Disclose short- and long-term financial impacts of severe weather events. For example, landslides blocking estate transit paths or droughts depressing crop yields for black tea processing.
- **Transition Risks:** Detail the economic impacts of shifts toward lower-carbon operations, such as escalating costs for eco-certified fertilizers or rising compliance fees.
- **Climate Scenario Analysis:** Test business resilience against localized climate pathways, assessing crop viability under a 1.5°C trajectory versus a high-warming trajectory

c. **Risk Management**

- **Risk Integration:** Describe the operational sequence for identifying, evaluating, and mitigating agricultural risks.
- **Prioritization:** Show how climate disruptions are systematically prioritized against standard financial liquidity risks within the corporate matrix.

d. **Metrics and Targets**

- **GHG Emissions:** Calculate and report Scope 1 emissions (e.g., fuel for factory boilers, transport) and Scope 2 emissions (purchased electricity from the national grid) using the GHG Protocol.
- **Specific Targets:** Establish explicit milestones for reducing carbon intensity, scaling biomass energy use, or expanding sustainable forestry holdings.

4.1. Fair Presentation Compliance Checklist

Reporting Layer	Standard Reference	Operational Requirement for Maskeliya Plantations PLC
Financial Integration	SLFRS S1	Explaining how climate trends affect biological asset valuations (bearer plants) on the balance sheet.
Comparative Data	SLFRS S1	Presenting previous-period sustainability metrics to provide full historical comparability.
Industry Standards	SLFRS S1	Utilizing SASB Agricultural Products Standards as explicit industry guidance.
GHG Protocol	SLFRS S2	Reporting absolute gross greenhouse gas emissions in metric tons of CO_2 equivalent.

Final Statutory Conclusion

Maskeliya Plantations PLC can only claim compliance and achieve fair presentation under SLFRS S1 and S2 by providing a connected, complete, and verifiable disclosure of its management-led governance, crop-resilience strategies, integrated risk practices, and quantified Scope 1 and Scope 2 GHG emissions data directly within its integrated annual report.

5. Materiality

At Maskeliya Plantations PLC, materiality represents the sustainability matters that are most significant to our ability to create long-term value while addressing the expectations of our stakeholders and the impacts arising from our plantation operations. Materiality is considered not merely as a reporting requirement, but as a strategic process that enables us to identify key sustainability priorities, strengthen business resilience and support responsible tea cultivation while safeguarding the environment and the communities connected to our estates.

As a plantation company operating within Sri Lanka's tea sector, our value creation is closely linked with natural resources, estate communities, employees, customers, suppliers and the broader agricultural ecosystem. Therefore, identifying and managing material topics allows us to better understand our dependencies, impacts, risks and opportunities across our value chain.

Our material topics represent the sustainability issues that influence our ability to create sustainable value while reflecting the concerns of our stakeholders, including employees, estate communities, customers, suppliers, investors, regulatory authorities and the environment.

Maskeliya Plantations PLC is highly exposed to material sustainability and climate-related risks due to its dependency on agricultural ecosystems across its 18 tea estates.

This material information fulfills the mandatory requirements of SLFRS S1 (General Requirements) and SLFRS S2 (Climate-related Disclosures), and governs the identification, prioritization, and assessment of material sustainability-related risks and opportunities.

Identify Sustainability Risks

Maskeliya Plantations PLC identifies risks across its four primary geographical segments (Maskeliya, Upcot, Talawakelle, and Bandarawela). The identification process evaluates impacts through its tea production value chain.

Physical Climate Changes: Shifting monsoon patterns and prolonged droughts directly alter the fair value of bearer biological assets and reduce annual crop yields.

Severe Weather Fluctuations: Extreme rainfall events trigger soil erosion and landslides in the steep central highlands, destroying tea bushes and estate infrastructure.

Critical Labor Shortages: A shrinking plantation workforce and escalating minimum wage pressures increase the cost of sales, directly challenging long-term commercial viability.

5.1. Materiality Assessment-GRI 3

SLFRS S2 Climate-Related Disclosures: Materiality Process and Judgement

Maskeliya Plantations PLC has established a Materiality Process and Judgement Framework under SLFRS S2 (Climate-related Disclosures) to identify and report climate-related risks and opportunities. As a prominent enterprise in the plantation sector, climate fluctuations directly affect biological assets, agricultural yields, and operating cash flows.

Under SLFRS S2, information is considered material if omitting, misstating, or obscuring it could reasonably be expected to influence decisions that primary users (investors, lenders, and creditors) make based on general-purpose financial reports.

5.1.2. The Materiality Process under SLFRS S2

Maskeliya Plantations PLC applies a structured, continuous 2-step process to define the boundaries and details of its climate-related financial disclosures:

This reporting year marks the first year for Maskeliya Plantations to prepare a sustainability report in accordance with SLFRS sustainability disclosure standards. Reasonably practical detailed materiality assessment was conducted by the sustainability team. This assessment was performed to identify sustainability-related risks and opportunities that could reasonably be expected to affect the company's prospects.

- **Step 1:** Identify sustainability-related risks and opportunities that could reasonably be expected to affect the Group's prospects over the short, medium, and long term.
- **Step 2:** Identify material information – determination of the disclosures which are needed in relation to the sustainability-related risks and opportunities identified.

5.1.3. Formulating Material Judgements

Materiality judgements require management to apply professional rational and deductive thinking and deep sector-specific context. Rather than relying solely on numerical thresholds, Maskeliya Plantations PLC has based its judgements on a combination of quantitative benchmarks and qualitative triggers.

Quantitative Judgement Drivers

- **Asset Impairment:** Climate shocks that threaten to reduce the value of Bearer Biological Assets (tea bushes) by a predetermined percentage of total assets.
- **Revenue and Cost Variance:** Weather irregularities that disrupt processing schedules and cause production variances exceeding budgeted cost parameters.
- **Capital Expenditure Thresholds:** Transition investments such as upgrading machinery for energy efficiency that exceed standard capital allocations.

Qualitative Judgement Drivers

- **Systemic Ecosystem Disruption:** Chronic shifts in rainfall patterns that structurally threaten the biological viability of specific estate elevations over the medium-to-long term.
- **Stakeholder and Market Expectations:** Shifts in international buyer preferences or strict ESG criteria imposed by global tea importers regarding carbon footprints.
- **Regulatory Compliance:** Requirements from the Colombo Stock Exchange (CSE) or national frameworks regarding mandated reporting timelines for listed companies.

5.1.4 Material Process in Detail

Step 1: Identify Climate-Related Risks and Opportunities (as mentioned in above para 5.1.2)

a. Understanding of Company's Operations and Resources and Relationships

i. Understanding the Company's Operations

Maskeliya Plantations PLC operates an extensive network of tea estates across key agro-climatic zones in Sri Lanka. This includes regions such as Upcot, Maskeliya, Talawakelle, and Bandarawela (Uva sector). Its core activities follow a **"Tip to Cup" operational model**, encompassing the cultivation, harvesting, processing, and sale of black tea, alongside commercial timber planting.

ii. Analyzing Group Resources

The company's underlying assets and resource base represent the core capitals used to generate sustainable corporate value. Land, soil, water and ecosystems as the natural capital, factories, machinery and infrastructure come under manufactured capital. Financial capital cover cash flow and capital allocation.

iii. Compliance to Legal Requirements

As a responsible corporate citizen, applicable statutory and regulatory requirements are adhered to, at all times.

iv. Mapping of Relationships

The company's value chain depends on an interconnected network of internal and external stakeholders. Human Capital & Estate Communities, Value Chain and Bought-Leaf Suppliers, Customers, Brokers, and Capital Markets

b. Identify Risks and Opportunities

Sustainability team of Maskeliya Plantations PLC has identified climate related risks and opportunities under following categories.

Climate-Related Risks (Physical Risks)

Physical risks are categorized into acute (event-driven) and chronic (long-term weather shifts) factors that directly damage agricultural infrastructure and crop biology.

Acute Physical Risks

- **Extreme Weather Events:** Intensified monsoon seasons lead to severe soil erosion, landslides, and flash flooding in steep-terrain estates.
- **Prolonged Droughts:** Severe dry spells dehydrate tea bushes, increase plant mortality rates, and significantly reduce green leaf yields across the Maskeliya, Upcot, and Talawakelle regions

Chronic Physical Risks

- **Rising Ambient Temperatures:** Gradual warming changes regional microclimates. This forces lower-elevation areas into sub-optimal productivity while increasing the spread of pests and crop diseases.
- **Shifting Rainfall Patterns:** Altered monsoon onset timelines lead to erratic rain patterns. A prolonged drop in monthly rainfall below baseline limits can decrease black tea output

Climate-Related Risks (Transition Risks)

Transition risks result from the global and domestic shift toward a low-carbon, climate-resilient economy.

- **Policy and Legal Mandates:** Stricter domestic regulations on environmental preservation and forest clearing demand proactive land protection. This requires higher investments into ecological buffers, such as conserving water catchment zones.
- **Market Dynamics and Compliance:** Global buyers increasingly source tea from verified zero-deforestation and low-emissions supply chains. Failing to measure Scope 1, Scope 2, and material Scope 3 emissions under SLFRS S2 could trigger a loss of premium market access.

- **Reputational Exposure:** Sluggishness in adopting climate transition frameworks could alienate green investors, elevate borrowing costs, or lower corporate credit rankings.

c. Assess whether the Risks and Opportunities could Reasonably be Expected to Affect the Company's Prospects

Sustainability-related risks and opportunities that could reasonably be expected to affect the company's cash flows, access to finance or cost of capital are disclosed in the company's sustainability report. In making this assessment, the company considered a combination of:

• The likelihood of the event occurring, and

• The magnitude of the impact on the company's financial prospects if the event did occur.

For risks and opportunities that relate to uncertain future events, the company considered a range of possible outcomes and assigned a likelihood to that range. Where there had been past incidents of an event, a higher likelihood was assigned to a similar event occurring in the future, and opportunities that could reasonably be expected to affect the company's prospects. No definitive thresholds were applied but, typically, those with a higher likelihood and/or magnitude are disclosed. As part of this process, the company considered the perspective of certain external stakeholders, to obtain an external perspective on whether there were any additional risks and opportunities – beyond those identified by the company - that could reasonably be expected to affect the company's prospects. There were no additional risks or opportunities identified from the perspective of these stakeholders that has not been included in this report.

d. Mitigation Actions and Plan to Remediate

i. Climate Change Mitigation Strategy (Reducing the Carbon Footprint)

Mitigation focuses areas prioritize the measurable reduction of Greenhouse Gas (GHG) emissions across the entire corporate value chain.

Scope 1: Direct Emissions (Owned & Controlled Operations)

Scope 2: Indirect Emissions (Purchased Energy).

Scope 3: Value Chain Emissions (Upstream & Downstream). (Scope 3 emissions have not been covered in this reporting Year.)

ii. Climate Remediation & Adaptation Plan (Building Resilience)

Remediation and adaptation plans focus on adjusting corporate assets and operational models to withstand physical and transitional climate disruptions. Climate change adaptation focuses on adjustment to farming practices and management to reduce negative impacts that current and expected have on crop, farming systems, ecosystems and livelihood.

Physical Risk Remediation (Acute & Chronic)

- Asset Fortification
- Supply Chain Redundancy
- Resource Preservation:
- Transition Risk Remediation (Policy, Market & Legal)
- Regulatory Proofing:
- Product & Service Evolution:
- Human Capital Upskilling:

e. Final consolidation and approval of risks and approval of opportunities for the company

Sustainability related risks and opportunities were presented to the sustainability team and approval was granted.

f. Proportionality Mechanisms under SLFRS S1/S2

Maskeliya Plantations PLC can leverage **two distinct proportionality mechanisms** embedded within the SLFRS Sustainability Disclosure Standards to manage the costs and operational burdens of sustainability reporting. These mechanisms explicitly allow an entity's reporting burden to scale down based on its unique operating realities, resources, and local context.

Mechanism 1: Reasonable & Supportable Information Without Undue Cost or Effort

This mechanism establishes parameters around the data Maskeliya Plantations PLC is required to seek out and consider at each reporting date.

- **Boundary of Effort:** The company has not executed exhaustive, high-cost searches for value chain or climate data as the expense is disproportionately higher than the value it yields to investors.

- **Permissible Data Sources:** It permits the integration of easily accessible internal data (e.g., historical crop yields, local estate weather logs) and free or low-cost external data.

- **Balance of Evidence:** The entity must consider historical, current, and forward-looking data, but only what is already available or attainable under standard operational constraints. A zero-effort stance is prohibited, but a commercially balanced approach is protected.

Mechanism 2: Approach Commensurate with Internal Skills, Capabilities, and Resources

This mechanism regulates the sophistication of methods the corporate team implements to prepare disclosures.

- **Methodological Scaling:** For highly specialized disclosures, such as climate-related scenario analysis, the company does not need to commission expensive mathematical models or hire external global consultancies.
- **Tailored Application:** Maskeliya Plantations PLC can deploy simpler qualitative descriptions, local hazard maps, or internal agricultural expertise to map vulnerabilities.
- **Dynamic Capabilities:** The standard acknowledges that compliance strategies will naturally evolve as the company's internal reporting infrastructure matures over time.

Practical Simulated Implementation for a Tea Plantation Entity

Corporate capacity dictates the reporting methodology, Maskeliya Plantations can structure its reporting by distinguishing between complex resource-heavy metrics and practical, cost-effective equivalents:

Disclosure Focus Area	Complex/High-Cost Approach (Not Required)	Commensurate / Low-Cost Approach (Permitted)
Climate Scenario Analysis	Complex computerized climate simulation software spanning global multi-century temperature bands.	**Qualitative risk mapping** based on historical regional rainfall variability and expert field evaluations.
Value Chain Data (Scope 3 Emissions though not covered this reporting year)	Primary, real-time telemetry tracking from international logistics vendors and smallholder suppliers.	**Secondary industry averages** or proxy metrics derived from public regional agricultural databases.
Asset Vulnerability Estimations	Sophisticated dynamic financial models projecting crop mortality rates at exact geographic coordinates.	**Subjective expert estimations** anchored directly in historical tea estate yields and local soil assessments

Step 2. Identification of Material Information under Material

Determination of material information is of paramount important and a requirement after the identification of climate related risks and opportunities. The company considered whether information is material within the context of overall sustainability reporting.

Outcome of the Process

Only one sustainability-related risks have been included in this chart.

Matrix Summary Overview

The climate-related risks and opportunities matrix for Maskeliya Plantations PLC has been constructed using the precise four-column format requested, explicitly accounting for both the environmental and social pillars

Risks and Opportunity	Risks or Opportunity	Summary of Management Approach	Affected Component of the Reporting Boundary & Note Reference
Extreme Weather Events (Environment Component)	**Risk**	Implementing climate-resilient agricultural workflows, investing in soil preservation, and reinforcing estate infrastructure. Implement climate smart agricultural practices.	Tea Plantations & Processing Factories
Sustainable Agriculture (Environment Component)	**Opportunity**	Capitalizing on organic certifications, biodiversity preservation zones, and generating alternative revenue from carbon sequestration.	Vested Land & Conservation Zones

Ethical Branding & Premium Markets (Social Component)	**Opportunity**	Securing premium export pricing through Rainforest Alliance certifications while elevating community welfare programs.	Global Supply Chain & Premium Markets

Sustainability team does not intend to disclose information related to climate related opportunities in this reporting year.

6. Sustainability Governance

GRI 2-12/2-13/2-14/2-22

6. Governance – Integrated Mechanism as Specified in Clause No 7 of SLFRS S2

The objective of climate-related financial disclosures on governance is to enable users of whom are shareholders, lenders and creditors of general purpose of financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee climate-related risks and opportunities.

Oversight of sustainability related both climate and financial risks and opportunities are managed by the sustainability team by implementing an integrated approach thereby duplication of which is avoided.

6.1. Sustainability Team

Sustainability team comprises of

- Chief Executive Officer,
- Deputy Chief Operating Officer,
- Deputy General Manager -Uva,
- Deputy General Manager-Maskeliya,
- Deputy General Manager – Compliance and Quality Systems Development,
- Manager Finance,
- Senior Accountant and Estate Superintendents, Manager Forestry and Manager Coffee

6.2. Responsibilities of Sustainability Team

Management's role in governance

Sustainability team (ST)

Management's role in assessing and monitoring sustainability-related risks and opportunities is embedded into the executive-level Sustainability team. The CEO is responsible for the oversight of the executive-level sustainability team.

The role of the ST is to assist the strategic management of the company's sustainability related risks and opportunities which includes the following but not limited to:

- The materiality assessment process;
- Developing sustainability strategies and policies;
- Monitoring the day-to day implementation of the company's sustainability-related actions and plans in line with the company's strategy;
- Recommending and developing sustainability metrics and targets and reviewing progress;
- The sustainability report.

The ST convenes up to once in three months and regularly receives updates on sustainability-related targets.

Reporting to the Governance Body (bi-annually)

Management provides regular reports to the board of directors and or audit committee as applicable on:

- Finance and climate-related risks and opportunities.
- Progress against climate targets and key performance indicators.
- Results of climate scenario analysis.
- Regulatory developments and emerging climate issues.
- Significant climate-related incidents, exposures, and mitigation actions.
- Monitor physical climate risks affecting plantations.
- Review climate-related risk assessments and mitigation plans.
- Monitor implementation of adaptation projects.
- Review climate-related performance indicators and targets.
- Escalate material climate risks to the board.

7. Climate Related Risks And Opportunities

GRI 201-2

7.1 Climate Related Physical Risks - Extreme Weather Events

RISK
Irregular weather patterns, including changes in rainfall distribution, prolonged droughts, excessive precipitation, and temperature variability, have been identified as a material physical climate-related risk.

a. Description

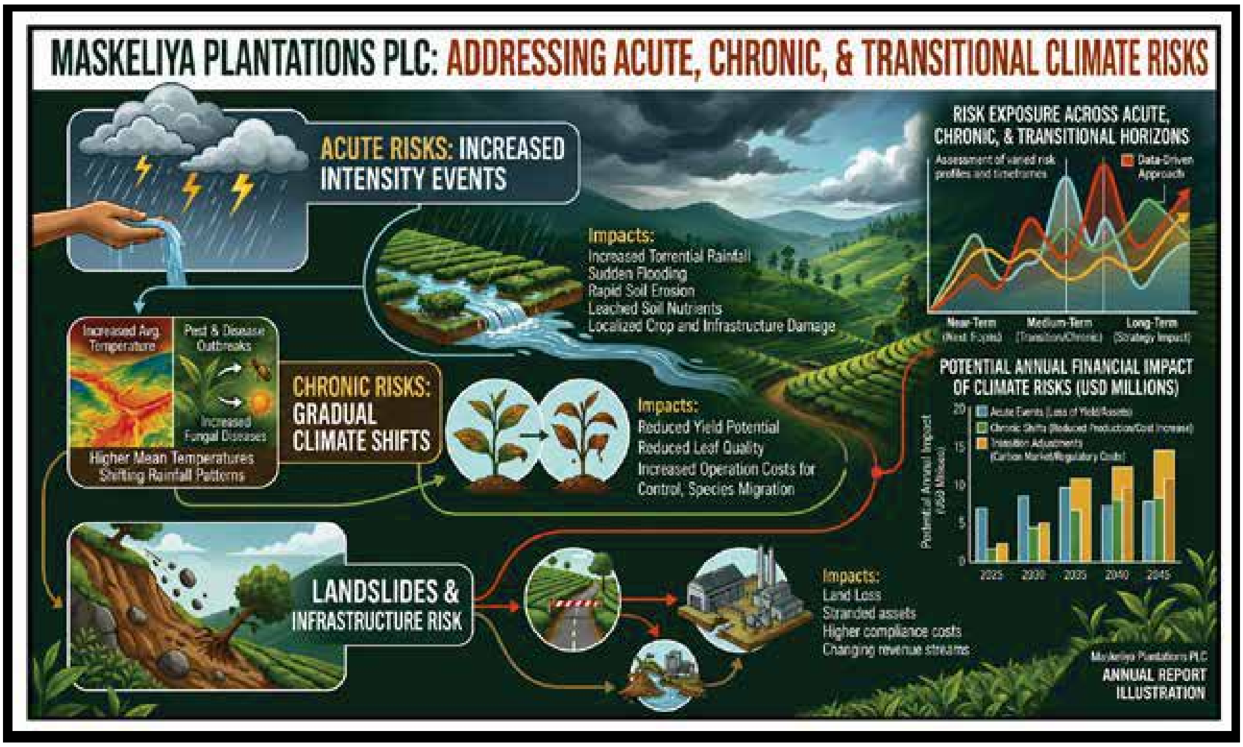
Maskeliya Plantation PLC faces significant material financial exposure from climate-related physical risks, specifically acute physical risks driven by extreme weather events as outlined under the SLFRS S2 (Climate-related Disclosures) framework. As an agricultural enterprise heavily reliant on predictable weather patterns in Sri Lanka's high and mid-grown tea regions, the company's core operations are directly vulnerable to event-driven hazards.

Risk Identification & Context

The geographic locations of Maskeliya Plantation PLC's estates subject the company to intensifying acute physical risks. Sri Lanka's high vulnerability to extreme weather shifts materializes primarily through two distinct extreme weather phenomena.

Torrential Rainfall and Flash: Excessive, unseasonal monsoons and localized cloudbursts cause heavy soil erosion, nutrient leaching, and physical damage to tea bushes on steep slopes. Flooding and localized landslides block critical estate transit routes, disrupting harvest collection and logistics.

Severe Prolonged Droughts: Extended dry spells and heatwaves scorch vulnerable young tea plants, trigger widespread weed proliferation, and accelerate the depreciation of crop health. Drought conditions drastically reduce the yields of high-quality green leaf.



b. Effect of Business Model and Value Chain

Irregular weather patterns directly affect crop growth, harvesting schedules, productivity, and resource availability.

Current Effect on Business Model

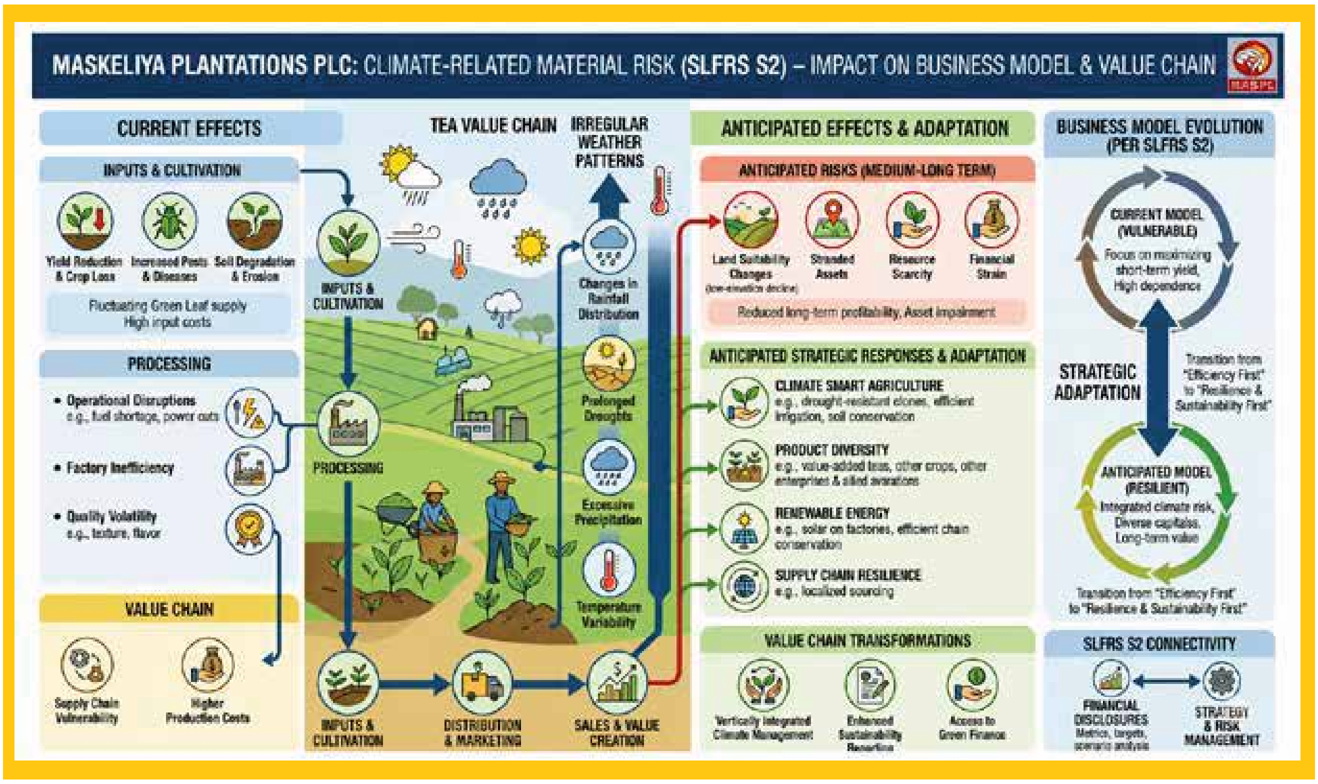
The company's business model depends on the cultivation, harvesting, processing, and sale of tea and other plantation crops. Irregular weather patterns currently affect the business model by:

- Reducing crop yields due to droughts, excessive rainfall, or temperature stress.
- Disrupting harvesting schedules and labour planning.
- Increasing expenditure on irrigation, drainage, soil conservation, and pest management.
- Affecting the quality and consistency of tea production.
- Increasing operational costs and reducing productivity.
- Creating uncertainty in production forecasts and revenue generation.

These conditions adversely affect agricultural planning, crop productivity, harvesting schedules, and operational efficiency. The risk currently influences the Company's business model through increased production uncertainty and higher adaptation costs. Across the value chain, climate variability affects cultivation activities, factory operations, logistics, and market supply. Looking ahead, the Company anticipates increased expenditure on climate adaptation measures, climate-resilient planting materials, water management infrastructure, and sustainable agricultural practices to enhance resilience and safeguard long-term value creation.

Current Effect on Value Chain

Value Chain Component	Current Effect
Input sourcing	Increased demand for climate-resilient planting materials and agricultural inputs
Cultivation	Reduced productivity due to changing weather conditions
Harvesting	Delays and disruptions caused by excessive rainfall or drought
Factory operations	Variability in green leaf supply affecting factory utilization
Logistics and transport	Transport interruptions from floods and landslides
Customers and markets	Potential inability to consistently meet customer demand and quality expectations



Anticipated Effect on Business Model

Short Term (1-3 years)

- Increased operational expenditure for climate adaptation measures.
- Greater volatility in production volumes.
- More frequent disruptions to agricultural planning.
- Increased insurance and maintenance costs.

Medium Term (3-10 years)

- Need to invest in climate-resilient crop varieties.
- Expansion of irrigation and water-management infrastructure.
- Changes in planting and harvesting calendars.
- Potential reduction in profitability if adaptation measures are insufficient.

Long Term (Beyond 10 years)

- Shifts in production zones and agricultural practices.
- Significant capital investments required for climate resilience.
- Potential decline in asset values in highly climate-vulnerable areas.
- Fundamental adjustments to the business model to maintain productivity and competitiveness

Anticipated Effect on Value Chain - Upstream

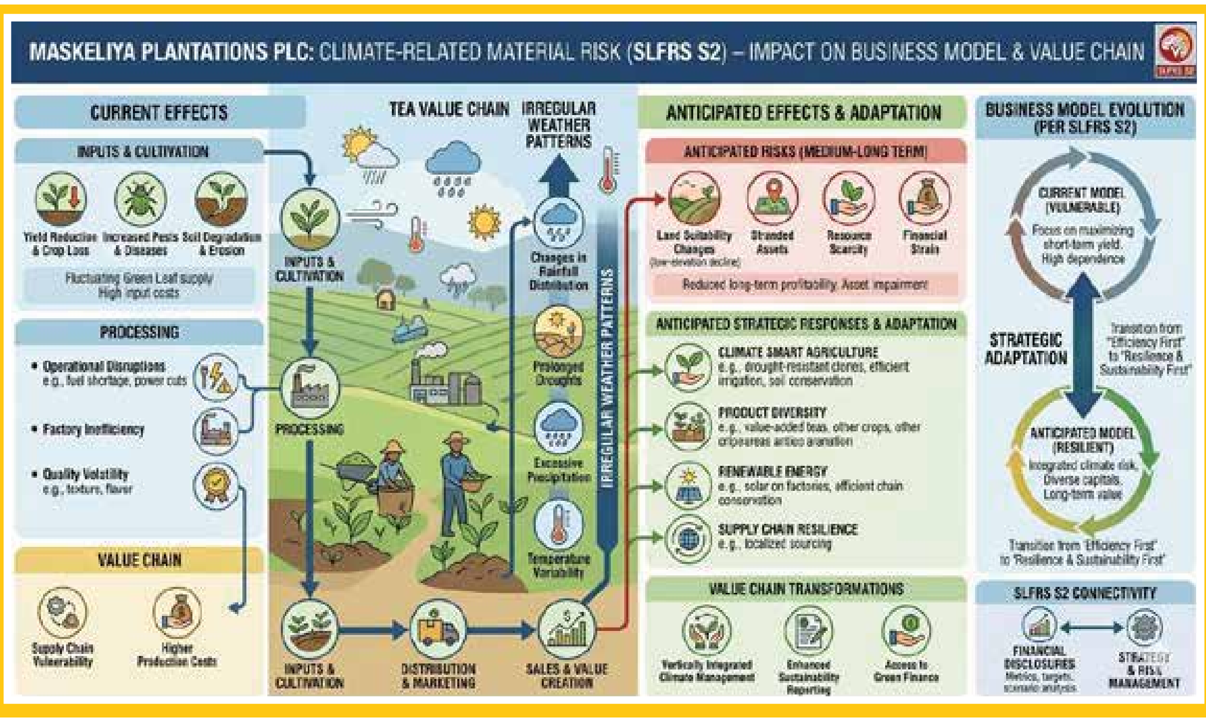
- Increased dependency on climate-resilient agricultural inputs.
- Greater supply chain disruptions from climate events.
- Rising costs of fertilizers, water, and planting materials.

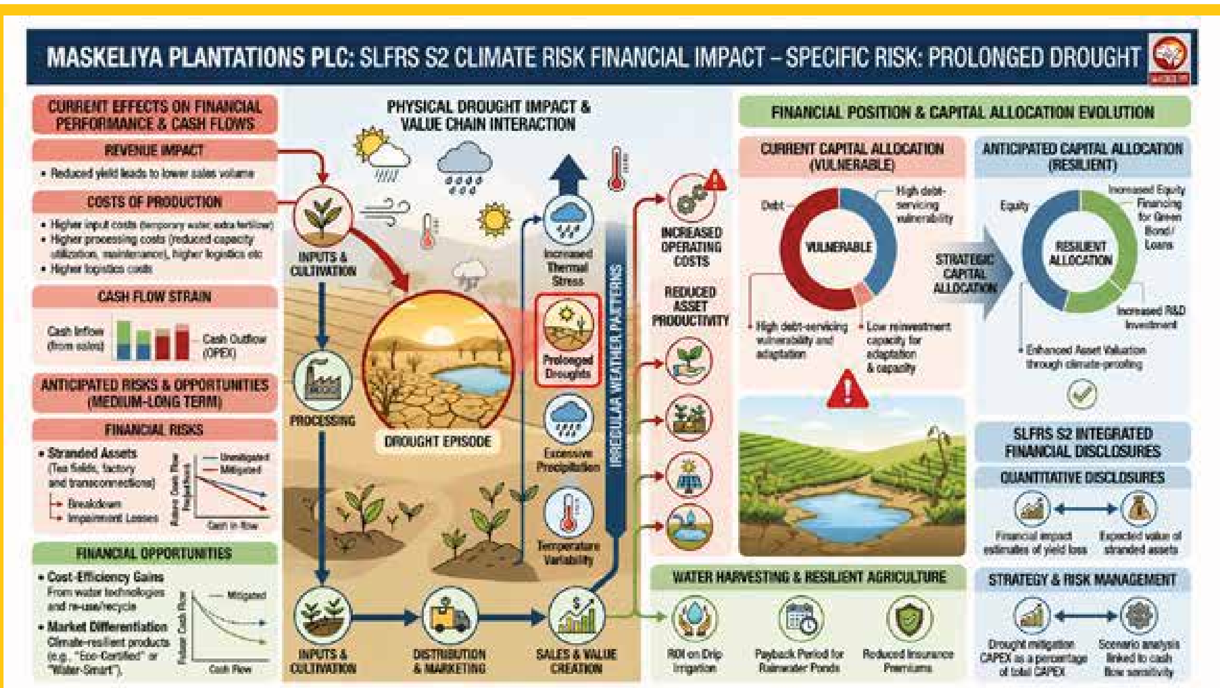
Operations

- More frequent interruptions to plantation and factory activities.
- Increased maintenance and adaptation expenditures.
- Greater emphasis on climate-smart agriculture and precision farming.

Downstream

- Variability in product quality and volumes supplied to customers.
- Increased transportation and logistics challenges.
- Potential impacts on customer relationships if supply reliability decreases.





c. Effect on strategy and decision making

Heavy Rain: Strategic disruptions & decision-making

Heavy rain and erratic, intense monsoons cause distinct operational and logistical blockages that shift corporate resource allocations.

Soil Degradation and Nutrient Washout: Torrential downpours lead to severe topsoil erosion and fertilizer leaching on steep tea slopes. Strategically, this forces management to pivot capital toward sustainable soil conservation practices.

Harvesting and Quality Bottlenecks: Excess rain compromises leaf quality, promoting fungal pathogens like blister blight and limiting accessible plucking days. Management's decision-making increasingly relies on investing in automated plucking machinery to quickly capture crop flushes during brief clear windows, offsetting regional labor shortages.

Infrastructure Failure: Landslips and flash floods block estate transport routes, isolating processing factories. In line with SLFRS S1 risk-mitigation reporting, capital expenditure decisions must prioritize resilient estate road maintenance and drainage systems over immediate capacity expansion.

Severe Drought: Strategic disruptions & decision-making

Prolonged dry spells directly impair agricultural yields and strain the financial resilience of the business.

Yield Contraction and Crop Failures: Drought conditions induce moisture deficits, desiccating tea bushes and drastically shrinking green leaf volumes. This drop in crop volume drives down revenue and negatively impacts short-term cash flows, as reflected in the challenging operating environments noted in recent interim reports.

Long-Term Replanting Adaptations: Extreme heat and drought lower the survival rate of immature tea plants. Consequently, the company's strategic planning cycles must account for the high costs of replanting and allocate capital to drought-tolerant clonal tea varieties developed in coordination with the Tea Research Institute of Sri Lanka.

Water Scarcity and Ecosystem Management: Drought conditions directly impact water tables, threatening estate communities. This demands that management factor rainwater harvesting, shade-tree planting (such as agroforestry under Rainforest Alliance metrics), and dedicated natural capital regeneration programs directly into the company's capital allocation matrix.

d. Financial Effects

Current Financial Effects (Short term impact)

These are direct, immediately quantifiable disruptions reflected in the income statement and cash flows:

Revenue Contraction via Yield Reduction: Severe droughts trigger moisture stress, severely depressing green leaf harvest volumes. Conversely, excessive heavy rains wash away soil nutrients, promote fungal diseases (like blister blight), and diminish the solar radiation required for photosynthesis, ultimately dragging down production volume and tea quality.

Elevated Operational Cost Base: Drought conditions force the company to deploy artificial irrigation, while heavy rains incur direct costs via immediate land recovery, increased fungicide application, and labor costs associated with continuous de-weeding and soil conservation.

Biological Asset Fair Value Devaluations: Biological Assets, which interfaces directly with SLFRS S1 disclosures, extreme weather alters the estimated future harvest yields and growth curves of tea bushes. Weather extremes trigger sudden impairment losses or downward adjustments in the fair value of Produce on Bearer Biological Assets.

Working Capital Pressures: Production delays and quality downgrades delay sales cycles at the Colombo Tea Auction, generating short-term cash flow shortages that require costlier short-term facility utilization.

Anticipated Financial Effects (Medium to Long-Term Impacts)

These capture structural changes in the company's capital allocation, asset base, and financing profile over an extended horizon:

Accelerated Capital Expenditure (CapEx) for Adaptation: Maskeliya Plantations PLC faces inevitable cash outflows to build out climate resilience. These include investments in drought-tolerant tea cultivars (via systematic uprooting and replanting), automated micro-irrigation systems, rainwater harvesting infrastructure, and physical retention walls to safeguard estates from landslides during torrential downpours.

Depreciation and Asset Impairments: Severe weather patterns compress the economic useful life of core agricultural machinery, tea factory infrastructure, and biological tea fields. Accelerated depreciation or sudden impairment charges on Bearer Biological Assets will compress long-term balance sheet equity.

Surging Insurance and risk mitigation costs: As climate-induced disaster metrics spike across Sri Lanka, premiums for property, plant, and crop insurance are rising sharply. If the local insurance market faces structural capacity strains, Maskeliya Plantations may have to self-insure or absorb significant business interruption costs out-of-pocket.

Escalating Cost of Capital: Under SLFRS S1, financial institutions utilize sustainability disclosures to price risk. High vulnerability to extreme weather without verified mitigation frameworks can cause commercial banks to penalize the company with higher borrowing margins, restricting its access to competitive long-term financing.

Strategic Climate-Financial Impact Matrix – Exact values of the financial effects are not disclosed this reporting year but true effects are illustrated below which is a qualitative disclosure.

Financial Category & Line Items	Current Financial Effects (0–3 Months)	Short-Term Financial Effects (Per Annum)	Medium-Term Financial Effects (Per Annum)	Long-Term Financial Effects (Per Annum)
Financial Position				
Inventory (Decrease)	• Raw tea leaf write-offs due to sudden frost or extreme drought decay. • Damaged harvested leaf stocks inside factory bins from monsoonal flash floods.	• Step-downs in closing stock valuation from lower-grade teas. • Ongoing, regular seasonal crop losses out of localized extreme weather spells.	• Systemic reductions in structural harvest volume storage requirements. • Frequent fair value write-downs of tea produce on bearer biological assets	• Permanent structural shifts down in core baseline tea inventory volumes. • Redirection of storage capital towards climate-hardy alternative crops.
Property, Plant & Equipment (Net Increase)				
Flood & Heatwave Mitigation (Increase)	• Emergency installation of local estate drainage paths. • Immediate reinforcement of vulnerable riverbanks near processing factories.	• Annual capital allocations for reinforced retaining structures. • Deployment of localized irrigation setups across drought-prone fields.	• Broad scale development of regional estate water reservoirs. • Upgrading factory structures with heat protection and cooling systems.	• Massive investment in macro-engineered estate flood barriers. • Implementation of wide-spread automated environmental monitoring networks
Mechanization Activities (Increase)	• No direct current-phase response.	• Accelerated purchase of handheld mechanical plucking units to hedge short-term climate labor gaps.	• Broad deployment of heavy harvesting machines to quickly extract crop in brief optimal weather windows.	• Fully automated, climate-resilient factory sorting lines. • Conversion of fields to accept specialized mechanical pruning equipment.
Impairment from Weather (Decrease)	• Immediate asset write-offs for field pathways or factory walls directly hit by climate disasters.	• Early write-offs for young tea fields unable to survive severe weather shifts.	• Structural depreciation adjustments for mid-life tea bushes losing long-term yield.	• Permanent accounting impairment of entire high-vulnerability, low-yield estate divisions.
Intangibles (Increase)	• No direct current-phase response.	• Initial investments in customized digital micro-climate forecasting systems.	• Sourcing or licensing specialized agricultural analytics platforms and software.	• Total integration of regional smart-farming asset software across the company ecosystem.
Financial Performance				
Revenue (Decrease)	• Instant drop in sales volumes at the Colombo Tea Auction due to immediate weather shocks.	• Reduced yearly auction revenues due to poorer crop quality and overall field yield drops.	• Structural revenue compression as certain tea cultivars fail under changing temperatures.	• Permanent downward adjustment in target revenue baselines for vulnerable estates.
R&D Expense (Increase)	• Emergency funding for immediate pest or disease spikes tied to unexpected weather.	• No structural per-annum short-term change.	• No structural per-annum medium-term change.	• No structural per-annum long-term change.
Repair & Maintenance (Increase)	• Urgent tactical repairs to clearing debris, broken infrastructure, or minor factory leaks.	• No structural short-term per-annum baseline shifts.	• No structural medium-term per-annum baseline shifts.	• No structural long-term per-annum baseline shifts.

Depreciation & Amortization (Increase)	• No immediate change.	• Higher depreciation run-rates on newly introduced field mechanization equipment.	• Accelerated depreciation for legacy plant assets facing fast physical wear from climate stress.	• Massive, structural depreciation baselines from long-term capital adaptations.
Impairment & Write-Offs (Increase)	• Immediate profit hit from write-offs of damaged inventory or field assets.	• Regularized annual provisions for anticipated weather losses.	• Strategic write-downs on non-performing land parcels.	• Total structural write-offs of unviable tea field divisions.
Cash flows				
Cash from Operations (Outflow)	• Heavy drain on cash from immediate crop volume shortfalls paired with fixed labor payouts.	• Squeezed operating cash margins from higher fertilizer and climate protection costs.	• Highly volatile annual operating inflows from unstable crop patterns.	• Structural contraction in core operating cash potential unless successfully mitigated.
Cash from Investing Activities (Outflow)	• Immediate emergency capital outflows to rescue damaged equipment.	• Regular capital outflows for purchasing replacement mechanical tools and young crops.	• Heavy strategic investing outflows for field transformations and protective infrastructure.	• Massive long-term capital allocation strictly dedicated to global climate adaptation projects

e. Climate Resilience of Maskeliya Plantations PLC's Strategy and Business Model under SLFRS S2

Mechanism for resilience in respect of climate related risks and opportunities have not been covered this reporting year.

In accordance with the requirements of **SLFRS S2 – Climate-related Disclosures**, Maskeliya Plantations PLC has assessed the resilience of its strategy and business model against climate-related changes, developments, and uncertainties, considering both the climate-related risks and opportunities identified across its plantation operations.

Maskeliya Plantations PLC operates predominantly in the tea plantation sector, which is highly dependent on climatic conditions such as rainfall patterns, temperature ranges, humidity levels, and the frequency of extreme weather events. Climate change presents significant physical risks to the Company's estates, including prolonged droughts, intense rainfall, flooding, landslides, pest infestations, and declining agricultural productivity. These risks may adversely affect tea yields, quality, operational costs, profitability, and long-term asset values.

To enhance the resilience of its business model, the Company has integrated climate considerations into its strategic planning and operational decision-making processes. Adaptation measures include the adoption of climate-resilient agricultural practices, soil and water conservation initiatives, diversification of shade tree cover, rehabilitation of vulnerable plantation areas, and investment in sustainable water management systems. The Company continuously monitors climate trends and implements estate-specific adaptation strategies to mitigate the adverse effects of changing weather patterns.

The Company has also identified climate-related opportunities arising from the transition to a lower-carbon and more sustainable economy. These opportunities include increasing demand for sustainably produced tea, expansion of certified tea production, enhanced access to sustainability-linked financing, energy efficiency improvements, renewable energy adoption, and participation in carbon sequestration and biodiversity conservation initiatives. Leveraging these opportunities supports long-term value creation while strengthening environmental stewardship.

Scenario analysis and climate risk assessments indicate that, while climate-related risks are expected to increase over the short, medium, and long term, the Company's strategy remains reasonably resilient due to ongoing adaptation measures and sustainability-focused investments. The integration of climate considerations into capital allocation decisions, estate development plans, and operational management enhances the Company's capacity to respond to evolving climate conditions and regulatory developments.

The Board of Directors and senior management regularly review climate-related risks and opportunities as part of the Company's enterprise risk management framework. This governance structure supports informed decision-making and enables timely implementation of mitigation and adaptation measures.

Based on the assessments performed, Maskeliya Plantations PLC believes that its strategy and business model remain resilient under a range of plausible climate scenarios. However, continued investment in climate adaptation, sustainable land management, resource efficiency, and stakeholder engagement will be essential to maintaining operational performance and long-term business viability in an increasingly uncertain climate environment.

MASKELIYA

view

f. Significant Areas of Uncertainty under SLFRS S2

Company operates major black tea manufacturing estates across core geographical segments in Sri Lanka. As an agricultural entity, its cash flows, asset valuations, and agricultural yields are intrinsically linked to microclimatic stability.

Under SLFRS S2, the company's specific extreme weather uncertainties materialize across three critical dimensions:

i. Asset Impairment and Operational Disruption (Acute Risks)

The Uncertainty: The unpredictable timing and magnitude of torrential monsoons, flash floods, or landslides across high-altitude estates.

The Business Impact: Sudden downpours can wash away topsoil, destroy mature tea bushes, and physically isolate tea processing factories by damaging rural road infrastructure. Under SLFRS S2, Maskeliya Plantations PLC must struggle with estimating the "Expected Annual Loss" or potential asset write-downs for fixed agricultural structures located on vulnerable slopes.

ii. Crop Yield and Quality Volatility

The Uncertainty: Volatility in seasonal rainfall patterns and unseasonal droughts.

The Business Impact: Tea cultivation relies heavily on specific ambient temperatures and distributed moisture. Extended dry spells dry up green tea leaves, while extreme rain compromises leaf quality and limits field pluckers' deployment. The financial uncertainty lies in forecasting quarterly tea volumes and auction valuations, which directly destabilize top-line sales revenues.

iii. Climate Scenario Planning Boundaries

The Uncertainty: Disclosing strategy resilience against varying global warming pathways (e.g., 1.5°C vs. a high-warming >2°C scenario) as mandated by SLFRS S2.

The Business Impact: Maskeliya Plantations PLC faces a systemic data gap in translating regional climate models into estate-level operational metrics. Predicting when historical regional tea-growing ecosystems might become completely non-viable requires complex, long-term agronomic modeling that remains a highly uncertain variable for the board.

g. Capacity to adjust or adapt strategy and business model

Under **SLFRS S2,** company disclosed their strategic resilience, specifically highlighting their **capacity to adjust or adapt their strategy and business model** across the short, medium, and long term.

This capacity hinges on navigating severe physical climate risks (e.g., erratic rainfall, droughts, soil erosion) and transition risks (e.g., stricter global supply chain regulations).

i. Financial Resource Availability and Flexibility

SLFRS S2 mandates that an entity discloses the financial flexibility it possesses to respond to climate scenario outcomes.

Capital Reallocation: Maskeliya Plantations PLC maintains operational cash flows to fund its agricultural and factory modernization targets. Strategic liquidity is deployed into sustainable climate mitigation, mitigating the financial downside of changing weather patterns on crop yields.

Access to Green Finance: Adhering to standards like the Rainforest Alliance Certification across major estates (such as Laxapana, Moray, and St. Clair) broadens the company's appeal to ESG-conscious lenders and global premium tea buyers, easing access to climate-tied capital.

ii. Asset Redeployment, Repurposing, and Upgrades

The capacity to alter physical infrastructure and biological assets is central to long-term climate resilience in agriculture.

Biological Capital Adaptability: Tea bushes (bearer biological assets) are highly sensitive to temperature spikes. Maskeliya Plantations PLC adapts its core agricultural model by systematically replacing older, vulnerable cultivars with drought-resistant and heat-tolerant tea clones.

Diversification of Marginal Land: To adapt to declining yields in lower elevations or water-stressed segments, the business model permits repurposing marginal lands into forestry, fuelwood plantations, or thatch banks. This shifts the land's utility while boosting natural carbon sinks.

Technological Infrastructure Upgrades: Factory operations require adjustments to maintain high-quality black tea processing under fluctuating microclimates. Energy efficiency retrofitting and the tracking of resource use serve to lower Scope 2 emissions while insulating production from state grid volatility.

iii. Impact of Current and Planned Climate Investments

Maskeliya Plantations PLC's capacity to pivot is further demonstrated through active investments targeting ecological and resource resilience:

Regenerative Agriculture and Soil Security: The company invests heavily in watershed management and soil preservation across its central highland estates. Minimizing soil erosion directly protects the long-term yield viability of their primary asset base against intense monsoon cycles.

Biodiversity and Ecosystem Protection: Through dedicated environmental monitoring committees, the company preserves natural buffer zones. This structural commitment helps maintain natural pest control and moisture cycles, dampening the severity of localized climate shocks.

Adaptation Summary

Dimension of Capacity (SLFRS S2)	Maskeliya Plantations PLC Strategic Action	Long-term Business Model Impact
Financial Flexibility	Securing premium value.	Ensures continuous access to international premium markets and green financing.
Asset Redeployment	Uprooting vulnerable fields to introduce heat-tolerant crop cultivars.	Safeguards primary agricultural yields against rising temperatures.
Asset Repurposing	Converting arid areas into commercial timber or bio-energy zones.	Offsets physical climate risks and diversifies the corporate revenue streams.
Mitigation & Adaptation Investments	Funding aggressive watershed management and forest preservation setups.	Restores local ecosystems, securing water supply during drought cycles.

h. Processes, Controls and Policies to Manage Climate-Related Risks and Opportunities

Climate-related risks and opportunities are managed by integrating sustainability certifications, agricultural diversification, and stringent environmental policies into its corporate governance framework.

As an agriculture-based enterprise under the Richard Pieris Group, its financial and operational viability is directly linked to the natural environment.

Corporate Policies

The company operates under a clear mandate to align productivity with environmental preservation.

Environmental Policy: Explicit corporate policy to operate within a sustainable environmental framework while optimizing land productivity.

Policy mandates that continuous improvisations and risk assessments are carried out to mitigate negative environmental footprints resulting from manufacturing and field practices.

Resource Preservation Mandate: Incorporates the philosophy of intergenerational resource equity into daily operations, explicitly restricting the over-extraction of natural assets.

Operational Processes

Crop Mix Diversification: Cultivates timber and expands into coffee to limit climate vulnerability. This prevents single-crop financial failure caused by erratic weather patterns.

Good Agricultural & Manufacturing Practices (GAP/GMP): Employs standard sustainability field protocols, including soil protection, moisture retention, and localized watershed protection.

Comprehensive Budgetary Review: Utilizes a strict three-year strategic time horizon combined with annual budgets to identify climate-linked success factors. Performance is checked via a monthly management reporting structure.

Internal Controls

Field and factory-level controls maintain consistency across the company's 18 estates.

Rainforest Alliance Certification: Serves as an external, third-party verification. Multiple estates and factories follow the Sustainable Agriculture standard.

ISO 22000 Standards: Implements precise operational quality management systems to reduce post-harvest waste during weather-driven processing variations.

High-Powered Joint Committees: Partners with state forestry and wildlife officials to oversee the Peak Wilderness Protected Area buffer zones. This arrangement prevents unauthorized environmental degradation and land encroachment.

i. Metrics and targets (non GHG emissions)

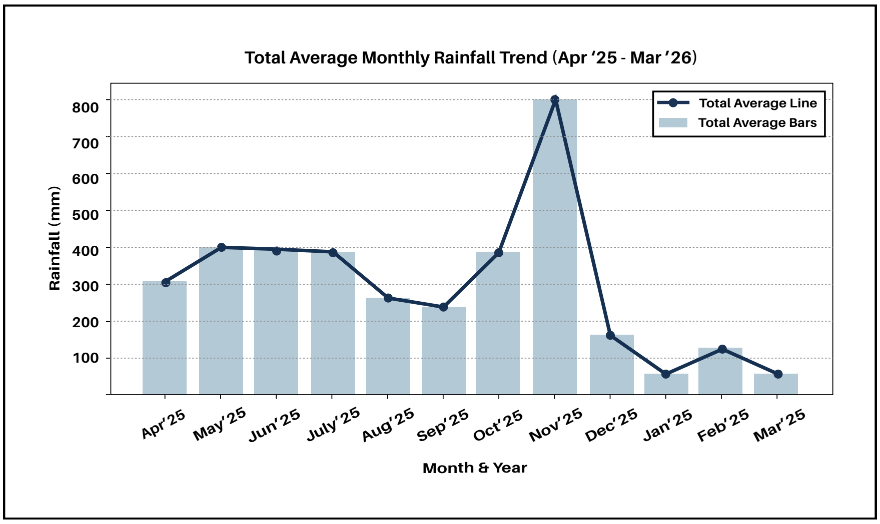
Climate-Related Risk	Description of Target	Methodology to Calculate Metric	Measuring Unit	Actual Metric (2025)	Short-Term Target (2028)	Medium-Term Target (2032)	Long-Term Target (2040)
Prolonged Heavy Rain (Acute Physical)	**Plucking Round Optimization:** Maintain optimal harvesting frequency during monsoon spikes by upgrading field access roads and deploying automated weather alerts.	Average number of days between successive harvests in a single field	Days (Interval)	**9 Days unverified**	8.5 Days	7.5 Days	7.0 Days (Optimal baseline)
Prolonged Heavy Rain (Acute Physical)	**Soil Conservation & Landslide Prevention:** Shield vulnerable estate terrain from erosion via structural block drain upgrades and Vetiver grass buffering.	Acreage protected by upgraded drainage text Total high-risk landslide washout acreage) x 100)	Percentage (%)	**45% unverified**	65%	85%	100%
Prolonged Heavy Rain (Acute Physical)	**Crop Washout Mitigation:** Restrict tea green leaf volume losses caused by root flooding, low sunshine hours, and continuous heavy downpours.	Estimated crop volume lost due to extreme rain events /{Total budgeted annual harvest volume x 100\)	Percentage (%)	**Base line data yet to be verified**	< 6.0%	< 4.0%	< 2.5%
Prolonged Severe Drought (Chronic Physical)	**Plucking Round Resilience:** Minimize the extension/ stretching of harvesting cycles during dry spells through precision field management and soil mulching.	Average number of days between successive harvests in a single field	Days (Interval)	**9 Days**	8 Days	7.5 Days	7.0 Days

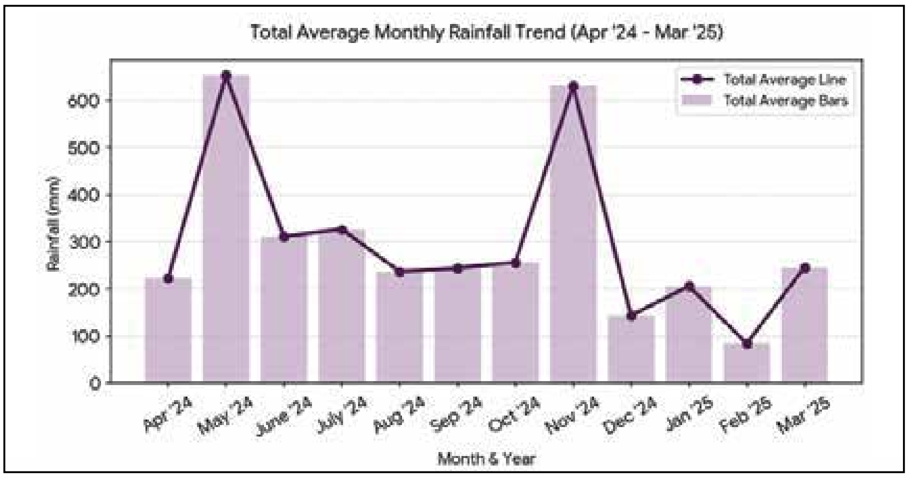
Prolonged Severe Drought (Chronic Physical)	**Cultivar Climate Adaptation:** Planting drought-resistant vegetative propagation (VP) cultivars.	Total hectarage cultivated with drought-tolerant cultivars (Total active tea cultivation hectarage right) x 100)	Percentage (%)	**Baseline data yet to be verified**	30%	55%	85%
Prolonged Severe Drought (Chronic Physical)	**Water Infrastructure Security:** Expand commercial rainwater collection tanks to secure internal processing.	Total storage capacity of estate rainwater harvesting tanks	Cubic Meters	**12,000 M3**	12,000 M3	20,000 M3	36,000 M3

Strategic Explanations & SLFRS S2 Alignment

The Importance of Plucking Rounds: Under SLFRS S2, company discloses operational metrics affected by climate risks. During prolonged heavy rain, logistics break down and fields flood, delaying harvest intervals and letting leaves overgrow (reducing quality). During prolonged severe drought, leaf flush growth stalls completely. Tracking plucking intervals directly mirrors climate-induced labor and yield efficiency.

Financial Quantifiability: The target percentages and days listed above link directly to the company's asset impairment testing, future revenue protection, and capital expenditure (Cap.Ex) commitments.





MASKELIYA

view

GREENHOUSE GAS VERIFICATION OPINION

Certificate Code: C908016CU-GHG-01.2026

GHG statement in the reporting year 2025/2026 of

Maskeliya Plantations PLC

310, High Level Road, Nawinna, Maharagama, Sri Lanka

has been verified in accordance with ISO 14064-3:2019 as meeting the requirements of

GHG Protocol - Corporate Accounting & Reporting Standard

Control Union Certifications has inspected and verified the unit(s) of the above-mentioned client, in accordance with the standards mentioned and declares that

01	Scope 1 Emission	10,557.77 tonnes of CO_2e
02	Scope 2 Emission	2,711.30 tonnes of CO_2e
03	Biogenic Emission	21,424.07 tonnes of CO_2e

Total Verified Greenhouse Gas Emissions: 13,269.07 tonnes of CO_2e

GHG statement covers the operations of twelve (12) months
from April 01, 2025, to March 31, 2026

Date of Verification
16 July 2026
Place and Date of Issue:
Colombo 07, 12 August 2026

CONTROL UNION VERIFIED
GHG PROTOCOL

CONTROLUNION
ASSURANCE SERVICES

Declared by

On behalf of the Managing Director

Gayan Ranasinghe
Reviewer
Control Union Inspections (Pvt) Ltd
2nd Floor, BAM Musee Tower,
52 Sir Marcus Fernando Mawatha,
Colombo 07, Sri Lanka

This summary is not valid without the full Assurance Statement attached on pages 2 to 3 to which it applies

Methodology and Scope

Control Union Inspections (Pvt) Ltd. (Control Union) completed the review in accordance with ISO 14064-3:2019 - Specification with guidance for the verification and validation of greenhouse gas statements. As such, Control Union planned and performed work in order to provide reasonable level assurance with respect to the GHG Statement.

Period covered in GHG verification: April 01, 2025, to March 31, 2026

GHG Sources/sinks included: Scope 1, 2 emission sources as presented in the GHG statement for the financial year 2025/2026 provided by Maskeliya Plantations PLC

Types of GHGs included: CO_2, CH_4, N_2O, HFCs

Directed Actions: None reported

Intended user of the verification statement: To be shared with the intended users as required by Maskeliya Plantations PLC

Objectives and Criteria:

The purpose of this verification exercise is, by reviewing objective evidence to independently review the GHG emissions are as described by the organization's GHG emissions, and the reported data are accurate, complete, transparent and free of material error or omission. Criteria against which the verification evaluation is undertaken are the requirements specified in GHG Protocol.

Materiality

Materiality was set at 5% in accordance with the requirements of the intended users

Location/Boundary of the activities

Name of the Facility	Location	Processes/ Activity
Maskeliya Plantations PLC – Head Office	310, High Level Road, Nawinna, Maharagama, Sri Lanka	Administration and operational activities, corporate management functions
Brunswick Estate	Maskeliya 22070, Sri Lanka	Cultivation and Manufacture of Tea
Glentilt Estate	Maskeliya 22070, Sri Lanka	Cultivation and Manufacture of Tea
Glenugie Estate	Upcot 22075, Sri Lanka	Cultivation and Manufacture of Tea
Mocha Estate	Maskeliya 22070, Sri Lanka	Cultivation of Tea
Stathspey Estate	Upcot 22075, Sri Lanka	Cultivation and Manufacture of Tea
Brownlow Estate	Maskeliya 22070, Sri Lanka	Cultivation of Tea
Hapugastenne Estate	Maskeliya 22070, Sri Lanka	Cultivation of Tea
Laxapana Estate	Maskeliya 22070, Sri Lanka	Cultivation and Manufacture of Tea

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Moray Estate	Maskeliya 22070, Sri Lanka	Cultivation and Manufacture of Tea
Mousakellie Estate	Maskeliya 22070, Sri Lanka	Cultivation and Manufacture of Tea
Ferham Estate	Talawakelle 22100, Sri Lanka	Cultivation of Tea
St.Clair Estate	Talawakelle 22100, Sri Lanka	Cultivation and Manufacture of Tea
Talawakelle Estate	Talawakelle 22100, Sri Lanka	Cultivation and Manufacture of Tea
Troup Estate	Talawakelle 22100, Sri Lanka	Cultivation of Tea
Ampittiakande Estate	Poonagalla 90100, Sri Lanka	Cultivation and Manufacture of Tea
Craig Estate	Bandarawella 90104, Sri Lanka	Cultivation and Manufacture of Tea
Leangawela Estate	Leangawella 90106, Sri Lanka	Cultivation of Tea
Poonagala Estate	Poonagalla 90100, Sri Lanka	Cultivation and Manufacture of Tea

Conclusion

Based on our review, nothing has come to our attention which causes us to believe that the GHG Statement is not presented fairly in accordance with the relevant criteria. The emission estimates were calculated in accurate, consistent and transparent manner and were found to be a fair and accurate representation of Maskeliya Plantations PLC's actual emissions and were free from material misstatement. Control Union identified several minor, immaterial discrepancies in Maskeliya Plantations PLC's greenhouse gas inventory which were corrected by Maskeliya Plantations PLC during the course of the verification.

The organization provided the GHG statement based on the requirements of GHG Protocol for the period to disclose emissions of 13,269.07 tonnes of CO_2 equivalent are verified by Control Union to a reasonable level assurance, consistent with the agreed verification scope, objectives and criteria.

Control Union concludes with reasonable level assurance that the presented GHG statement is materially correct and is a fair representation of Maskeliya Plantations PLC's data and information and is prepared following the requirements of GHG Protocol.

This opinion shall be interpreted with the GHG Statement of 2025/2026 GHG report Maskeliya Plantations PLC as a whole.

Date of Verification
16 July 2026
Place and Date of Issue:
Colombo 07, 12 August 2026

CONTROL UNION VERIFIED

Authenticated by
On behalf of the Managing Director

Gayan Ranasinghe
Reviewer

7.2. GHG Emission

a. GHG Emission Disclosure

Risks that arisen from efforts to transition to a lower carbon economy are considered as transition risks. These include policy, legal, technological, market and reputational risks. Company does not disclose scope 3 emissions this financial year, but scope 1 and scope 2 have been covered.

When limiting disclosures strictly to Scope 1 and Scope 2 as allowed under transitional provisions of the localized standards, the company focuses on emissions directly under its operational control.

Scope 1 (Direct Emissions): This covers direct fuel combustion from company-owned vehicles, heavy machinery, agricultural land management practices, and stationary generators utilized across its tea estates.

Scope 2 (Indirect Energy Emissions): This accounts for the emissions generated from purchased national grid electricity consumed to power tea processing factories, staff bungalows, and administrative offices

b. Reporting Boundary for GHG Emission

The Company uses the greenhouse gas protocol: A Corporate Accounting and Reporting Standard (2004) (the GHG Protocol') to measure its GHG emissions unless otherwise stated by SLFRS S2. The company uses the GHG Protocol Corporate Value Chain Standard 2011 ('Scope 3 Standard') to define the fifteen (15) Scope 3 categories as part of the requirement to disclose Scope 3 GHG emissions. Company does not disclose the scope 3 emissions in this reporting year.

The company's reporting boundary for GHG emissions includes its organisational boundary and operational boundary.

Organizational Boundary

The company applies the operational control approach to establish its organisational boundary for the reporting of GHG emissions.

The company believes that the use of the operational control approach is the most appropriate method to measure the company's GHG emissions, considering that there are entities and assets outside the company's financial reporting over which it has operational control.

The company has operational control over 18 estates and the head office.

Operational boundary

Direct GHG emissions from sources that are owned or controlled by businesses and operations within the company's organizational boundary are reported as Scope 1 GHG emissions of the company. GHG emissions from the generation of purchased electricity consumed by these businesses and operations are reported as Scope 2 GHG emissions.

c. Summary of GHG Emissions

Emissions		Notes	CO_2-e TOTAL (Tonnes p.a)	Carbon dioxide (CO_2)	Methane (CH_4)	Nitrous oxide (N_2O)	Hydrofluoro carbons (HFCs)
	Total Direct Emissions [1]		10,557.77				
1	Category 1 - Direct GHG Emissions and removals in tonnes CO2-e		10,557.77	826.65	1,555.70	231.45	-
1.1	Direct Emissions from Stationary Combustion		1,900.17	141.07	1,549.92	209.18	-
1.2	Direct Emissions from Mobile Combustion		710.52	682.47	5.78	22.27	-
1.3	Direct Process Emissions and Removals from Industrial Processes	N/A[2]	-	-	-	-	-
1.4	Direct fugitive Emissions from the release of GHGs in anthropogenic systems.[2]		3.11	3.11	-	-	-
1.5	Direct Emissions and Removals from Urea, Dolomite, lime and N2 based Fertilizer	N/A	7,943.97		-	-	-

	Indirect Emissions in tonnes CO_2e [1]	S/NS [3]	2,711.30				
2	Category 2 - Indirect GHG Emissions from Imported Energy		2,711.30				
2.1	Indirect Emissions from Imported Electricity (National Grid)		2,711.30	2,711.30			
	Total GHG Emissions (Direct + Indirect)		13,269.07				
7	Biogenic Emissions		21,424.07				
7.1	Biogenic CO2		21,424.07	-	-	-	-
	Notes						
	[1]- Emissions are rounded up to the nearest highest value						
	[2] - Not Applicable to the established organization and reporting boundary						
	[3] - Not Significant						

d. Emissions Categories Considered.

This report accounts for and presents the six greenhouse gases covered by the Kyoto Protocol and in accordance with ISO 14064- 1:2018 standard. Those gases are Carbon Dioxide (CO_2), Methane (CH_4), Nitrous Oxide (N_2O), Hydrofluorocarbons (HFCs), Sulphur Hexafluoride (SF_6), and Perfluorocarbons (PFCs). Out of those six gases for Maskeliya Plantations PLC 's GHG inventory includes only three gases namely Carbon Dioxide (CO_2), Methane (CH_4), Nitrous Oxide (N_2O). There are no operations that use PFC, HFC or SF_6.

As adapted from ISO 14064-1, the Emissions sources deemed significant for inclusion in this inventory were classified into the following categories:

Direct GHG emissions (Category 1): GHG Emissions from sources that are owned or controlled by the company.

Indirect GHG emissions (Category 2): GHG Emissions from the generation of purchased electricity.

Indirect GHG emissions (Categories 3): GHG Emissions occur from sources located outside the organizational boundaries. Those sources are mobile and are mostly due to fuel burnt in transport equipment

The table given below shows the direct and indirect emission sources captured all of the operational Emissions.

Indicator	GHGs Reported
Category 1	
1.1 Direct Emissions from stationary combustion	
Diesel for Standby Generator	CO_2, CH_4, N_2O
1.2. Direct Emissions from Mobile Combustion	
Company owned vehicles	CO_2, CH_4, N_2O
Fuel Paid by the company	CO_2, CH_4, N_2O
1.3. Direct Fugitive emissions	
CO2 fire extinguishers/ Refilling	CO_2
Refrigerants Leakages	
Category 2: Indirect emissions from imported electricity	
Grid-connected electricity consumption	CO_2, CH_4, N_2O
Category 3: Indirect emissions from Transportation	
Employee commuting	Not covered
Air travels	Not covered
Category 4: Indirect emissions from products used by the organization	
Emissions from waste disposal	Not covered
Category 6: Indirect emissions from other sources	
Municipal water Consumption	Not covered
Transmission and distribution loss of electricity	Not covered

e. Methodology

In calculating the operational-level Emissions, the simplest calculation model was applied. This involved multiplying activity data by the relevant emission factor and the Global Warming Potential (GWP) of the respective greenhouse gas.

Emissions of CO_2 (t CO_2e) = Activity data x Emission factor x GWP

To minimize bias and uncertainty, efforts were made to use primary data that accurately represents the temporal, spatial, and technological characteristics of the specific Emission sources. Emission factors were obtained from reliable sources that align well with the company's Emission calculation context.

Stationary Fuel Sources

GHG emissions of stationary combustion of diesel were calculated with emission factors published in IPCC guidelines of 2006 & the 2019 Refinement to the 2006 IPCC Guidelines for National GHG Inventories.

Mobile Fuel Sources

GHG emissions of mobile combustion of diesel and petrol were calculated with emission factors published in IPCC guidelines of 2006 & the 2019 Refinement to the 2006 IPCC Guidelines for National GHG Inventories.

Energy Purchase

GHG emission purchased electricity and distribution & transmission losses of electricity were calculated with grid average emission factors published in Sri Lanka Energy Balance 2021 by Sri Lanka Sustainable Energy Authority.

Air Travels

GHG emission of air travel should be calculated with ICAO data base. According to the database, the emission is calculated based on the travel distance and the model of the Airplane. This was not covered in the current reporting year.

Waste Generation in Operation

GHG Emissions of generated waste should be calculated with emission factors published by Department of Environment, Food & Rural Affair (DEFRA) of United Kingdom. This reporting year, this was excluded.

GHG Information Management System

Maskeliya Plantations PLC has established and maintains a GHG inventory management system to ensure that company's GHG reporting is complying with the five core principles: accuracy, completeness, relevance, transparency and consistency, being consistent with the intended use of the GHG inventory and free from the material errors and omissions.

This GHG report also outlines consideration for the following:

- Responsibility and authority for inventory development.
- Identification, implementation and review of appropriate training for the personnel engaging in inventory development process
- Identification of organizational and reporting boundaries.
- Identification and review of GHG sources and sinks.
- Selection and review of quantification approach
- Details of qualitative approaches and consideration to their consistent application
- Use, maintenance and calibration of measurement equipment
- Regular accuracy checks
- Conduct of internal audit and management review

Emission Factors

IPCC 2006 guideline defined default emission factors (Tier 1) were used at most instances due to country level or technology specific emission factors were not available.

The grid emission factor was used from country specific emission factors (Tier 2).

Grid electricity distribution and transmission loss and electricity generation plant used were taken from Statistical Digest 2021 of Ceylon Electricity Board. Several other research publications were used to get technology specific emission factors and conversion factors.

GWP Calculation

Quantities of GHG emissions are expressed as tones of CO2e (Carbon Dioxide Equivalents) using the Global Warming Potentials (GWP) from the IPCC Sixth Assessment Report (AR6). The time horizon is 100 years.

GHG		GWP
Carbon dioxide - CO_2		1
Methane - CH_4	Fossil Origin	29.8
	Non-Fossil Origin	27.0
Nitrous oxide - N_2O		273
Refrigerant R410		2255.5

The total Green House Gas (GHG) Emissions for 2025/2026 amount to 13122.63 tCO_2-e, distributed across various categories.

Overall, the analysis highlights the dominance of direct fuel combustion and transportation-related emissions, indicating potential areas for targeted mitigation efforts such as energy efficiency improvements, fuel transition strategies, and sustainable mobility solutions.

Assumption, Limitation & Uncertainty Assessment

Following assumptions were considered in the development of Maskeliya Plantations PLC GHG inventory

- Refilled quantities of fire extinguishers during the reporting period is assumed as an approximation to the leakage/ used quantities of said equipment.
- Air conditioners were not considered. Refilled quantities of refrigerants in a given Air Conditioning System is assumed as an approximation to the leakage quantities of said Air Conditioning System
- Estate paid employee transport was considered only. Where employees use multiple private transports on different schedules i.e. travelled two days by car, another three days by three-wheeler or bike, as a conservative approach, were not considered.

Uncertainties could be associated with the activity data, methodologies, models as well as the emission factors applied in the Maskeliya Plantations PLC Capital inventory. Covering all these parameters, qualitative uncertainty assessment was conducted on the Maskeliya Plantations PLC Capital inventory, of which the results are encapsulated in the below table for the transparency requirements.

Emission Source	Uncertainty level		
	Activity data	Methodology	Emission Factors & Other Constants
Stationary Combustion - Generator	Low	Low	Medium
Fuel paid by the company	Low	Low	Medium
Company-owned vehicle	Low	Low	Medium
CO2 fire extinguishers/ Refilling	Medium	Low	Low
Refrigerants Leakages	Low	Low	Low
Grid-connected electricity consumption	Low	Low	Medium
Employee Commuting to and from work	Medium	Low	Medium
Business Air travels	Low	Low	Medium
Waste disposal	Medium	Medium	Medium
Municipal Water consumption	Medium	Low	Medium
Transmission and distribution loss of electricity	Low	Low	Medium

Criteria considered in uncertainty assessment

Description	Level of uncertainty	Criteria
Activity data	Low	Activity data is obtained from direct measurement using the properly calibrated measuring equipment
	Medium	Activity data is estimated based on the limited available data. Statistical techniques such as interpolation, extrapolation, averaging are used as estimation approaches.
	High	Measured activity data is not available, estimated activity data using alternative/surrogate data, expert judgment and previous year's data records
Methodology	Low	Methodology is technology specific and appropriate to needs of emission accounting. And it is validated and approved by a recognized body/ panel/ organization.
	Medium	Methodology is validated and approved by a recognized body/ panel/ organization, yet not fully appropriate to the needs of emission accounting, adjustment and modification and revalidation are required
	High	Methodology is not validated by a recognized body/ panel/ organization. The reporting organization is not confident that methodology is appropriate to the needs of emission accounting

Emission Factors	Low	Emission is calculated using the validated appropriate facility/site specific emission factors, averages and constants.
	Medium	Emission is calculated using the appropriate generalized global factors, averages and constants
	High	Emission is calculated using the emission factors which have not gone under a proper review and validation process.

GHG Emissions Metrics & Targets Matrix

SLFRS S2 Requirement Element	Scope 1: Direct GHG Emissions	2: Indirect GHG Emission
Mandated Core Metric	• Absolute gross Scope 1 emissions expressed in metric tons of CO_2 equivalent (tCO_2e)	• Absolute gross Scope 2 emissions expressed in metric tons of CO_2 equivalent (tCO_2e).
Operational Boundary & Activities	• Biomass and fuelwood combustion for factory boilers and tea drying troughs. • Diesel/petrol consumption by estate tractors, field vehicles, and backup generators. • N_2O emissions from synthetic fertilizer applications.	• Grid electricity consumed by tea manufacturing machinery (rolling, rotorvanes, fluid bed dryers). • Electricity consumed across estate administrative offices, bungalows, and line rooms.
SLFRS S2 Measurement Methodology	• Align strictly with the GHG Protocol Corporate Standard. • Gases Covered: CO_2, CH_4, N_2O are aggregated and disaggregated by gas	• Both Location-based (using Ceylon Electricity Board grid emission factors) and Market-based methods.
Short-Term Target (By FY 2028)	• Reduce absolute Scope 1 emissions by 10% against a baseline year. • Focus: Sustainable biomass sourcing and vehicle logistics optimization.	• Reduce absolute Scope 2 emissions by 15% against a baseline year. • Focus: Transitioning key manufacturing sites to rooftop solar installations.
Medium-Term Target (By FY 2032)	• Reduce absolute Scope 1 emissions by 20% against baseline. • Focus: Phase out of highly polluting older boilers and adoption of precision agricultural nitrogen management.	• Reduce absolute Scope 2 emissions by 40% against baseline. • Focus: Installation of variable speed drives (VSDs) on factory motors and full LED migration.
Strategic Intensity Metric Alignment	• (tCO_2e) per kilogram of Made Tea produced.	• (tCO_2e) per kilogram of Made Tea processed.
Required SLFRS S2 Target Disclosures	• State baseline year, target year, verification status, and whether the target is aligned with regional/global climate agreements.	• Possibilities for planning for the use of Renewable Energy.

8. Social Related Risks and Opportunities

Sustainability team identified no social risks and opportunities associated with reporting boundary of Maskeliya Plantations PLC.

Disclosure of Quantities of Material Information

GHG emission	-	13269.07 tCO2e	
Diesel usage	-	250782.29 litres	(9,028.16 GJ)
Petrol Usage	-	59089 litres	(1,914.48 GJ)
Firewood usage	-	12261940.90 Kg	(197,662.49 GJ)
Electricity usage	-	6186756.52 Kwhs	(22,272.3235 GJ)
Water usage (assumption)	-	10915680 litres (assumption)	

(IPCC guidelines were referred in converting the energy use in to GJ)

9 Disclosure of Information about Sources of Guidance

Applied Frameworks and Sources of Guidance

- **SLFRS Sustainability Disclosure Standards:** Promulgated by CA Sri Lanka as the mandatory national baseline aligned with global reporting initiatives:
  - o **SLFRS S1:** General Requirements for disclosure of sustainability-related Financial Information.
  - o **SLFRS S2:** Climate-related disclosures (requiring physical/transition risk strategies and greenhouse gas metrics).
- **SASB Standards:** Utilized as the primary source of industry-based guidance to satisfy the sector-specific obligations required under SLFRS/IFRS frameworks.
- **GRI Standards:** Particularly GRI 13 (Agriculture, Aquaculture, and Fishing Sectors 2022), used to track systemic socio-environmental impacts
- **TCFD Recommendations:** Frameworks guiding governance, risk management, and scenario analysis for climate hazards.
- **Local Capital Market Guidance:** The "Communicating Sustainability" guide issued by the Colombo Stock Exchange (CSE).

Applicable Industry Classification

Under the SLFRS, SASB, and IFRS implementation roadmaps, tea plantation operations fall squarely within the following classification:

- **Sector:** Food & Beverage
- **Industry: Agricultural Products** (Sustainable Industry Classification System™ / SICS™

SASB Disclosure Topics & Metrics Framework

When identifying metrics for a tea plantation business, the SASB Agricultural Products Standard prescribes the following core disclosure topics:

- **Greenhouse Gas Emissions:** Tracking direct Scope 1 emissions from agricultural machinery, fertilizing agents, and processing factories.
- **Water Management:** Disclosing total water withdrawn and consumed, especially in regions vulnerable to altering weather and monsoon cycles.
- **Land Use & Ecological Impacts:** Reporting on soil health, pesticide usage, deforestation commitments, and biodiversity preservation across estates.
- **Workforce Health & Safety:** Disclosing operational injury frequencies and specific health/safety safeguards implemented for estate laborers.
- **Labor Conditions:** Metrics covering fair wages, structural collective bargaining agreements, and human rights oversight across the supply chain.
- **Food Safety:** Tracking compliance rates with global food safety certifications during tea processing and manufacturing phases.
- **Food Loss & Waste:** Quantifying crop losses or processing wastage during harvest-to-manufacturing transitions.
- **Environmental & Social Supply Chain Management:** Assessing the sustainability risks of independent smallholders or bought-leaf suppliers.

9.1. Location Of Sustainability Disclousers Under SLFRS S1

The primary purpose of clauses 60 to 63 is to ensure that sustainability risks and opportunities impacting a company's cash flows, access to finance, and cost of capital are treated with the same governance and importance as traditional financial statements.

Breakdown: Location of Disclosures

a. Integration into general-purpose financial reports

- Requirement: Disclosures mandated by the standard are provided as an integral part of the company's general-purpose financial reporting package.
- Application for Maskeliya Plantations PLC: Maskeliya Plantations PLC does not publish these disclosures as a standalone, disconnected sustainability pamphlet or a delayed ESG brochure. They are packaged inside the main Annual Report or structural equivalent submitted to the Colombo Stock Exchange (CSE).

b. Flexibility in placement (Management Commentary

- Requirement: Subject to local regulatory requirements, company exercises flexibility regarding where exactly within the general-purpose report the details sit. It explicitly mentions that the disclosures may reside within the Management Commentary, "Management's Discussion and Analysis" (MD&A), "Operating and Financial Review", or an Integrated Report section.
- Application for Maskeliya Plantations PLC: Since Maskeliya Plantations PLC operates an integrated model combining agricultural practices, human capital (estate worker welfare), and ecosystem dependencies, placing these disclosures inside the Integrated Report Section or the Management Discussion & Analysis (MD&A) satisfies the standard while maintaining strategic flow.

c. **Inclusion by Cross-Referencing**

- **Requirement:** The standard allows information to be included via cross-reference to another separate report (e.g., a detailed standalone Sustainability/ ESG Report) only if that external report is available to stakeholders on the same terms and at the absolute same time as the main general-purpose financial report.
- **Application for Maskeliya Plantations PLC:** If Maskeliya Plantations PLC chooses to reference technical agricultural metrics, biodiversity studies, or climate metrics from an external document, that document is published concurrently with the Annual Report and remain publicly accessible under identical conditions.

d. **Clear Identification and Clear Presentation**

- **Requirement:** Sustainability disclosures must be **clearly identifiable** and must **not be obscured** by generic marketing unrelated data.
- **Application for Maskeliya Plantations PLC:** Financial impacts from climate disruptions (e.g., erratic rainfall patterns on tea yields) or social metrics must stand out clearly. Management must index or map these data points cleanly so that investors can find them without wading through promotional imagery.

9.2. Timing of Reporting

Maskeliya Plantations PLC aligns its sustainability disclosures with the exact provisions outlined in Paragraphs 64 to 69 of the SLFRS S1 standard.

These rules govern the frequency, synchronized timing, and legal boundaries required for sustainability-related financial reporting. As a listed entity on the Main Board of the Colombo Stock Exchange (CSE), Maskeliya Plantations PLC follows a strict timeline to maintain compliance.

Key Requirements of Paragraphs 64–69 (Timing of Reporting)

Concurrent Reporting and Identical Scope

- **Simultaneous Release:** The company publishes its sustainability-related financial disclosures at the same time as its general-purpose financial statements.
- **Period Alignment:** The sustainability disclosures cover the exact same reporting period as the related financial statements (e.g., April 1 to March 31).

Handling financial reporting delays

- **Delayed Issuance:** If the company amends or delays the publication of its annual financial statements, the sustainability disclosures are adjusted accordingly to maintain a unified launch date.

Information authenticated Post-Period

- **Subsequent Events:** Management incorporates data regarding material sustainability-related risks and opportunities that arise after the reporting period but before the statements are formally authorized for issue. This mirrors the treatment of subsequent events in financial accounting.

Authorization Framework

- **Identical Authorization:** The sustainability-related financial disclosures are approved and authorized by the same individuals or governing bodies that authorize the financial statements (the Board of Directors of Maskeliya Plantations PLC)

Interim Financial Reporting Interconnectivity

- **Interim Reporting:** If Maskeliya Plantations PLC publishes interim financial reports (such as quarterly updates required by the CSE), it is not strictly required to provide full SLFRS S1 disclosures in every interim window. However, any sustainability data published at interim reports have cross-references and connect back to the annual metrics to maintain data integrity.
- **First-Year Timing Relief:** In its initial year of mandatory adoption, Maskeliya Plantations PLC utilizes a transitional exemption. This allows the company to submit its sustainability disclosures after the publication of its primary financial statements.
- **Relief Deadline:** If this relief is utilized, the disclosures are published concurrently with the next second-quarter or half-year interim financial report.

9.3. Comparative Information

Maskeliya Plantations PLC discloses comparative information for the preceding period for all metrics, targets, and financial effects reported under SLFRS S1 and SLFRS S2, alongside narrative descriptions where necessary to provide clear, trend-based context for its agricultural stakeholders.

Core Requirements: Metric and Narrative Comparability

- **Quantitative Metrics:** Prior-period numbers accompany every current-period figure to allow investors to evaluate operational trajectory.
- **Narrative and Descriptive Information:** When pure numbers are insufficient, Maskeliya Plantations PLC discloses comparative narrative information if it is useful for understanding the current period's sustainability disclosures. For example, if a severe drought impacted crop yields or if labor management strategies were overhauled in the previous year, a qualitative comparison must be maintained in the notes to explain structural context.

Application: Operational Focus Areas

Clarifies that the comparative data points are not restricted to historical balance sheet accounts; they extend explicitly to sustainability-linked risks and opportunities. For Maskeliya Plantations PLC, this covers two distinct areas:

- **Metrics and Targets:** Year-over-year data tracking progress against established benchmarks. In a plantation context, this includes water consumption rates, soil degradation metrics, fertilizer usage efficiencies, and workforce safety records.
- **Current and anticipated financial effects:** Quantifiable impacts of sustainability-related physical and transition risks. Maskeliya Plantations PLC provides comparative disclosures on how historical weather volatility (e.g., erratic rainfall in tea-growing regions) impacted operational cash flows, and how those figures stack up against current period projections and mitigation costs.

Strategic Impact

Reporting Pillar	Current Period Focus	Comparative Alignment
Environmental Performance	Current year Scope 1 & 2 emissions from processing factories.	Preceding year emissions data to verify carbon reduction trends.
Climate Resilience	Current crop yield volatility due to rising regional temperatures.	Narrative review of the prior year's weather patterns and adaptation investments.
Financial Interconnectivity	Expected capital expenditure for drip irrigation or sustainable agricultural infrastructure.	Prior year projected costs compared against actual capital deployed.

Practical Implementation Steps

a. **Utilize Transitional Relief:** Under SLFRS S1, first-time adopters are granted a transitional relief option that exempts them from presenting comparative disclosures in their very first year of reporting. Maskeliya Plantations PLC can leverage this in its initial filing to establish a clean baseline without recalculating historical sustainability metrics.

b. **Ensure Uniform Accounting Boundaries:** Ensure the corporate boundaries used for tracking sustainability metrics perfectly match the financial reporting boundaries used in the general-purpose financial statements.

c. **Establish Restatement Protocols:** If a material prior-period error is discovered in a sustainability metric (such as an understatement in crop energy use), Maskeliya Plantations PLC restates the comparative period retrospectively, following the core error-correction methodologies adapted from traditional accounting standards.

10. Statement of Compliance with SLFRS Sustainability Disclosure Standards

The Board of Directors of Maskeliya Plantations PLC hereby provides an explicit and unreserved statement of compliance with the Sri Lanka Financial Reporting Standards (SLFRS) Sustainability Disclosure Standards.

Pursuant to the requirements of **SLFRS S1**

- **Full Compliance :**The sustainability-related financial disclosures of Maskeliya Plantations PLC have been prepared in accordance with all applicable requirements of the SLFRS Sustainability Disclosure Standards. The company has fully integrated the core reporting pillars—Governance, Strategy, Risk Management, and Metrics and Targets—to faithfully represent all material sustainability-related risks and opportunities

- **Exemptions Applied:** In accordance with Paragraph 73, the company has omitted specific information where disclosure is restricted by local laws or regulations, or where it involves highly commercially sensitive information regarding a sustainability-related opportunity, as permitted under the standard's relief clauses. Aside from these permitted omissions, no generic disclosures or partial implementations have been described as fully compliant.

11. Judgements

Significant Sustainability Judgements (SLFRS S1 Compliance)

In the process of preparing the company's sustainability-related financial disclosures, management has made the following significant judgements that have the most profound impact on the metrics, risk profiles, and financial outlook reported herein:

a. Identification of Sustainability-Related Risks and Opportunities

Management applied judgement to determine which environmental, social, and governance (ESG) factors impact the long-term prospects of our estates.

- **Climate Change & Biodiversity:** We judged changing rainfall patterns and soil erosion as immediate physical threats directly altering tea crop yields.
- **Labor Relations:** Given our reliance on estate workforces, worker welfare, living conditions, and wage structures are judged as critical social risks directly tying into operational continuity.

b. Application of Guidance Sources

Since SLFRS S1 provides general requirements, Maskeliya Plantations PLC exercised judgement in choosing supplementary guidance frameworks to provide relevant industry context. Management has referenced the **SASB (Sustainability Accounting Standards Board) Agricultural Products Standard** to identify appropriate sustainability metrics specific to plantation management.

c. Assessment of Materiality

Materiality judgements are unique to the plantation sector. Management has judged that information regarding **fertilizer/agro-chemical utilization** and **greenhouse gas (GHG) Scope 1 and 2 emissions** is material to investors due to the financial implications of transitioning toward organic protocols or enduring carbon tax mechanisms. Conversely, packaging waste was judged immaterial given the raw agricultural nature of bulk tea sales.

d. Boundary and Value Chain Significance

Management evaluated our entire value chain, deciding to include outsourced smallholder suppliers within our broader risk assessment. This judgment ensures that supply chain climate shocks are transparently calculated alongside our managed estates.

12. Measurement Uncertainty

Under **SLFRS S1**, Maskeliya Plantations PLC is required to disclose quantitative and qualitative information regarding sustainability metrics that cannot be measured directly and involve high **measurement uncertainty.**

For a plantation entity navigating severe climate shifts, fluctuating tea crop yields, and biological asset valuations, the mandated disclosure framework must trace the following specific parameters:

a. Primary Sources of Measurement Uncertainty

- **Biological asset valuation:** Fair valuation of tea bushes and managed timber relies heavily on estimated future market prices, growth rates, and weather projections.
- **Value chain data lineage:** Gathering data for Scope 3 emissions across fragmented agricultural supply chains (e.g., smallholder tea leaf suppliers, transport logistics) involves qualitative assumptions and external estimates.
- **Climate Risk Modeling:** Quantifying the anticipated financial effects of physical climate hazards (e.g., changing monsoon patterns, droughts affecting tea production) relies on long-term macro-environmental simulation models.

b. Key Assumptions and Judgments

- **Yield Estimations:** Long-term operational models rely on complex assumptions regarding future soil fertility, pest resistance, and average rainfall parameters.
- **Discount and Inflation Rates:** Determining the present value of future cash flows generated by agricultural produce requires long-term macroeconomic projections unique to the Sri Lankan market

c. Sensitivity analysis

- **Disclosed Metric Volatility:** Maskeliya must present the mathematical sensitivity of its sustainability metrics to changes in underlying assumptions. For instance, a 1°C increase in local ambient temperature could decrease optimal tea crop yields by an estimated percentage, directly shifting anticipated cash flows.

d. Resolution and Range of Outcomes

- **Outcome Dispersion:** Quantitative metrics may be disclosed as a single value or as a reasonable range. The company must explain the boundaries of these ranges and how uncertainties—such as pending green-tech implementation or agricultural policy adjustments are expected to resolve over time.

13. Errors

Details out the formal requirements for identifying, correcting, and disclosing **prior period errors** in sustainability reports.

Core Mechanics

a. Retrospective Restatement

- **Rule:** Maskeliya Plantations PLC corrects material prior period errors retrospectively in its next general-purpose financial report.
- **Action:** Comparative metrics presented from the previous year (e.g., historical greenhouse gas emissions, worker safety rates, or water utilization figures) are adjusted as if the error had never occurred.

b. Definition & Sources of Errors

- **Rule:** Errors are categorized as omissions or misstatements arising from a failure to use, or the misuse of, reliable information that was available or could reasonably have been obtained when the previous report was authorized.
- **Application for Maskeliya Plantations PLC:** This includes:
  - **Mathematical Mistakes:** Computational slips in summing field-level agricultural weights or data aggregates.
  - **Metric Definition Errors:** Incorrectly applying formulas for ESG parameters, like misclassifying Scope 1 and Scope 2 energy usages.
  - **Oversights/Misinterpretations:** Overlooking localized tea estate data or misconstruing supply chain logistics facts.
  - **Fraud:** Intentional manipulation of sustainability disclosures.

c. Distinguishing Errors from Estimates

- **Rule:** The standard explicitly separates error corrections from changes in sustainability estimates.
- **Application for Maskeliya:** If the plantation revises an operational metric because new, updated information or subsequent developments come to light, it is treated as a change in estimate rather than a prior period error. This does not require retrospective correction.

d. Impracticability Exemption

- **Rule:** If it is objectively impossible to determine the period-specific or cumulative effect of an error on prior periods, retrospective restatement is exempted.
- **Action:** Corrects the historical error from the earliest date practicable and formally disclose the limitations preventing full retrospective adjustment.

Required Disclosures

Whenever a material prior period error is corrected, Maskeliya Plantations PLC discloses the following in its annual reports:

- The **nature** of the prior period error.
- The **amount of the correction** for each prior period presented, to the extent practicable.
- The **circumstances** that led to the error and a description of how and from when the error has been corrected if full retrospective restatement was deemed impracticable.

SUSTAINABILITY PROGRESS: Maskeliya Plantations PLC

Independent Assurance Report on the Integrated Reporting

GRI 2-5

Deloitte.

Deloitte Partners
100 Braybrooke Place
Colombo 2
Sri Lanka

Tel: +94 11 771 9700,
+94 11 771 9838
Fax: +94 11 230 7237
www.deloitte.com

INDEPENDENT ASSURANCE REPORT TO THE BOARD OF THE DIRECTORS OF MASKELIYA PLANTATIONS PLC ON THE INFORMATION PRESENTED WITH REFERENCE TO THE GRI STANDARDS IN THE INTERGRATED ANNUAL REPORT – 2025/26

Scope

We have been engaged by the management of Maskeliya Plantations PLC ("the Company") to perform an independent limited assurance engagement, as defined by the Sri Lanka Standards on Assurance Engagements, on the information presented with reference to the GRI (Global Reporting Initiative) ("Information") in its Integrated Annual Report for the year ended 31 March 2026 (the "Report").

Management's Responsibility

Management of the Company is responsible for preparation and presentation of the information with reference to the GRI Standards. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the information that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. The firm applies Sri Lanka Standards on Quality Management 1 (SLSQM 1) and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a conclusion on the information presented in Report with reference to the GRI. We conducted our limited assurance engagement in accordance with the Sri Lanka Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information ("SLSAE 3000 (Revised)") issued by the Institute of Chartered Accountants of Sri Lanka. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the information is free from material misstatement.

A limited assurance engagement undertaken in accordance with SLSAE 3000 (Revised) involves assessing the risks of material misstatement of the information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the information.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and were included,

- Comparing of the content of the Report against the GRI Standards.
- Inquiring relevant organization's personnel to understand the process for collection, analysis, aggregation, and presentation of data.
- Cross checking the non-financial data /information presented in the Report with the supporting documents and schedules maintained by the Company.
- Checking the calculations performed by the organization on a sample basis through recalculation.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the information, as defined above, for the year ended 31 March 2026, is not presented, in all material respects, with reference to the GRI Standards.

Disclosures covered by our Limited Assurance engagement

The selected Sustainability Related Disclosures pertaining to sustainability standards (Notwithstanding the <IR> Framework) covered by our Limited assurance engagement are:

Sustainability Related Disclosures	Maskeliya Plantations PLC's sections	Page Number
GRI Standards	GRI Content Index	252 to 268

Other Matter

Our assurance is not extending to the prospective/comparative information, or any other information presented in the Report other than based on the GRI Standards. Further, we do not provide any assurance on the assumptions and achievability of prospective information presented in the Report including forward-looking statements, targets and growth-related projections.

Deloitte Partners.

Deloitte Partners Sri Lanka
Chartered Accountants
Colombo
25 August 2026

Financial Capital

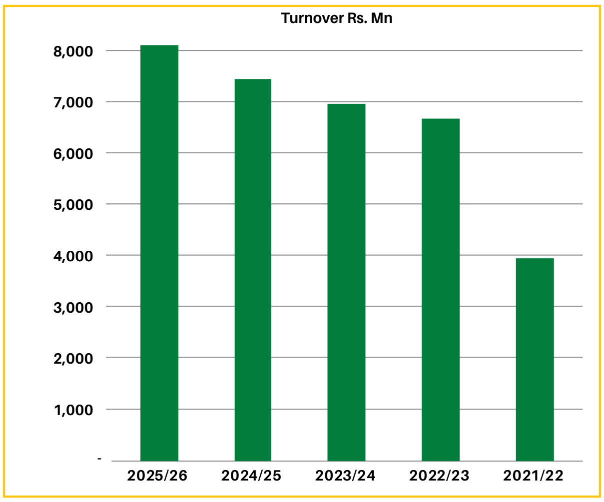
Turnover

Maskeliya Plantations PLC recorded turnover of Rs. 7,067 Mn in 2025/26, an increase of Rs. 334 Mn (5%) compared with Rs. 6,733 Mn in 2024/25. This represents the Company's fifth consecutive year of revenue growth, reflecting the resilience of its plantation operations and its ability to sustain revenue generation despite changing market conditions.

Over the five-year period, turnover increased by approximately Rs. 3,058 Mn, representing growth of approximately 76% from 2021/22. Following the exceptional growth achieved in 2022/23, revenue growth moderated but remained relatively stable at approximately 5%-6% over the past three financial years. The sustained growth reflects effective commercial management, operational resilience and the Company's ability to maintain stable revenue streams.

Five-Year Turnover Trend

Year	Turnover (Rs.Mn)	Growth
2025/26	7,067	5%
2024/25	6,733	6.4%
2023/24	6,329	2.6%
2022/23	6,170	54%
2021/22	4,006	-



Gross Profit

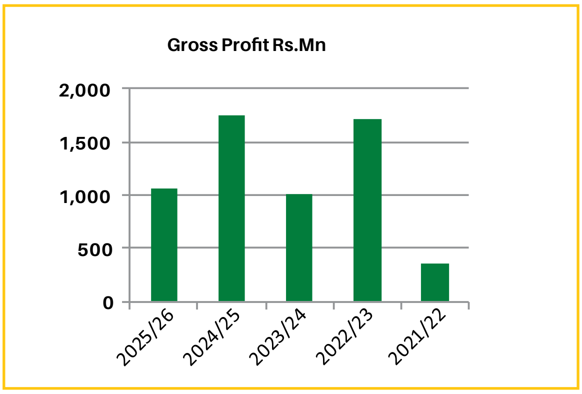
Gross profit amounted to Rs. 1,063 Mn in 2025/26, compared with Rs. 1,742 Mn in 2024/25, representing a 39% year-on-year decline. The reduction was primarily attributable to increased production and operating costs, which placed pressure on gross margins during the year.

Gross profit has remained subject to the cyclical nature of the plantation industry. It increased from Rs. 361 Mn in 2021/22 to Rs. 1,713 Mn in 2022/23, declined to Rs. 1,001 Mn in 2023/24, and recovered to Rs. 1,742 Mn in 2024/25. Although the 2025/26 result was below the exceptionally strong performance of the previous year, it remained above the level achieved in 2023/24 and significantly exceeded the 2021/22 position.

Margin performance continues to be influenced by climatic conditions, agricultural yields, commodity prices and input costs. Management remains focused on improving estate productivity, optimizing resource utilization and strengthening cost efficiency to improve margins and support sustainable profitability.

Gross Profit

Years	Gross Profit (Rs.Mn)
2025/26	1,063
2024/25	1,742
2023/24	1,001
2022/23	1,713
2021/22	361



Profit After Tax

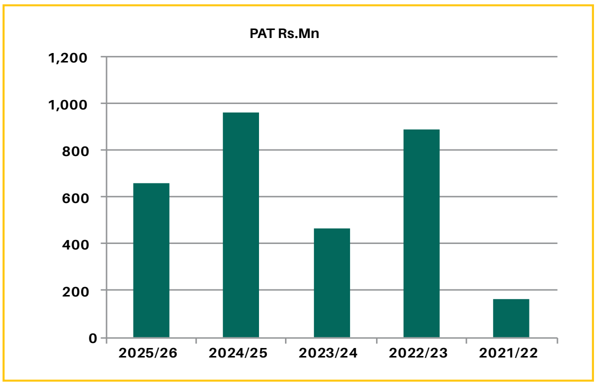
Profit After Tax (PAT) amounted to Rs. 658 Mn in 2025/26, compared with Rs. 958 Mn in the previous year, representing a 31% year-on-year decline. Despite the reduction, the Company remained profitable and continued to generate positive earnings.

Over the five-year period, PAT increased from Rs. 163 Mn in 2021/22 to Rs. 887 Mn in 2022/23, before declining to Rs. 468 Mn in 2023/24 and recovering to Rs. 958 Mn in 2024/25. The 2025/26 result, while lower than the previous year's peak, remained materially above the levels recorded in 2021/22 and 2023/24.

The Company's earnings performance reflects the combined impact of operating margins, production costs, other income and financing costs. Continued attention to productivity, cost management and resource allocation remains central to maintaining earnings resilience.

Profit after tax

Years	PAT (Rs.Mn)
2025/26	658
2024/25	958
2023/24	468
2022/23	887
2021/22	163



Financial Performance Overview

Revenue increased by 5% to Rs. 7,067 Mn in 2025/26. However, the cost of sales increased to Rs. 6,004 Mn from Rs. 4,991 Mn, resulting in significant pressure on gross profitability.

Other income improved to Rs. 103 Mn, compared with Rs. 7 Mn in the previous year, while the change in fair value of biological assets contributed Rs. 108 Mn. These items provided a positive contribution to the overall financial performance.

Cost management measures supported the Company's earnings. Administrative expenses declined by 21% to Rs. 99 Mn, while management fees reduced from Rs. 228 Mn to Rs. 110 Mn. Finance costs also declined by 15%, reflecting improved management of financing requirements.

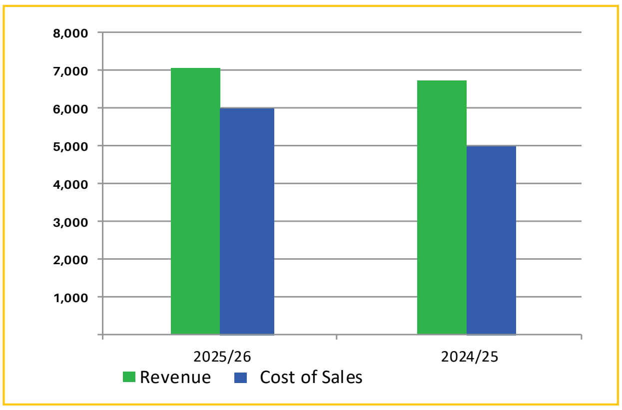
Profit before taxation was Rs. 979 Mn, compared with Rs. 1,440 Mn in 2024/25. After an income tax expense of Rs. 321 Mn, PAT amounted to Rs. 658 Mn. Earnings per share were Rs. 12, while the dividend per share was Rs. 4.

Overall, the financial performance demonstrates the Company's ability to maintain profitability through revenue growth and disciplined cost management despite pressure on production costs.

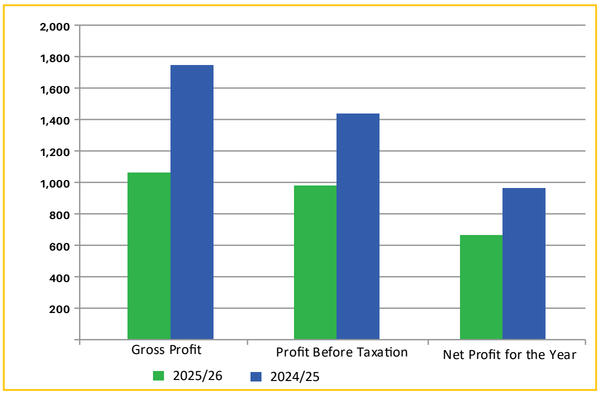
Key Financial Performance Indicators

Indicator	2025/26	2024/25	Change
Revenue (Rs.)	7,067Mn	6,733Mn	▲ 5.0%
Cost of Sales (Rs.)	6,004Mn	4,990Mn	▲ 20.3%
Gross Profit (Rs.)	1,063Mn	1,742Mn	▼ 39.0%
Administrative Expenses (Rs.)	99Mn	124Mn	▼ 20.6%
Finance Cost (Rs.)	100Mn	118Mn	▼ 14.6%
Profit Before Tax (Rs.)	979Mn	1,440Mn	▼ 32.0%
Net Profit (Rs.)	658Mn	958Mn	▼ 31.3%
Earnings Per Share (Rs.)	12.20	17.76	▼ 31.3%
Dividend Per Share (Rs.)	4.00	4.50	▼ 11.1%

Revenue vs Cost of Sales (Rs.Mn)



Profitability Comparison (Rs.Mn)



Key Financial Position Indicators

Indicator	2025/26	2024/25	Change
Total Assets	Rs.7,170Mn	Rs.6,993Mn	▲ 2.5%
Non-current Assets	Rs.5,269Mn	Rs.5,088Mn	▲ 3.6%
Current Assets	Rs.1,901Mn	Rs.1,905Mn	Stable
Total Equity	Rs.2,968Mn	Rs.2,689Mn	▲ 10.4%
Total Liabilities	Rs.4,202Mn	Rs.4,304Mn	▼ 2.4%
Net Assets per Share	Rs.55	Rs.50	▲ 10.0%

Financial Position and Capital Strength

As at 31 March 2026, total assets increased by 2% to Rs. 7,170 Mn, compared with Rs. 6,990 Mn in the previous year. The asset base continues to be underpinned by biological assets and property, plant and equipment, reflecting the capital-intensive nature of plantation operations.

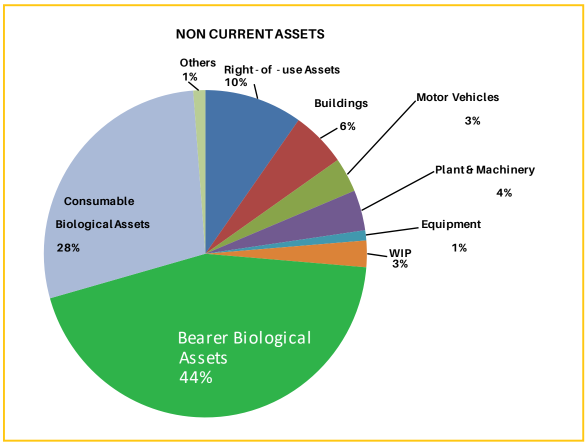
Non-current assets increased to Rs. 5,270 Mn from Rs. 5,090 Mn. Freehold property, plant and equipment increased by 18% to Rs. 935 Mn, while consumable biological assets increased to Rs. 1,490 Mn from Rs. 1,370 Mn. Bearer biological assets remained broadly stable at Rs. 2,330 Mn.

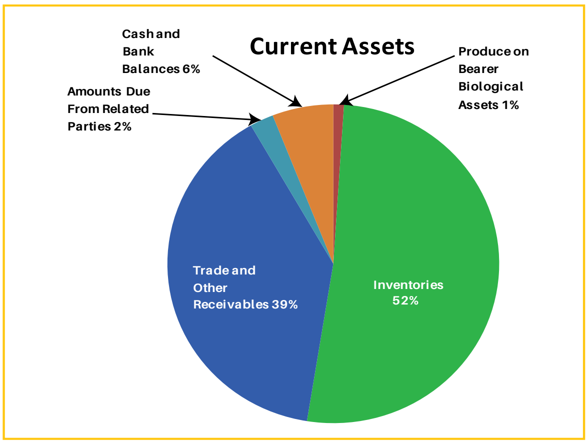
Current assets remained at approximately Rs. 1,900 Mn. Inventories declined by 13% to Rs. 979 Mn, while trade and other receivables increased by 52% to Rs. 745 Mn. Cash and bank balances declined to Rs. 113 Mn from Rs. 231 Mn, reflecting the deployment of available liquidity towards operational and financial requirements.

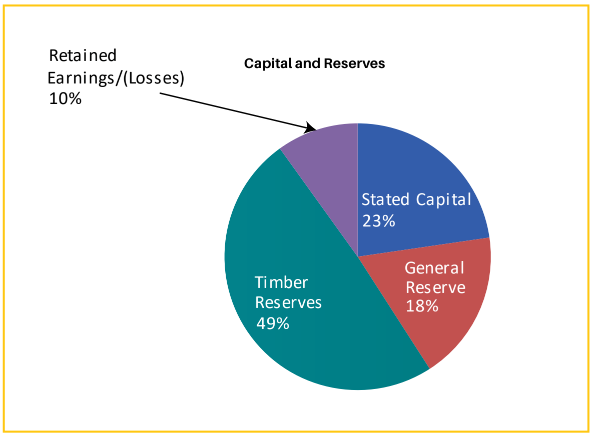
Total equity increased by 10% to Rs. 2,970 Mn, compared with Rs. 2,690 Mn in 2024/25. The increase was supported by retained earnings and movements in reserves.

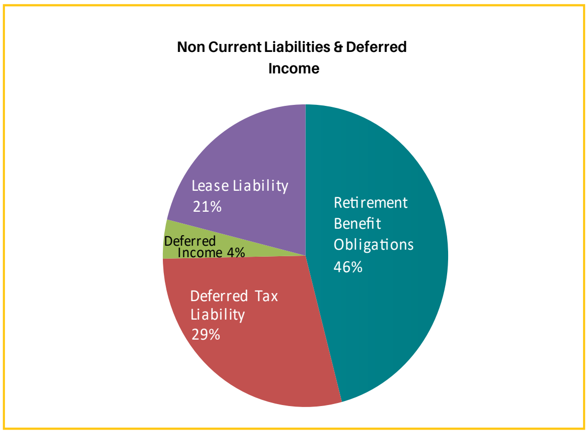
Total liabilities declined to Rs. 4,200 Mn from Rs. 4,300 Mn, while current liabilities decreased by 18% to Rs. 1,310 Mn. Interest-bearing loans and borrowings declined from Rs. 304 Mn to nil, strengthening the Company's short-term financial position.

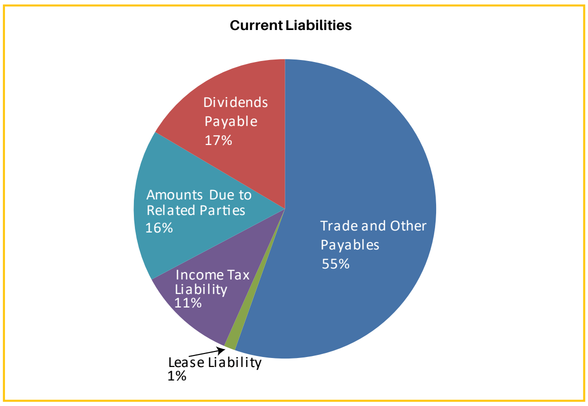
Net assets per share improved to Rs. 55, compared with Rs. 50 in the previous year, reflecting the strengthening of the equity base











Asset Composition – 2025/26(Rs.Mn)

Movement in Shareholders' Equity

Total equity increased by Rs. 280 Mn, or 10%, to Rs. 2,970 Mn as at 31 March 2026. The movement reflects the combined impact of the Company's profitability, dividend distribution, reserve movements and other comprehensive income.

PAT of Rs. 658 Mn contributed positively to shareholders' funds, while dividends of Rs. 216 Mn were distributed during the year. Retained earnings increased from Rs. 130 Mn to Rs. 295 Mn.

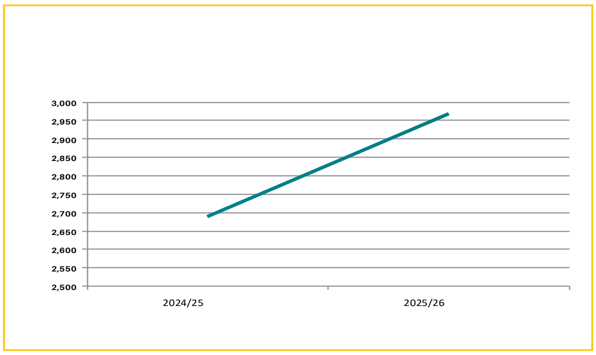
The Timber Reserve increased by Rs. 115 Mn to Rs. 1,460 Mn, reflecting the value attributed to the Company's timber resources.

Other comprehensive income resulted in a negative movement of Rs. 163 Mn during the year. Despite this adjustment and the dividend distribution, the Company's equity base strengthened, supported by continued profitability and reserve movements.

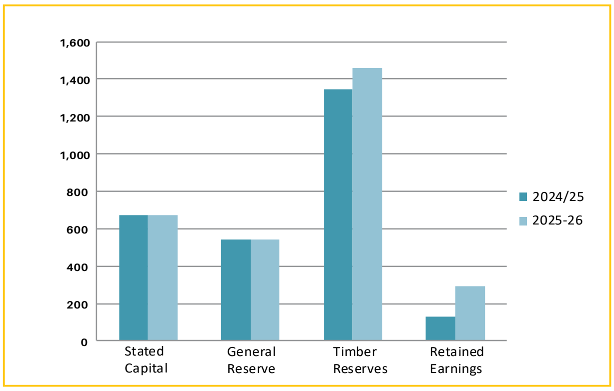
Equity Movement Summary

Component	2024/25 (Rs.)	Movement During 2025/26 (Rs.)	2025/26 (Rs.)
Stated Capital	674Mn	-	674Mn
General Reserve	540Mn	-	540Mn
Timber Reserve	1,345Mn	▲ 115Mn	1,459Mn
Retained Earnings	130Mn	▲ 165Mn	295Mn
Total Equity	**2,689Mn**	**▲ 280Mn**	**2,968Mn**

Total Equity Growth (Rs.Mn)



Equity Composition Comparison (Rs.Mn)



Movement in Retained Earnings

Retained Earnings Bridge (Rs.Million)	
Opening Balance (2024/25)	130.1
▲	
Profit for the Year	+658.1
▼	
Other Comprehensive Income	-162.9
▼	
Dividend Distribution	-215.8
▼	
Timber Reserve Transfer	-114.6
Closing Balance (2025/26)	294.9

Equity Value Creation Flow

Profit Generated

↓

Net Profit Rs.658Mn

↓

Retained Earnings
Rs.294.9Mn

Dividend Distribution
Rs.215.8Mn

↓

Total Equity Strengthened
Rs.2,968 Mn

GRI 201-1 – Direct Economic Value Generated and Distributed

During 2025/26, the Company generated economic value primarily through the sale of made tea through the Tea Auction and private sales facilitated by licensed brokers. As an upstream producer, Maskeliya Plantations PLC supplies graded tea to intermediaries that connect its production to domestic and international markets.

Revenue generated during the year amounted to Rs. 7,067 Mn. The principal distribution of economic value comprised operating costs, employee remuneration, government payments and shareholder returns.

Operating costs amounted to Rs. 6,004 Mn,including supporting agricultural production, estate maintenance, energy consumption, factory operations and related activities. Distribution of wages to employees was Rs. 4,182Mn during the reporting period.

The Company recognized an income tax expense of Rs. 321 Mn, contributing to government revenue. A total dividend of Rs.216Mn was declared for shareholders.

The Company's economic contribution also extends to suppliers, service providers, contractors and surrounding communities through employment, procurement and expenditure associated with its plantation operations.

During the financial year under review, the Company generated a gross turnover of Rs. 7,183 million. By transforming brought-in materials and inputs costing Rs. 1,889 million, the Company created a total Gross Value Added (GVA) of Rs. 5,294Mn.

After meeting all operational expenses, workforce remuneration, tax liabilities, loan obligations, and dividend payments, the balance retained profit for the year is Rs. 475Mn (8.97% of GVA), which remains within the business to strengthen corporate reserves and future growth. we give more Analytical details in value added Statement.

GRI 201-4: Financial Assistance Received From Government

During the reporting period, Maskeliya Plantations PLC received government financial assistance in the form of agricultural subsidies and grants supporting plantation development and crop diversification.

The assistance related primarily to:

Type of Financial Assistance	2025/26 (Rs. Mn)	2024/25 (Rs. Mn)
Tea subsidies and planting grants	0.46	0.41
Coffee cultivation and nursery subsidies	1.9	4
Export development grant	-	0.45
Total financial assistance received	**2.4**	**4.9**

The assistance was received in Sri Lanka and utilized in accordance with the relevant government programmes and applicable conditions.

The Company did not receive tax relief, tax credits, investment grants, research and development grants, royalty holidays, Export Credit Agency assistance, awards or other significant government financial incentives during the reporting period.

The Government of Sri Lanka does not hold a shareholding interest in Maskeliya Plantations PLC.

GRI 203-2 - Significant Indirect Economic Impacts

Maskeliya Plantations PLC contributes to rural economic development through employment generation, local procurement, supplier engagement and expenditure across its value chain. Its operations support local suppliers, service providers, transport operators and other businesses associated with plantation activities.

The Company also supports employee welfare and community development through housing, healthcare, education, childcare, essential services and other initiatives. Total investment in employee welfare and community support during the year amounted to Rs. 216 Mn.

During the reporting period, the Company continued to invest in employee welfare and community support through the following initiatives:

Employee Welfare and Community Support	Amount (Rs.Mn)
Workers' Housing	18
Medical & Feeding Expenses	46
Welfare Expenditure	54
Crèches	54
Foodstuffs (Flour and Rice) Provided on Recovery Basis*	44

Essential food items, including flour and rice, are supplied to employees on a recovery basis. This arrangement provides convenient access to essential commodities for employees living in remote plantation communities while reducing transportation-related costs.

In accordance with the prevailing Collective Agreement, eligible employees residing in estate housing also receive free electricity units, subject to the applicable eligibility criteria and monthly allowances

Employee Category	Senior Staff	Junior Staff
Clerical Staff	140 units	100 units
Technical Staff	140 units	100 units
Supervisory Staff	140 units	100 units
Maintenance & Support Staff	140 units	100 units

These initiatives contribute to household welfare, employee retention and economic resilience within plantation communities.

The Company recognizes that fluctuations in commodity prices, regulatory changes and broader economic conditions may affect employees, suppliers, contractors and surrounding communities. These risks are managed through responsible business practices, stakeholder engagement and established risk management processes.

Area	Positive indirect economic impact	Potential negative indirect economic impact
Employment and livelihoods	The Company's plantation operations support livelihoods of employees and their families, while also generating economic activity in surrounding communities through employee spending.	Changes in production levels, operational restructuring or adverse business conditions may affect employment opportunities and household incomes in plantation communities.
Local procurement	Procurement of goods and services from local Sri Lankan suppliers supports local businesses, employment and economic activity. 100% of the Company's suppliers are Sri Lankan, contributing to the circulation of economic value within the local economy.	Dependence on plantation operations may create economic vulnerability for local suppliers if procurement requirements or production volumes decline.
Supply and distribution chain	The Company's tea production supports employment and income across the wider value chain, including suppliers, transport providers, service providers and other businesses connected to the tea industry.	Disruptions to production, transportation or supply chains may adversely affect businesses dependent on the Company's operations.
Community infrastructure and services	Plantation operations contribute to the economic activity of surrounding communities and support demand for local services and businesses. Investments in plantation communities and related facilities can contribute to improved living conditions and local economic resilience.	Where communities are highly dependent on plantation operations, reductions in operations or investment may have a disproportionate effect on local economic activity.
Skills and knowledge	Training and capacity-building provided to employees can enhance skills and knowledge within the plantation sector, improving employability and productivity.	Limited access to training or changes in the skills required by the industry could create skills gaps among workers and surrounding communities.
Tea industry and export economy	Tea production contributes to Sri Lanka's agricultural sector and supports economic activity associated with the tea value chain. Efficient and sustainable plantation operations can strengthen the long-term productivity and resilience of the sector.	Climate-related events, declining productivity, labour shortages, rising input costs or other operational challenges may reduce production and consequently affect economic activity across the associated value chain.
Environmental conditions	Sustainable agricultural practices, including responsible management of soil, water and biodiversity, can support the long-term productivity of plantation land and the economic resilience of surrounding communities.	Poor environmental conditions, soil degradation, water stress or other environmental impacts could reduce agricultural productivity and adversely affect the economic wellbeing of communities dependent on plantation activities.

GRI 204-1 – Proportion of Spending on Local Suppliers

Maskeliya Plantations PLC prioritizes local suppliers, service providers, subcontractors and intermediaries where they can meet requirements relating to quality, reliability, technical capability, cost competitiveness, timely delivery and applicable legal, social and environmental standards.

The Company's Policy on Selection and Evaluation of Service Providers, Subcontractors, Intermediaries and Suppliers (MK/RA/P/08) provides a structured framework for supplier evaluation and selection. Company sources 100% of its suppliers from Sri Lanka, contributing to the local economy through its procurement activities and supporting local businesses, with 174 new suppliers joining the Company during the reporting period.

For this disclosure, a local supplier is defined as a supplier, service provider, subcontractor or intermediary operating within Sri Lanka. Where practicable, preference is given to suppliers located within or close to the Company's estates and operational areas.

The Company's significant locations of operation comprise four regions—Upcot, Maskeliya, Talawakelle and Bandarawela—and 18 estates. These locations encompass the Company's principal tea cultivation, processing, estate management and procurement activities

Local procurement during 2025/26 supported estate operations through the sourcing of agricultural inputs, operational materials, maintenance services, transport, labour-related services and other essential requirements.

Supplier evaluation considers:

- Compliance with product and service specifications;
- Quality and reliability;
- Timely delivery and service completion;
- Availability and responsiveness; and
- Alignment with applicable management and sustainability requirements.

Suppliers are assessed using a weighted scoring methodology. Suppliers meeting the required competency threshold are approved, while provisional suppliers may be used where necessary, including for emergency requirements. Suppliers that fail to meet required standards may be restricted from future engagement.

Contractors and service providers operating within estate boundaries are also subject to relevant social and environmental compliance assessments before commencing work.

These practices support local economic participation while ensuring that procurement decisions remain commercially sound and aligned with the Company's quality, ethical and sustainability requirements.

GRI 13.22 – Economic Inclusion

Maskeliya Plantations PLC contributes to economic inclusion through direct employment, local procurement, employee development, supplier engagement and community investment.

The Company provides employment across its estates and factories and supports employee development through training, skills enhancement, welfare programmes and safe working conditions. These initiatives contribute to productivity and long-term employability.

Where commercially feasible, the Company sources goods and services from local suppliers, supporting businesses involved in agricultural inputs, engineering, transport, packaging, maintenance and other operational activities.

The Company also maintains responsible supplier relationships based on transparent commercial practices, timely payments and compliance with applicable environmental, labour, health and safety and ethical requirements.

Community and employee-focused investments in housing, healthcare, education, infrastructure and welfare contribute to the economic resilience of plantation communities.

During the year ended 31 March 2026, the Company:

- Continued to provide employment across its plantation and manufacturing operations.
- Supported regional businesses through local procurement where practicable.
- Maintained responsible and transparent supplier relationships.
- Continued investment in employee welfare, skills development, occupational health and safety and community programmes.
- Engaged with employees, suppliers, communities, government institutions and other stakeholders to promote inclusive economic development.

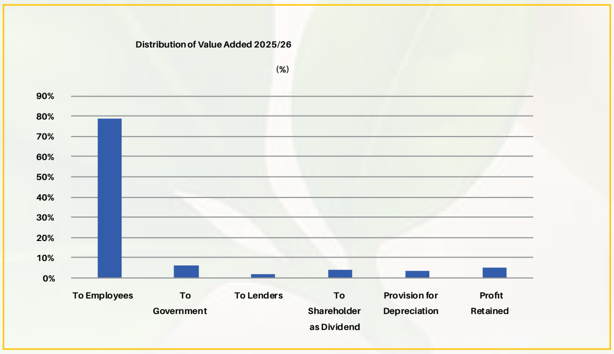
The Company's approach to economic inclusion is focused on creating shared value, strengthening local economic participation and supporting the long-term resilience of the communities connected to its operations.

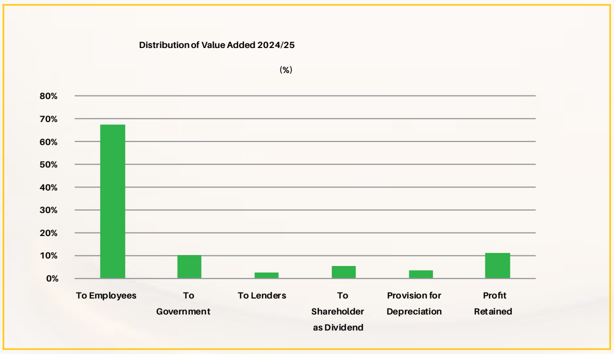
|Value Added Statement

	2025/26 Rs.'000	2024/25 Rs.'000
Revenue	7,066,659	6,732,928
Other Income/Loss	116,949	30,312
Total Revenue	7,183,608	6,763,240
Cost of Material & Services Purchased	(1,889,164)	(2,033,213)
Value Added	5,294,444	4,730,027

Distribution of Value Added		
A. To Employees as Remuneration	4,182,281	3,195,985
B. To Government (Tax etc)	320,914	481,753
C. To Lenders of Capital	100,387	117,567
D. To Shareholders as Dividend	215,814	242,791
E1. Provision for Depreciation	195,683	170,283
E2. Profit Retained	279,365	521,648
Value Added	5,294,444	4,730,027

Value Added per Employee (Rs.)	799,586	856,578
Value Added as a % of Fixed Assets	100%	93%
Value Added as a % of Total Assets	74%	68%
Value Added as a % of Capital Employed	178%	171%





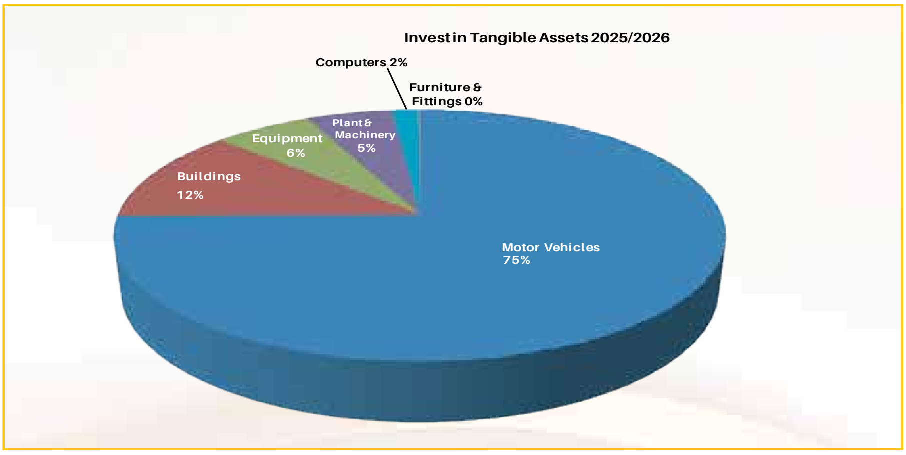
Manufactured Capital

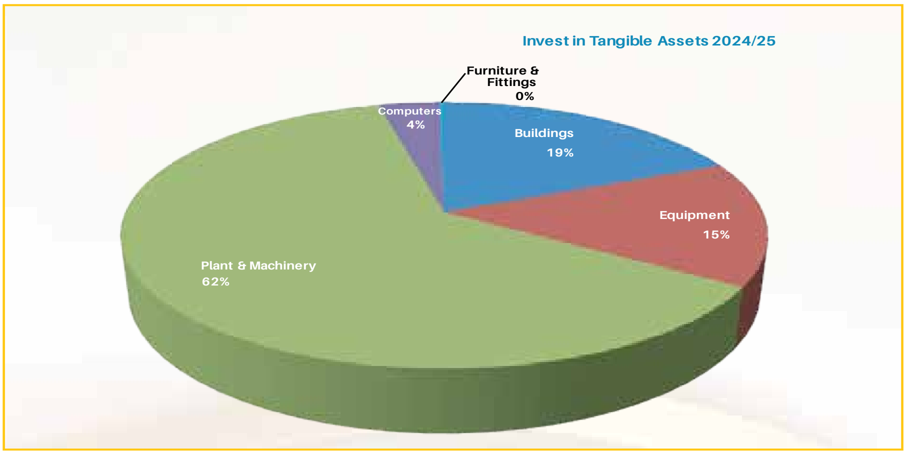
Manufactured Capital represents the physical and productive asset base that enables Maskeliya Plantations PLC to cultivate process and deliver high-quality agricultural produce efficiently and sustainably. Spanning 18 estates across four regional clusters—Up cot, Maskeliya, Talawakelle and Bandarawela. our manufactured capital combines estate infrastructure, processing facilities, transport assets, machinery and productive plantations into an integrated operating network.

Our investments in infrastructure and productive assets are guided by the objective of maintaining operational excellence, protecting long-term productive capacity and enhancing resilience in an increasingly dynamic operating environment. Through disciplined capital allocation and continuous asset renewal, we strengthen operational efficiency while supporting sustainable value creation for shareholders and other stakeholders.

Investing In Our Productive Asset Base

Investment Category	Rs.(Mn)
Motor Vehicles	168.30
Buildings	27.07
Equipment	13.77
Plant & Machinery	12.06
Computers	3.74
Furniture & Fittings	0.13





MASKELIYA

view

Capital Investments during the Financial Year 2025/26

During the financial year 2025/26, the Company continued to invest in capital assets to support the efficient operation of its estate and factory activities and to maintain the infrastructure required for its business operations. Total capital expenditure during the year comprised investments in plant and machinery, operational equipment, and motor vehicles.

Investment in Plant and Machinery amounted to Rs.12.06 million, including expenditure on a roll breaker, boiler and dryer, and other machinery. These investments were undertaken as part of the Company's ongoing asset enhancement and operational support programme.

The Company invested Rs.13.77 million in Equipment, comprising pruning machines, sprayers and mist blowers, plucking machines, and other operational equipment. These assets support estate operations and form part of the Company's continued investment in maintaining and enhancing field operational capability.

Investment in Motor Vehicles amounted to Rs.168.30 million, consisting of the acquisition of double cabs and a Land Cruiser Prado. These vehicles support estate supervision, transportation, and the operational requirements of the Company's geographically dispersed plantation activities.

The Company's capital investment programme reflects its continued commitment to maintaining and strengthening its operational asset base in support of efficient business operations and the delivery of its long-term strategic objectives.

Plant & Machinery	Rs (Mn)
Roll Breaker	5.44
Boiler & Dryer	4.18
Other Machinery	2.45
Total	12.06
Equipment	
Pruning Machines	3.12
Sprayers / Mist Blower	2.49
Plucking Machine	3.69
Other Equipment	4.47
Total	13.77
Motor Vehicles	
Double Cabs	83.80
Land Cruiser Prado	84.50
Total	168.30

Manufactured Capital - Biological Assets

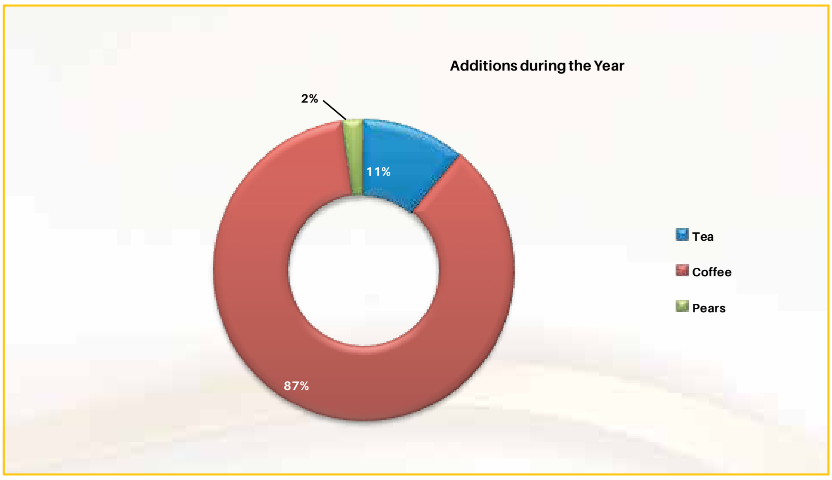
The plantation portfolio of Maskeliya Plantations PLC represents the Company's principal productive capital, underpinning its ability to generate sustainable agricultural output and long-term stakeholder value. Tea remains the Company's primary agricultural asset and core revenue-generating crop, reflecting its long-standing expertise in cultivating premium Ceylon tea across its estates. Continuous investment in tea cultivation, replanting, and estate development preserves the productive capacity of the plantations while enhancing long-term yield potential and maintaining the quality standards expected by global markets.

As part of its long-term diversification strategy, the Company continues to invest in coffee and pear cultivations. These complementary crops support the optimization of suitable land resources, diversify agricultural income streams, and strengthen the resilience of the plantation portfolio against evolving market and climatic conditions. The Company's ongoing investment in the establishment, development, and maturation of plantation assets ensures the sustainability of its productive biological asset base while supporting future operational performance and long-term value creation.

Capital Investment in Plantation Assets

During the year, Maskeliya Plantations PLC invested in the development and establishment of tea, coffee, and pear cultivations as part of its replanting, diversification, and estate development programs. These investments are capitalized in accordance with the Company's accounting policies and represent expenditure incurred to strengthen the future productive capacity of the plantation portfolio.

Crop	Additions during the Year Rs.(Mn)
Tea	7.20
Coffee	56.39
Pears	1.49
Total	65.08

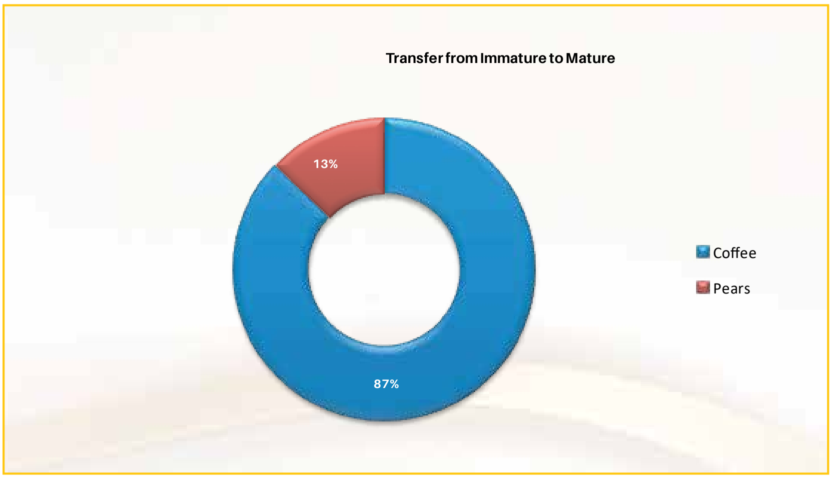


The above investments reflect the Company's continued commitment to maintaining a sustainable, productive, and commercially resilient plantation asset base.

Transfer from Immature to Mature Plantations

During the year, plantation developments that reached commercial bearing status were transferred from immature plantations to mature plantations in accordance with the Company's accounting policy. This reclassification signifies the transition of these assets into productive commercial operations and enhances the Company's income-generating biological asset base.

Crop	Transfer from Immature to Mature Rs.(Mn)
Coffee	162.68
Pears	24.04
Total	186.72



The transfer of plantation assets to mature status reflects the successful progression of the Company's long-term cultivation and estate development programs. These mature plantations are expected to contribute to sustainable yields, improved operational performance, and enduring value creation while reinforcing the long-term productivity of Maskeliya Plantations PLC's plantation portfolio.

Machinery and Equipment Acquisition Framework

Our machinery and equipment acquisition process is guided by a structured and responsible approach to strengthen operational efficiency, support innovation, and achieve sustainable growth. We evaluate investments based on operational requirements, financial feasibility, technological benefits, environmental impact, safety standards, and long-term value creation.

The procurement process includes identifying needs, conducting feasibility assessments, evaluating suppliers, and ensuring compliance with established procurement guidelines. Minor purchases are managed through competitive quotations from approved suppliers, while large-scale acquisitions are handled by the Group Commercial Division to ensure cost effectiveness, quality assurance, and strategic alignment.

By prioritizing energy-efficient, reliable, and sustainable technologies, we continue to enhance our manufacturing capabilities while reducing environmental impact and supporting our long-term sustainability objectives.

Renewable Energy Contribution Through Hydropower Generation

As part of our commitment to sustainable resource management and responsible environmental practices, Maskeliya Plantations PLC continues to support renewable energy initiatives through the utilization of available natural resources within our estates.

The Brunswick Estate Hydro Power Project represents an important component of our renewable energy portfolio. By harnessing the natural water resources available within the estate, the project generates clean electricity that is supplied to the national grid, contributing to Sri Lanka’s renewable energy supply.

This initiative reflects our efforts to maximize the productive value of our estate resources while supporting the transition towards cleaner energy solutions. The project strengthens our sustainability agenda by promoting renewable energy generation, improving resource efficiency, and supporting national efforts to reduce reliance on conventional energy sources.

Estate	No of units (Kwh) 2025/2026	No of units (Kwh) 2024/2025
Brunswick	661355	123414

Estate Infrastructure Development

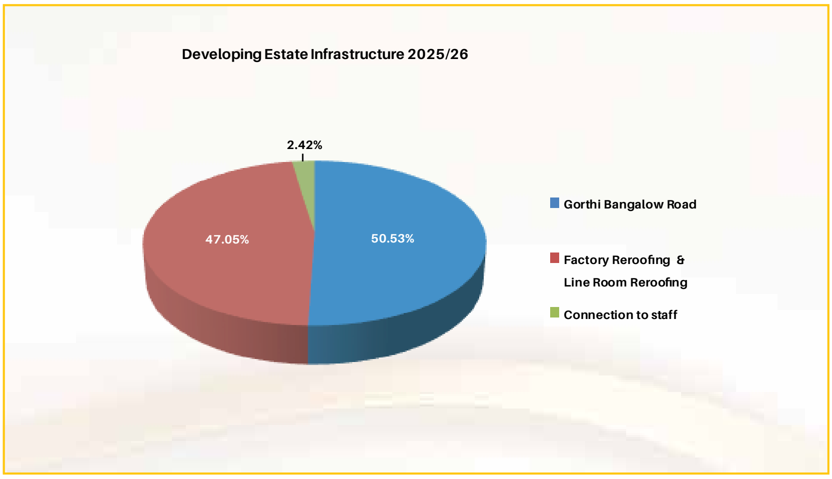
GRI 203-1: Infrastructure Investments and Services Supported

As a tea plantation company operating across estate communities, Maskeliya Plantations PLC recognises that the quality and resilience of estate infrastructure are closely connected to the well-being of its employees, their families, local communities and the long-term sustainability of its operations. During the financial year 2025/2026, the Company continued to invest in essential estate infrastructure to strengthen operational resilience, improve accessibility, protect productive assets and enhance living and working conditions within its estates.

Although these investments are primarily undertaken to support the Company's plantation and tea-processing operations, their benefits extend beyond the Company's immediate operational requirements. As employees and their families reside within the estate communities, improvements to roads, housing, electricity and other essential infrastructure contribute directly to the quality of life and socio-economic well-being of the communities surrounding the Company's operations.

Significant Infrastructure Investments

Infrastructure Development Activity	Expenditure Rs.(Mn)	% of Total
Gorthie Bungalow Road Development	13.68	50.53%
Factory Reroofing and Line Room Reroofing	12.74	47.05%
Electricity Connections to Staff Housing	0.65	2.42%



Road Infrastructure and Estate Connectivity

The Company invested Rs.13.68 million in the development of the Gorthie Bungalow Road, representing 50.53% of the total infrastructure expenditure during the reporting period. The development of the road strengthens connectivity within the estate and facilitates the movement of harvested green leaf, agricultural inputs, machinery, employees and other essential resources. Improved road infrastructure is particularly important in plantation environments where operations are conducted across geographically dispersed and challenging terrain. The investment also provides a wider community benefit. Improved internal estate roads enhance accessibility for employees and their families and facilitate easier movement within the estate community. Better connectivity can support access to workplaces, housing, essential services and other community facilities, while improving the resilience of the estate community during periods of adverse weather.

Community impact: The road development provides a positive contribution to local accessibility and connectivity while strengthening the Company's operational efficiency and resilience.

Factory and Employee Housing Infrastructure

The Company invested Rs.12.74 million in factory reroofing and line-room reroofing, representing 47.05% of total infrastructure expenditure during the reporting period. Reroofing works were undertaken at the Moray, Mousakelle and Talawakelle tea factories, helping to preserve critical production infrastructure, protect factory buildings from weather-related deterioration and maintain a safe and reliable environment for tea-processing activities. In addition, reroofing of line rooms at Leangahawela Estate contributed to improving the condition and durability of employee accommodation. As estate employees and their families form an integral part of the communities in which the Company operates, maintaining safe and suitable housing contributes directly to employee welfare and community well-being.

Community impact: The investment supports safer and more suitable living conditions for estate employees and their families while protecting facilities that support employment and economic activity within the surrounding estate communities.

Electricity Connections to Staff Housing

The Company invested Rs.0.65 million in extending electricity connections to staff housing during the reporting period, representing 2.42% of total infrastructure expenditure.

Access to reliable electricity is an important component of household well-being. The investment supports improved living conditions for employees and their families residing within the estates and contributes to a more conducive residential environment.

Community impact: The provision of electricity connections contributes positively to household living standards, employee welfare and the overall quality of life within estate communities.

Contribution to Local Communities and Local Economies

Maskeliya Plantations PLC's estate infrastructure investments during 2025/2026 generated benefits extending beyond the Company's immediate operational requirements, as its estates are also home to employees and their families who form an integral part of the surrounding communities. Investments in estate roads, employee housing, factory infrastructure and electricity connections contributed to improved accessibility and connectivity, safer and more suitable living conditions, household welfare and overall quality of life, while supporting the continuity of plantation and tea-processing activities, employment and related local economic activity. These infrastructure investments were undertaken and financed directly by the Company as part of its commercial operations, employee welfare initiatives and capital expenditure programmes. The projects were fully completed as of 31 March 2026. The infrastructure developments therefore created predominantly positive impacts for employees, their families and estate communities and strengthened the long-term resilience and productive capacity of the Company's operations. No significant negative impacts on local communities were identified in relation to these infrastructure investments during the reporting period. The Company will continue to consider the needs of employees, estate communities and other stakeholders when planning and implementing future infrastructure development initiatives.

|Intellectual Capital

CERTIFICATIONS

- **ISO 22000:2018**


ISO/IEC 17021-1 and ISO/TS 22003
FMS 002-01

CERTIFICATE

CERTIFICATE N°: CU 901339ISO22000-01.2025
REGISTRATION №: CU 901339

Field of attention:
Food Safety Management System

Issued to:
Maskeliya Plantations PLC
No. 310, High Level Road, Nawinna, Maharagama, 10280

SRI LANKA

Standard:
ISO 22000:2018

Control Union Inspections (Pvt) Ltd certify that the Management System of the above organization has been audited and found to be in accordance with the requirements of the management system standards mentioned above.

This certificate covers the unit(s) and the scope(s) as mentioned in the authenticated annex of this certificate.

This certificate remains in force until further notice, provided that the above-mentioned client remains in compliance with the requirements as laid down in the contract with Control Union Inspections (Pvt) Ltd. Based on the audits performed, this certificate remains

Valid from 23-02-2025 until 22-02-2028

Date of certification:
23-02-2025

Place and date of issue:
Colombo - 23-02-2025

Name of the Authorised person:
On behalf of the Managing Director

Ms. Thilini Mahaarachchi
Certifier
Control Union Inspections (Pvt) Ltd.
No.100/8, 3rd Floor, FPA Building, Nawala Road, Narahenpita, Colombo 05,
Sri Lanka

Validity of this certificate may be confirmed at www.controlunion.com

1 of 3

ISO22000CERT.D02
Version:SL02;11-08-2020
Control Union Inspections (Pvt) Ltd.

ISO 22000:2018, issued by the International Organization for Standardization, establishes a comprehensive and internationally recognized framework for managing food safety risks across the entire food value chain. At Maskeliya Plantation, ISO 22000:2018 is embedded within our integrated governance, risk management, and operational control systems, reinforcing our unwavering commitment to producing safe, high-quality agricultural output. As a primary producer at the origin of the supply chain, we recognize our critical responsibility in safeguarding food safety from cultivation through harvesting and dispatch. Accordingly, we implement a robust Food Safety Management System founded on hazard identification, preventive controls, traceability, regulatory compliance, and continuous improvement.

Our structured and risk-based approach ensures systematic management of potential biological, chemical, and physical hazards, including responsible agrochemical application, water quality management, hygienic harvesting practices, and comprehensive documentation protocols. Through strong leadership oversight, disciplined monitoring mechanisms, and a culture of accountability, ISO 22000:2018 strengthens our operational resilience, protects stakeholder interests, and sustains market confidence in our produce. The standard serves not merely as a certification, but as a strategic pillar that underpins long-term value creation, export competitiveness, brand integrity, and our commitment to sustainable plantation management within a globally connected marketplace.


RAINFOREST ALLIANCE CERTIFICATE

Maskeliya Plantations - Maskeliya Cluster

Certificate Holder address: Strathspey estate, Upcot, Hatton, Sri Lanka
Certificate Holder ID: RA_00008362105
Is in conformance with the Rainforest Alliance Sustainable Agriculture Standard

Standard version: V1.3
Start date: March 7, 2024
Issue date: June 29, 2025
Expiration date: March 6, 2027
Certificate code: PBN-MS-033866
Certification option Farming*: Multi Farm

Management board member

Preferred by Nature OÜ is authorized by the Rainforest Alliance and has an accredited quality management system according to ISO17065/ISO17021. Address: Filosoofi 31, Tartu, 50108 – Estonia.
*See certificate annex for crop volume/site information
This certificate is provided subject to the terms and conditions of the Rainforest Alliance 2020 Certification Program. Unauthorized modification, reproduction or use is prohibited. The status and scope of this certificate is valid only as of the start date above

- **Rainforest Alliance Certification (RA)**

Rainforest Alliance Certification (RA) is a globally recognized sustainability standard that promotes environmentally responsible agriculture, social equity, and economic viability across the supply chain. The certification sets rigorous requirements relating to biodiversity conservation, climate resilience, natural resource management, worker welfare, occupational health and safety, and ethical business practices.

At Maskeliya Plantation, adherence to Rainforest Alliance standards reflects our deep-rooted commitment to sustainable plantation management and responsible value creation. As custodians of ecologically sensitive high-grown tea lands, we integrate RA principles into our agricultural operations through the protection of natural ecosystems, responsible agrochemical management, soil and water conservation initiatives, and the preservation of wildlife habitats. Equally, we prioritize the well-being, rights, and safety of our workforce by upholding fair labor practices, providing safe working conditions, and fostering inclusive community development.

Our Rainforest Alliance Certification is not merely a compliance milestone, but a strategic affirmation of our sustainability agenda. It strengthens our environmental stewardship, enhances supply chain transparency and traceability, and reinforces stakeholder confidence in the integrity and ethical foundation of our tea production. Through disciplined implementation and continuous improvement, Maskeliya Plantation remains committed to producing high-quality tea in a manner that safeguards people, protects nature, and sustains long-term economic resilience within a globally responsible marketplace.

In-House Developed Information Systems

Maskeliya Plantations PLC continues to strengthen its intellectual capital through the MIS (Management Information System), which supports the Company's plantation and tea manufacturing operations by providing timely and relevant management information. The system facilitates the collection, consolidation and accessibility of operational information across the Company's estates and factories, supporting management in monitoring performance, evaluating operational requirements and making informed business decisions. The continued development and enhancement of the MIS system enables the Company to improve information accuracy, operational efficiency and coordination across its geographically dispersed operations. By integrating operational knowledge and information into a structured management system, the MIS strengthens the Company's ability to make data-driven decisions, respond effectively to changing business requirements and support the continuous improvement of plantation and tea-processing activities. The system therefore represents an important element of Maskeliya Plantations PLC's intellectual capital and digital capability.

|Human Capital

At Maskeliya Plantation PLC, our people are the cornerstone of our business and the defining strength behind our ability to create sustainable value. As one of Sri Lanka's leading plantation companies, our success is intrinsically linked to the dedication, expertise, and commitment of our workforce. Every stage of our operations from cultivating and harvesting tea to manufacturing world-class products and delivering them to global markets relies on the collective efforts of our employees. Their knowledge, experience, and unwavering commitment continue to shape the quality of our products, the resilience of our operations, and the long-term sustainability of our business.

With a workforce of 5,915 employees, human capital remains one of our most valuable strategic assets. The nature of plantation operations is inherently people-centric, making our employees not only the custodians of our estates but also the driving force behind operational excellence, innovation, and responsible stewardship. Their contribution extends beyond daily operations, playing a vital role in preserving the heritage of Ceylon Tea while enabling the Company to respond effectively to an increasingly dynamic and competitive business environment.

We recognize that sustainable business success is achieved by investing in our people. Accordingly, we are committed to fostering an inclusive, safe, and engaging workplace where every employee is treated with dignity, respect, and fairness and is provided with opportunities to learn, grow, and realize their full potential. Our human capital strategy is founded on merit-based employment practices, continuous capability development, leadership cultivation, equitable remuneration, employee wellbeing, and a strong culture of occupational health and safety. These priorities enable us to build a capable, motivated, and future-ready workforce that supports the delivery of our strategic objectives.

As the plantation sector continues to navigate evolving labor market dynamics, climate-related challenges, technological advancement, and increasing sustainability expectations, the resilience and adaptability of our workforce have become more critical than ever. At Maskeliya Plantation PLC, we view our employees not simply as our workforce, but as trusted partners in our journey of sustainable growth. Through responsible human capital management, we continue to strengthen organizational resilience, create lasting value for our stakeholders, and contribute to the enduring legacy and global reputation of Sri Lanka's tea industry.

People Governance Framework

GRI- 2-23/2-24

Maskeliya Plantations PLC is committed to fostering a workplace that is ethical, inclusive, safe, and performance driven. The Company's Human Resource policies provide a structured framework for managing its people while ensuring compliance with applicable laws, promoting employee wellbeing, and supporting the achievement of strategic objectives. These policies guide decision-making across the employee lifecycle and reinforce a culture of integrity, accountability, continuous learning, and mutual respect.

- Performance Management Policy
- Whistleblowing Policy
- Training-MK /RA/P/11
- Selecting the members to health and safety committees -MK /RA/P/12
- Investigation of accidents and incidents -MK /RA/P/13
- Handling of grievances -MK /RA/P/14
- Sexual harassment remediation policy -MK /RA/P/15
- Human resource and social policy -MK /RA/P/16
- Occupational health and safety policy -MK /RA/P/18

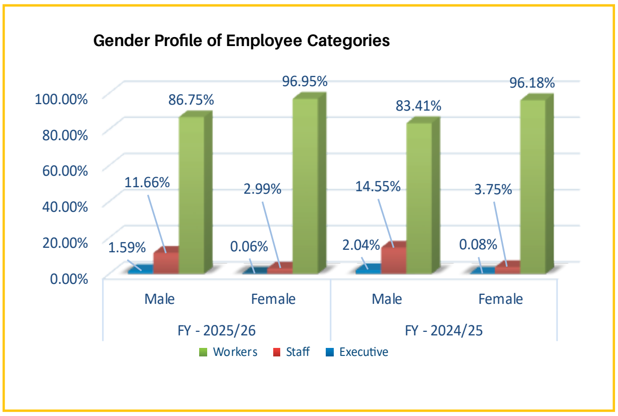
Employees

GRI- 2-7/405-1

At Maskeliya Plantations PLC, our workforce comprises Executive, Non-executive and manual employees who contribute to the management and operations of our estates and tea factories. As of the reporting period, the Company employed 5,915 employees. All employees are engaged on a permanent, full-time basis, and the Company does not employ temporary employees, non-guaranteed hours employees or part-time employees. Employee data is reported based on headcount as at the end of the reporting period and compiled using Company human resource records maintained across all operational estates. During the reporting period, there were no significant fluctuations in the number of employees, and workforce changes were managed in line with operational requirements.

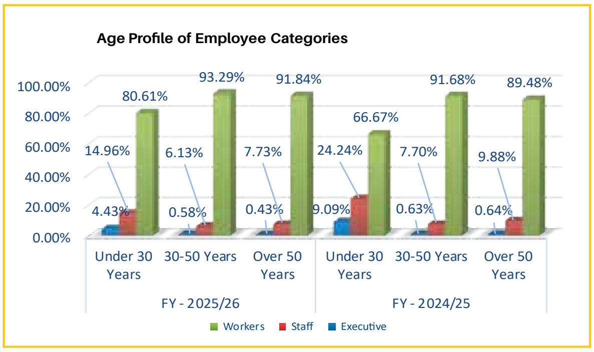
Profile of Employee Categories - By Gender

Employees	FY - 2025/26		FY - 2024/25	
	Male	Female	Male	Female
Executive	44	2	49	2
Non-Executive	323	94	349	97
Workers	2,402	3,050	2,001	2,490
Total	**2,769**	**3,146**	**2,399**	**2,589**



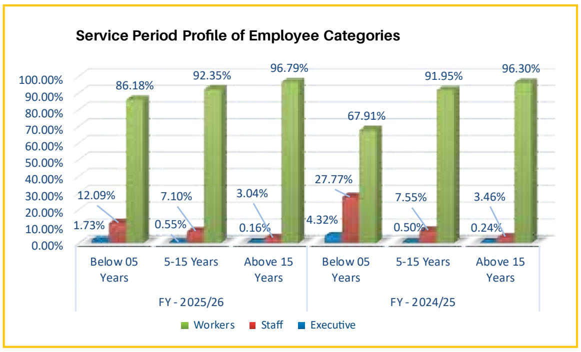
Profile of Employee Categories - By Age

Employees	FY - 2025/26			FY - 2024/25		
	Under 30 Years	30 - 50 Years	Over 50 Years	Under 30 Years	30 - 50 Years	Over 50 Years
Executive	16	24	6	21	23	7
Non-Executive	54	255	108	56	282	108
Manual	291	3,878	1,283	154	3359	978
Total	**361**	**4,157**	**1,397**	**231**	**3664**	**1093**



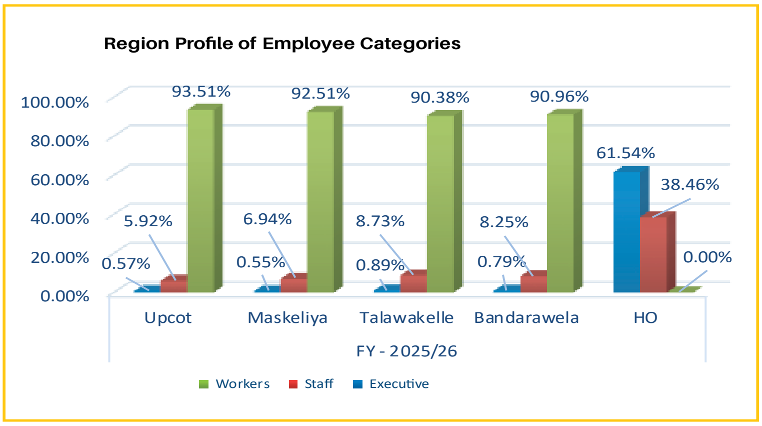
Profile of Employee Categories - By Service Period

Employees	FY - 2025/26			FY - 2024/25		
	Below 5 Years	5 - 15 Years	Above 15 Years	Below 5 Years	5 - 15 Years	Above 15 Years
Executive	34	8	4	37	8	6
Non-Executive	238	103	76	238	120	88
Manual	1696	1340	2416	582	1462	2447
Total	**1968**	**1451**	**2496**	**857**	**1590**	**2541**



Profile of Employee Categories - By Region

Employees	FY - 2025/26					
	Up cot	Maskeliya	Talawakelle	Bandarawela	HO	Total
Executive	14	9	7	8	8	46
Non-Executive	146	113	69	84	5	417
Manual	2306	1506	714	926	0	5452
Total	**2466**	**1628**	**790**	**1018**	**13**	**5915**



Talent Acquisition and Retention

Recruitment and Selection- GRI 202-2, 401-1

Maskeliya Plantations PLC follows a structured, transparent and merit based recruitment process aligned with workforce planning requirements, considering operational needs, succession planning, retirement trends and workforce requirements across its 18 estates and tea factories. Recruitment of the Chief Executive Officer and Directors is overseen by the Nominations and Governance Committee. Recruitment of Executive, Non-executive and manual employees is managed by the Corporate Human Resources function through a competency based selection process supported by defined qualifications, relevant experience and job specific requirements. Estate level recruitment priorities eligible candidates from resident plantation communities while also providing employment opportunities to surrounding local communities, supporting local livelihoods and regional socio-economic development.

During the reporting period, the Company recruited employees across Executive, Non-executive and manual employee categories to support operational continuity and business requirements. All employees are engaged on a full time and permanent basis. New employee hire and employee turnover information has been compiled based on Company human resource records and reported using headcount data as at the end of the reporting period. Detailed workforce movement information, including new hires and employee turnover, is presented by employee category, gender, age group and operational region.

Senior management is defined as the highest level of operational leadership responsible for strategic decision-making and the effective management of plantation operations, including the Chief Executive Officer, Deputy Chief Operating Officer, Superintendents and Assistant Superintendents. The Company defines local community as the estate community and surrounding geographical area in which each estate operates, while significant locations of operation are defined as the Company's four regional operations comprising 18 estates. Based on full-time employee data, 0.778% of senior management positions at significant locations of operation are held by individuals recruited from the local community. This approach supports the development of local leadership capability, strengthens stakeholder relationships and enables the Company to benefit from local knowledge and experience.

Employee turnover during the reporting period was monitored through established human resource records, with workforce changes managed in line with operational requirements, succession planning and business continuity needs. The Company continues to promote responsible employment practices by maintaining stable employment arrangements and providing opportunities for local recruitment and career progression across its plantation operations.

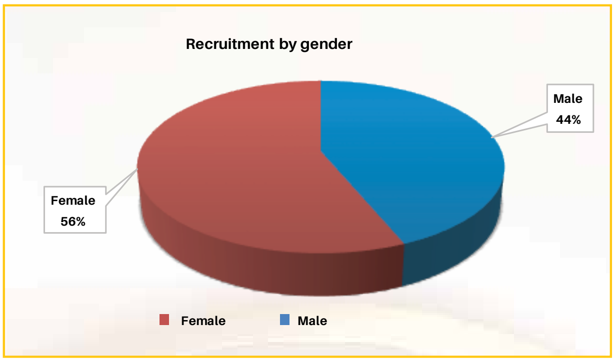
Workforce Movement- FY 25/26

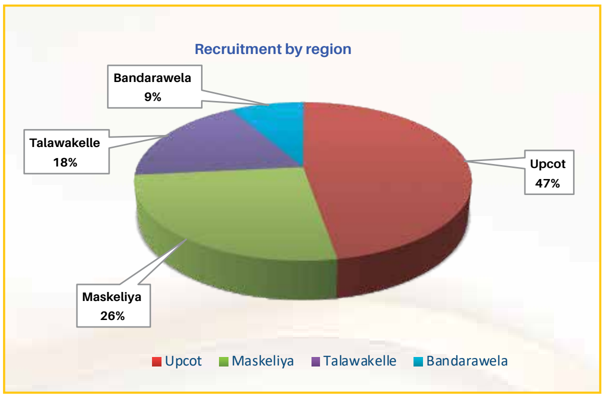
FY-2025/26										
Employees	Recruitment By Gender		Recruitment By Region					Recruitment By Age		
	Male	Female	HO	Upcot	Maskeliya	Talawakelle	Bandarawela	<30	30-50	>50
Executive	11	1	1	6	1	4	0	4	6	2
Non Executive	65	14	0	22	19	24	14	16	40	23
Workers	366	554	0	449	244	157	70	122	585	213

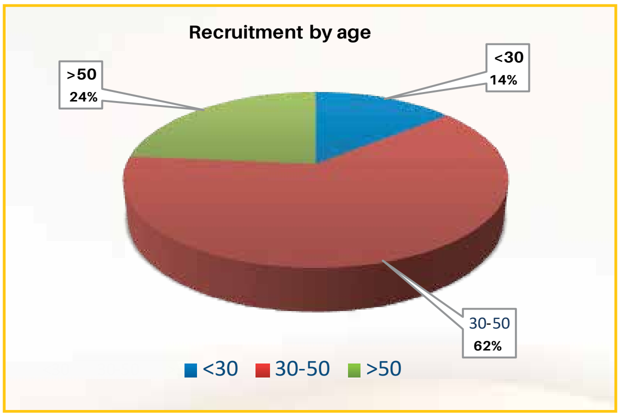
Employees	Recruitment Rate By Gender		Recruitment Rate By Region					Recruitment Rate By Age		
	Male	Female	HO	Upcot	Maskeliya	Talawakelle	Bandarawela	<30	30-50	>50
%	8.11%	10.44%	0.02%	8.75%	4.84%	3.39%	1.54%	2.60%	11.57%	4.37%

MASKELIYA

view

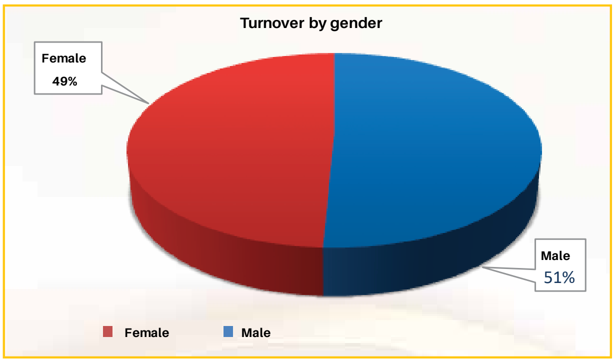


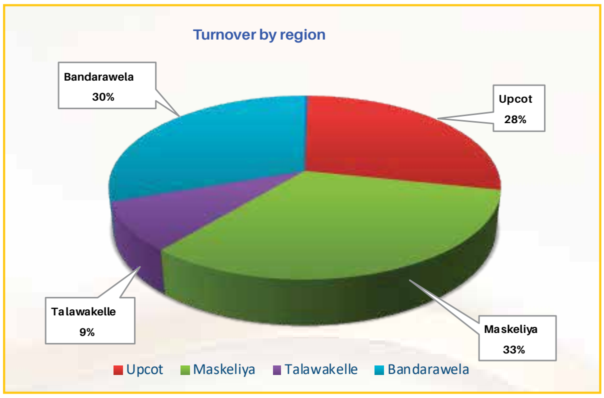


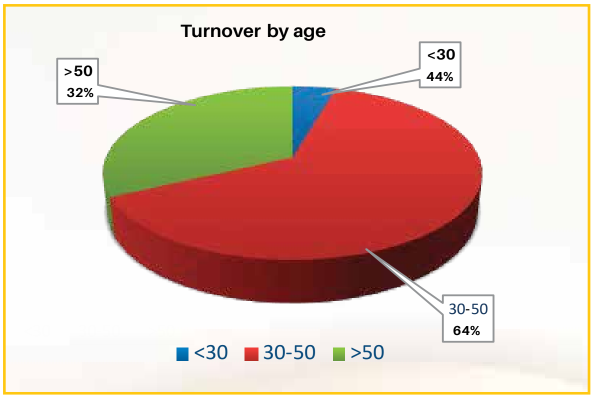


FY-2025/26										
Employees	Turnover By Gender		Turnover By Region					Turnover By Age		
	Male	Female	HO	Upcot	Maskeliya	Talawakelle	Bandarawela	<30	30-50	>50
Executive	17	1	3	7	2	5	1	7	8	3
Non Executive	115	22	0	51	35	29	22	16	82	39
Workers	388	482	0	229	299	55	287	22	560	288

Employees	Turnover Rate By Gender		Turnover Rate By Region					Turnover Rate By Age		
	Male	Female	HO	Upcot	Maskeliya	Talawakelle	Bandarawela	<30	30-50	>50
%	9.54%	9.26%	0.06%	5.26%	6.16%	1.63%	5.69%	0.83%	11.92%	6.05%







Employment Practices

GRI 13.20

Maskeliya Plantations PLC recognizes employment practices as a material sustainability topic, reflecting the labor-intensive nature of the plantation industry and the Company's role as a responsible employer within estate communities. Our employment practices are governed by the Company's Human Resources Policies, Code of Business Conduct and Ethics, applicable Collective Agreements, and relevant Sri Lankan labor legislation, including the Wages Boards Ordinance (Chapter 136), the Shop and Office Employees (Regulation of Employment and Remuneration) Act, No. 19 of 1954, the Factories Ordinance No. 45 of 1942, and other applicable employment laws and regulations. These practices are further aligned with internationally recognized labor standards, including the ILO Core Conventions. The Company maintains formal employment relationships across its operations and does not permit informal, undeclared or disguised employment arrangements.

Recruitment is conducted directly by the Company through transparent, merit-based processes without the use of third-party labor agents for estate-level recruitment. We prohibit the charging of recruitment fees, do not retain workers' identity documents, and provide all employees with written terms and conditions of employment in a language they understand. Employees are free to retain possession of their personal documents and to terminate their employment in accordance with applicable legal requirements. Compliance with these commitments is monitored through management oversight, internal controls, and established grievance mechanisms, with corrective action taken where necessary.

The Company provides fair and timely remuneration in accordance with statutory wage regulations and collective bargaining agreements, supplemented by productivity-based incentives where applicable. Employees also benefit from a range of in-kind provisions, including estate housing, healthcare, childcare, welfare facilities, and other community services that support employee wellbeing and sustainable livelihoods.

Maskeliya Plantations PLC also promotes responsible labor practices throughout its supply chain by expecting suppliers and contractors to comply with applicable labor laws and internationally recognized labor standards. Through supplier engagement and ongoing monitoring, the Company seeks to prevent inadequate labor protection, poor working conditions, disguised employment relationships, and the absence of legally recognized employment contracts. These practices reinforce our commitment to ethical employment, decent work, and responsible business conduct while creating long-term value for our employees, communities, and stakeholders.

Living Income and Living Wage

GRI 13.21

Maskeliya Plantations PLC is committed to ensuring that all estate employees receive a living wage sufficient to support a decent standard of living, covering nutritious food, clean water, housing, education, healthcare and provision for unforeseen events. Compensation is structured around sector-specific minimum wages, statutory entitlements, productivity-linked incentives and in-kind benefits such as housing, healthcare and other welfare facilities, providing holistic livelihood support. Employee remuneration is determined in accordance with the Wages Boards Ordinance and other relevant labor legislation, including wage revisions implemented through nationally agreed settlements.

To further strengthen employees' financial well-being and resilience, the Company maintains welfare and funeral funds that provide financial assistance during emergencies and unforeseen circumstances. In addition, employees benefit from government supported incentive programs and a range of welfare initiatives that contribute to improving household incomes and living standards. Wherever operationally feasible, the Company offers additional task based work to existing employees before engaging external labor, providing opportunities for employees to earn supplementary income and enhance their livelihoods. By integrating living wage principles into workforce planning, operational management and remuneration policies, together with welfare support and income enhancement initiatives, Maskeliya Plantations PLC strengthens employee wellbeing, reduces in work poverty and supports the sustainable socio economic development of plantation communities.

Freedom of Association and Trade Union Relations

GRI 2-30 /13.18 / GRI 407-1

Maskeliya Plantations PLC is committed to respecting and upholding the fundamental human rights of all employees. The Company recognizes every employee's right to freedom of association and provides all employees with the freedom to join or form trade unions of their choice in accordance with the laws of Sri Lanka. Employees are free to participate in lawful trade union activities or to choose not to join a trade union, without discrimination, intimidation, coercion, interference, or retaliation. Trade union membership is entirely voluntary, and the Company respects each employee's individual choice. The Company fosters an open, inclusive, and respectful industrial relations environment that supports constructive engagement between employees, trade unions, and management.

The majority of our estate workers are represented by the National Union of Workers (NUW) and the Ceylon Workers' Congress (CWC), while our staff employees are primarily represented by the Ceylon Estate Staffs' Union (CESU) and the Plantation Staff Congress. The Company recognizes these trade unions as representatives of their members and values their role in promoting effective communication and positive industrial relations. The Company operates in accordance with applicable collective bargaining agreements (CBAs), which establish relevant terms and conditions of employment and employee benefits. During the reporting period, 100% of employees were covered by applicable collective bargaining agreements, ensuring that the benefits and employment provisions applicable under these agreements are extended to all employees within their respective coverage.

Labour-related matters, including wages, terms and conditions of employment, occupational health and safety, employee welfare, workplace grievances, and labour disputes at estate level, are addressed through established consultation and engagement mechanisms involving trade union representatives, Company management, and, where applicable, the Employers' Federation of Ceylon (EFC). The Company is committed to maintaining open dialogue and resolving employment related matters in a fair, transparent, and timely manner while fostering harmonious industrial relations across its operations.

During the reporting period, the Company reviewed its operations across all estates, factories, and administrative locations and confirmed that no operations were identified as posing a significant risk to employees' rights to freedom of association or trade union representation. No incidents of interference with employees' rights to join, participate in, or be represented by trade unions were identified during the year. Through employee engagement mechanisms, grievance channels, collective bargaining processes, and ongoing dialogue with employee representatives, Maskeliya Plantations PLC continues to promote a workplace culture based on mutual respect, fair treatment, responsible labour practices, and respect for employees' freedom of association and collective bargaining rights.

Labor Grievance Handling Mechanism

GRI 2-25 / GRI 2-26

Maskeliya Plantations Company PLC maintains a structured and accessible labor grievance handling mechanism that enables employees to raise concerns and seek resolution in a fair, transparent, and timely manner. The mechanism supports open dialogue and reinforces the Company's commitment to respectful labor relations and human rights.

Employees may initially communicate grievances to their immediate supervisors or field officers. Where issues remain unresolved, grievances can be escalated through a defined hierarchy to divisional management and ultimately to the Superintendent of the estate. In parallel, an open door policy allows employees to directly approach estate management at any stage of the process. Trade union representatives are actively involved in facilitating dialogue and supporting grievance resolution.

All grievances are documented, reviewed, and addressed in accordance with established procedures and applicable labor laws, with corrective actions implemented where required. During the reporting period, no formal grievances related to violations of labor rights or human rights were reported.

This structured grievance mechanism ensures employee participation, effective issue resolution, and continuous engagement, contributing to harmonious industrial relations and a positive workplace culture.

Preventing Sexual Harassment and Promoting a Respectful Workplace

Maskeliya Plantation PLC is committed to providing a safe, inclusive, and respectful workplace where every employee is treated with dignity and fairness. We maintain a zero tolerance approach to sexual harassment, workplace violence, discrimination, and all forms of inappropriate behavior, recognizing that a respectful working environment is fundamental to employee well-being and organizational sustainability.

Our Policy on Anti-Sexual Harassment and Remediation(MK / RA/P/15) applies to all employees across the Estate and defines sexual harassment as any unwelcome physical, verbal, or non-verbal conduct of a sexual nature that creates an intimidating, hostile, or offensive working environment or influences employment-related decisions. The policy is communicated across the Estate to ensure employees understand their rights and responsibilities.

To ensure effective implementation, the Estate has established a gender sensitive Grievance Committee, comprising representatives from both management and employees, with more than 50% female representation. The Committee is responsible for addressing complaints relating to sexual harassment, workplace violence, discrimination, and other employee grievances. All complaints are managed confidentially, impartially, and in accordance with the Estate's established remediation procedures, ensuring a fair investigation process while protecting complainants from retaliation.

The Estate further reinforces its commitment through regular awareness programs, policy communication, and employee education initiatives that promote gender equality, mutual respect, and ethical workplace behavior. By strengthening awareness, encouraging responsible conduct, and maintaining accessible grievance mechanisms, Maskeliya Plantation PLC continues to foster a workplace culture built on trust, respect, inclusivity, and the protection of human rights.

Diversity, Equity & Inclusion

GRI 406-1 / 13.15

At Maskeliya Plantations PLC, Diversity, Equity and Inclusion (DEI) are integral to our human capital strategy and to sustaining a productive, inclusive and respectful workplace. As a community based plantation company operating across multiple estates in Sri Lanka, our workforce reflects the rich cultural diversity of the plantation sector. Employees represent a range of ethnic and religious communities, including Sinhalese, Tamil and Muslim employees, and practice Buddhism, Hinduism, Islam and Christianity. This multicultural environment has been a defining characteristic of our estate communities for generations and strengthens collaboration, mutual respect and social cohesion across our operations.

The Company is committed to providing equal employment opportunities and maintaining a workplace free from discrimination, harassment and unfair treatment. We uphold the principles of fairness and respect for all employees regardless of race, color, sex, religion, political opinion, national extraction, social origin, age, disability or any other protected characteristic. Recruitment, remuneration, training, promotion, succession planning and all other employment decisions are based solely on merit, competence, qualifications and performance.

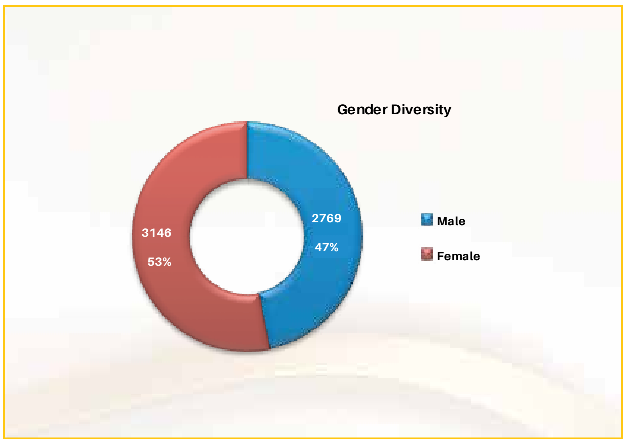
Recognizing the evolving role of women within the plantation sector, Maskeliya Plantations PLC continues to promote gender diversity in leadership and administrative positions. While certain supervisory and administrative roles have historically been occupied predominantly by men, the Company provides equal opportunities for career progression based on capability and performance. During the reporting period, women continued to be represented in senior administrative positions, including the role of Chief Clerk, reflecting our commitment to gender inclusive career advancement. Certain roles, such as Crèche Attendant, are performed exclusively by women due to the inherent nature of the work, which involves providing care for infants and young children within estate childcare facilities. This represents a genuine occupational requirement and does not affect the Company's commitment to equal opportunity across all other employment categories.

Maskeliya Plantations PLC maintains a zero tolerance policy towards discrimination and harassment. During the reporting period, 0 incidents of discrimination were reported through the Company's grievance mechanisms or identified through internal reviews, and no complaints relating to discrimination on the grounds of race, color, sex, religion, political opinion, national extraction or social origin were lodged with external authorities. Employees who experience or witness discrimination, harassment or any forms of unfair treatment have access to a formal grievance mechanism. Complaints are reviewed confidentially by the Grievance Committee (Reference: MK/RA/D/18), which is responsible for assessing each case, conducting impartial investigations and recommending appropriate corrective actions in accordance with the Company's remediation protocol. The implementation of agreed actions is monitored to ensure grievances are resolved fairly, consistently and in a timely manner.

In accordance with the principles of equal opportunity, Maskeliya Plantations PLC does not differentiate employment terms, remuneration, benefits, occupational health and safety provisions or access to employment opportunities based on nationality or migrant status. All employees are provided fair and equitable treatment in accordance with their roles, responsibilities, qualifications and performance, irrespective of their personal background or origin.

The diversity of our workforce is reflected in the ethnic and religious composition of our employees across our estates. The workforce profile presented in this report demonstrates our commitment to fostering an inclusive workplace where individuals from diverse backgrounds contribute equally to the sustainable success of the Company.

	2025/2026
Gender Diversity (overall)	Male - 2769 46.81% Female - 3146 53.19%
Gender Pay Equity (overall)	1:1
Average Training hours for women (overall)	28.38
Incidents of Discrimination	Zero



SDG Impact Summary - Remuneration, Benefits & Inclusion

Cause (Workforce Need / Risk)	Company Action (Policy / Practice)	SDG Outcome
Low income security and cost-of-living pressures	Wage increases, , structured remuneration system	Improved living standards and poverty reduction → SDG 1, SDG 8
Need for long-term financial protection	EPF, ETF contributions, gratuity payments, retirement savings scheme	Social protection and income security for life cycle → SDG 1, SDG 8
Gender inequality in pay and employment	Equal pay for equal work, gender-neutral wage structure	Fair and equitable compensation system → SDG 5, SDG 10
Work life balance challenges for female employees	Maternity leave, job protection, return-to-work support	Improved maternal health and women's workforce participation → SDG 3, SDG 5
Risk of exclusion and unequal opportunities	Diversity, equity & inclusion policies and merit-based HR systems	Inclusive and equitable workplace environment → SDG 8, SDG 10
Need for skill development and career growth	Training access, up skilling, career development programs	Enhanced employability and lifelong learning → SDG 4, SDG 8
Workplace disputes and rights concerns	Grievance mechanisms, non-discrimination enforcement, worker engagement systems	Transparent, fair, and accountable workplace relations → SDG 8, SDG 16

Remuneration and Benefits

GRI 202-1

Maskeliya Plantations PLC recognizes that fair and equitable remuneration is fundamental to sustainable value creation, employee wellbeing, and social development. The Company's remuneration framework is designed to ensure fairness, transparency, gender equality, and compliance with applicable labor laws and regulations in Sri Lanka. The remuneration of plantation workers is governed by the provisions of the Wages Boards Ordinance and applicable wage determinations for the plantation sector, while the remuneration and employment benefits of estate staff are governed by the Shop and Office Employees (Regulation of Employment and Remuneration) Act and the applicable Staff Collective Agreement. During the reporting period, the Company's standard entry-level basic wage for plantation workers was Rs.1550 per day for both male and female employees, resulting in an entry level wage to applicable minimum wage ratio of 1:1 for both genders, based on the applicable plantation sector minimum wage of Rs.1550 per day. Accordingly, there was no gender based difference in the standard entry level wage, and male and female employees at the entry level were remunerated at the same rate. In addition, with effect from January 2026, the Company implemented a total daily wage of Rs. 1,750, comprising the basic wage of Rs.1550 and a government approved attendance incentive of Rs.200, subject to the applicable eligibility and attendance conditions. The Company therefore ensures that entry level remuneration is maintained in accordance with applicable minimum wage requirements and that employees performing equivalent entry level work receive equal basic remuneration irrespective of gender. In addition to wages, the Company provides statutory social protection through employer contributions of 12% to the Employees' Provident Fund (EPF) and 3% to the Employees' Trust Fund (ETF) for eligible employees, together with gratuity benefits in accordance with the Payment of Gratuity Act. Remuneration for executive and senior management is reviewed and approved by the Human Resources and Remuneration Committee, taking into consideration individual performance, responsibilities, experience, market competitiveness, and the Company's overall performance, with performance based incentives provided in accordance with the

Company's remuneration policy. Through its remuneration framework, statutory social protection mechanisms, and equal-pay practices, Maskeliya Plantations PLC remains committed to fair, transparent, and non-discriminatory remuneration practices and to strengthening the financial security and wellbeing of its workforce.

	25/26 Rs(Mn)	24/25 Rs(Mn)
Remuneration	4,182.28	3,195.99
Welfare and benefits	172.26	149.83
Total remuneration and benefits	4,354.54	3,345.82
Employee Provident Fund - 15%	443.51	360.80
Employee Trust Fund - 3%	65.45	53.39
ESPS/CPPS	35.86	34.03
Gratuity provision	205.69	169.85
Gratuity payments	228.22	212.23

Ratio of Basic Salary between Men and Women

GRI 405-2

Maskeliya Plantation PLC is committed to maintaining a fair, equitable, and inclusive remuneration framework that promotes equal opportunity and reflects the principles of merit, transparency, and non-discrimination. The Company's remuneration practices comply with applicable Sri Lankan labor legislation and are designed to ensure that employees receive fair compensation based on the requirements of their roles, qualifications, knowledge, skills, experience, and individual performance, irrespective of gender.

Approximately 92.2% of the Company's workforce comprises manual plantation workers who are remunerated in accordance with the applicable daily wage structure for the plantation sector. Male and female employees undertaking comparable work receive the same daily wage, ensuring equal pay for equal work without gender-based differentiation.

Employees engaged in estate management, factory operations, and corporate functions are remunerated under a structured salary framework that is consistently applied across the organization. Compensation is determined using objective, role related criteria, including job responsibilities, professional qualifications, competencies, experience, and performance, with no distinction made on the basis of gender.

Accordingly, the Company maintains a 1:1 ratio of basic salary and remuneration between women and men performing comparable roles across all employee categories. There are no material differences in the basic salary or remuneration of male and female employees performing work of equal value, reaffirming the Company's commitment to gender equality, equitable remuneration, and an inclusive workplace where employment and reward decisions are based solely on merit and business requirements.

Caring For Our People Through Comprehensive Welfare Support

GRI 401-2

At Maskeliya Plantations PLC, we recognize that employee wellbeing extends beyond wages and statutory benefits. As a plantation company with a unique workforce structure, we provide a range of additional welfare benefits to support the professional and personal wellbeing of our employees and their families.

Employee Benefits Provided	Estate Workers	Estate Staff	HO Executives & Staff	Estate Managers
Tea allowance	√	√	√	√
Estate residential facilities / official accommodation support	√	√	–	√
Support for electricity and essential household facilities	√	√	–	√

Access to estate healthcare services and medical support	√	√	–	√
Provision of essential medicines through healthcare facilities	√	√	–	√
Medical support for immediate family members	√	√	√	√
Maternity support and childcare assistance	√	√	√	√
Child development and early learning facilities	√	√	–	√
Educational assistance and scholarships for employees' children	√	√	–	√
Nutrition and wellbeing support programs	√	√	–	√
Emergency family assistance and death support schemes	√	√	√	√
Overtime payments and additional work-related benefits	√	√	√	√
Preventive healthcare programs and health awareness initiatives	√	√	–	√
Sports, recreation and employee engagement activities	√	√	√	√
Career development and skills enhancement opportunities	√	√	√	√
Life Insurance	–	–	√	√
Stock Ownership	√	√	√	√
Gratuity Benefit	√	√	√	√

Parental Leave

GRI 401-3

In line with the Shop and Office Employees (Regulation of Employment and Remuneration) Act, No. 19 of 1954, the Wages Boards Ordinance, and other applicable Sri Lankan labor legislation, Maskeliya Plantations PLC provides eligible female employees with 84 working days of paid maternity leave, together with two hours of nursing time per working day for one year following their return to work. At present, statutory paternity leave is not provided under the applicable legislation. In addition, all permanent employees are entitled to annual leave, casual leave and medical leave in accordance with statutory requirements and applicable Collective Agreements.

The Company supports employees in balancing work and family responsibilities through maternity protection and flexible return-to-work arrangements where operationally feasible. To further support the health and well-being of mothers and young children, the Company also provides supplementary feeding programs as part of its employee welfare initiatives. We continue to promote an inclusive workplace that encourages employee retention following maternity leave.

Maternal Leave Facets	Number-25/26
Total female employees that were entitled to Maternity leave	3758
Maternity leave availed	48
Returned to work after maternity leave as at 31/03/2026	31
Resignations after maternity leave	2
Currently on maternity leave	15
Retained after 12-months of return from maternity leave	46

Return To work Rate	64.58%
Retention Rate	95.83%

Calculation Methodology

The Return to Work Rate of 64.58% is calculated as the number of employees who returned to work after parental leave divided by the number of employees due to return following parental leave. The Retention Rate of 95.83% is calculated as the number of employees retained 12 months after returning from parental leave divided by the number of employees returning from parental leave during the current reporting period.

Retirement Savings

GRI 201-3

In compliance with the Payment of Gratuity Act No. 12 of 1983, Maskeliya Plantations PLC provides gratuity benefits to eligible employees who have completed a minimum of five years of continuous service. The Company maintains only a defined benefit gratuity obligation and does not maintain any separate gratuity, pension, or other fund to meet this obligation; accordingly, gratuity payments are settled from the Company's general resources as and when they become due. As at 31 March 2026, the Company's defined benefit obligation amounted to Rs.1325.06 million, based on an actuarial valuation conducted as at 31 March 2026 using the Projected Unit Credit Method, covering 5,915 staff and executive employees. During the financial year, the Company paid Rs.228.22 million in gratuity benefits to eligible employees. The defined benefit gratuity arrangement is non-contributory, and therefore no fixed salary based contribution is made by employees or the Company to a separate gratuity fund. In addition to the defined benefit gratuity obligation, the Company ensures compliance with statutory social protection requirements by contributing 12% of eligible employees' salaries to the Employees' Provident Fund (EPF) and 3% to the Employees' Trust Fund (ETF), while employees make the applicable statutory EPF contributions. Full time employees are engaged under long-term employment arrangements that provide access to statutory and contractual benefits, and employees are also eligible for profit-sharing incentives linked to the performance of their respective estates, supporting shared value creation and productivity. The Company further supports employee welfare through benefits such as death donation payments, access to estate infrastructure facilities, nutrition support programs, and continuous training and development opportunities aimed at strengthening employee skills, employability, and sustainable career development. The Company regularly monitors its defined benefit obligation and remains committed to ensuring that all statutory and contractual retirement and employee benefits are provided when they become due, thereby supporting the long term financial security, wellbeing, and social protection of its employees.

	HO	Up cot Region	Maskeliya Region	Talawakelle Regional	Bandarawella Regional	Total
Gratuity Payment	6.51Mn	74.96Mn	59.26Mn	39.20Mn	48.28Mn	228.22Mn

Occupational Health And Safety

GRI 403/13.19

GRI 403-1: Occupational Health and Safety Management System

Maskeliya Plantations PLC has implemented an Occupational Health and Safety (OHS) Management System covering all permanent, temporary and contract employees engaged in estate and factory operations. The system is aligned with applicable legal requirements, including the following:

- Factories Ordinance No. 45 of 1942 – Requires employers to maintain safe and healthy working conditions, provide adequate workplace safety measures, ensure safe operation and maintenance of machinery, maintain required welfare facilities, and implement measures to prevent workplace accidents and occupational hazards.
- Workmen's Compensation Ordinance – Establishes employer responsibilities to provide statutory compensation and protection for employees who sustain work-related injuries, occupational diseases or disabilities arising from their employment.
- Applicable Labor and Occupational Health and Safety Regulations – Require employers to provide a safe working environment, identify and assess workplace hazards, implement appropriate preventive and control measures, and protect employees from occupational health and safety risks.

The Occupational Health and Safety Management System provide a structured approach for hazard identification, risk assessment, incident reporting, investigation, corrective action implementation and continual improvement of safety performance. The system covers all estates, factories and workplaces under the Company's operational control, including all permanent, temporary and contract employees, with no workers or activities excluded from its scope.

GRI 403-2: Hazard Identification, Risk Assessment and Incident Investigation

Maskeliya Plantations PLC maintains a systematic approach to identifying occupational health and safety hazards and assessing risks across its plantation estates, tea factories and supporting operations, covering both routine and non-routine work activities. Risk assessments are conducted by competent management personnel together with the Health and Safety Team, supported by workplace inspections and Occupational Health and Safety Committee reviews. The process involves identifying occupational hazards associated with work activities and assessing the potential risks based on the likelihood of occurrence, severity of potential consequences and level of exposure, with reference to industry experience, relevant literature and good industry practices. Identified risks are evaluated according to their potential impact and appropriate control measures are established, with higher-risk hazards receiving more stringent controls to prevent serious injury or harm. The results of risk assessments, workplace inspections and incident investigations are used to strengthen existing controls, improve work procedures and support the continual improvement of the Company's Occupational Health and Safety Management System. Employees and workers are encouraged to report work related hazards, unsafe conditions and near misses through established reporting and grievance mechanisms, with protection against retaliation. Workers may also remove themselves from situations they reasonably believe present an imminent risk to their health or safety until appropriate controls are implemented. Work-related incidents, injuries and significant near misses are investigated to identify the underlying causes and associated hazards, determine appropriate corrective and preventive actions in line with the hierarchy of controls, and identify opportunities to further improve occupational health and safety performance. Through this process, Maskeliya Plantations PLC seeks to systematically identify, assess and control occupational health and safety risks and provide safer working environments across its operations.

GRI 403-3: Occupational Health Services

Maskeliya Plantations PLC provides comprehensive occupational health services through estate medical centers located across all operational estates, ensuring employees have timely access to quality healthcare. Each estate is supported by qualified MBBS Medical Officers and healthcare personnel who provide primary healthcare, occupational health assessments, medical consultations, health surveillance and health education, contributing to the identification, prevention and management of occupational health risks.

To facilitate access to healthcare, the Company provides medical services free of charge and maintains ambulance facilities for emergency transportation to hospitals and specialized medical institutions when required. Preventive healthcare initiatives conducted during the year included maternal and child health clinics, immunization and vaccination programs, non-communicable disease (NCD) awareness programs, diabetic screening and eye examination programs, and dengue and malaria prevention and awareness programs. The Company also supports child nutrition through supplementary feeding programs within estate communities.

Occupational health services are integrated with the Company's health and safety management practices to promote employee well-being, and foster a healthy workforce. Medical records and personal health information are maintained with strict confidentiality and are accessible only to authorized healthcare personnel. Participation in occupational health programs and employees' health information are not used as a basis for employment related decisions, ensuring fair and equitable treatment of all employees.

GRI 403-4: Worker Participation, Consultation and Communication on Occupational Health and Safety

Maskeliya Plantations PLC promotes employee participation and consultation on occupational health and safety matters through Occupational Health and Safety Committees established at all estates. These committees include representatives from estate management, factory and welfare officers, and worker representatives to ensure effective communication and participation in workplace safety matters.

The OHS Committees meet monthly to review safety performance, identify workplace hazards, assess risks, review incidents and near misses, and monitor the implementation of corrective and preventive actions. The committees have the authority to review health and safety concerns, recommend improvements and monitor agreed corrective measures, while strategic decisions relating to OHS policies, resource allocation and overall safety governance remain the responsibility of Company management. Employees are encouraged to raise safety concerns, provide feedback and participate in safety improvement initiatives through these committees and other established communication channels without fear of retaliation. Workers engaged in estate and factory operations under the Company’s control are represented through these consultation mechanisms.

GRI 403-5: Worker Training on Occupational Health and Safety

Maskeliya Plantations PLC conducts regular occupational health and safety training programs to enhance employee awareness and competency in managing workplace risks. Training is provided based on operational requirements and includes hazard identification, safe work practices, emergency response procedures, machinery safety, chemical handling, personal protective equipment usage and first aid. The Company conducts refresher training, toolbox talks and targeted safety awareness programs to strengthen safe working practices and promote a proactive safety culture across estate and factory operations.

Training Area

- Fire Safety & Emergency Response
- First Aid & Emergency Care
- Personal Protective Equipment (PPE)
- Machinery & Equipment Safety
- Chemical Safety
- Workplace Safety Awareness
- Occupational health and safety

Subject	Total No of employees participated	Male	Female	Training hours	Cost Rs.
Occupational health and safety	2304	1127	1,177	41,760.60	0.22Mn
First aid	950	488	462	26,001.00	0.03Mn
Figher fighting	236	122	114	1,172.00	0.03Mn
Total	3490	1737	1753	68,933.60	0.29Mn

GRI 403-6: Promotion of Worker Health

Maskeliya Plantations PLC promotes worker health and wellbeing by facilitating access to healthcare services through estate medical facilities supported by qualified Medical Officers and healthcare personnel. Workers have access to primary healthcare, preventive medical services, health consultations, emergency support and referrals to specialized healthcare facilities, ensuring accessibility for employees and workers within the Company's operational control across plantation estates. The Company conducts voluntary health promotion programs addressing key non-work-related health risks, including maternal and child health, nutrition, non-communicable disease (NCD) awareness, diabetes screening, eye examinations, immunization and dengue/malaria prevention programs. These initiatives are delivered through estate medical centers and health awareness programs to support the overall wellbeing of estate communities.

Personal health information is maintained confidentially and accessed only by authorized healthcare personnel. Participation in health programs and individual health information are not used as a basis for employment-related decisions, ensuring fair and equitable treatment of workers.

GRI 403-8: Workers Covered by an Occupational Health and Safety Management System

Maskeliya Plantations PLC has implemented an Occupational Health and Safety Management System across all 18 estates and workplaces under the Company's operational control, based on applicable occupational health and safety legal requirements and aligned with the requirements applicable under the Rainforest Alliance certification framework. All employees of the Company are permanent full-time employees, and 100% of employees are covered by the Occupational Health and Safety Management System. The system is subject to internal monitoring and review processes, with relevant records maintained and verified through Rainforest Alliance certification audits. No employees or workers under the Company's operational control were excluded from this disclosure. Worker coverage data has been compiled based on Company employee records and estate-level occupational health and safety records for the reporting period.

GRI 403-7: Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships

Maskeliya Plantations PLC implements measures to prevent and mitigate occupational health and safety impacts associated with its operations and business relationships. The Company applies engineering controls, administrative procedures, safe work practices and appropriate personal protective equipment to minimize workplace risks. Contractors and other parties working under the Company's operational control are expected to comply with applicable health and safety requirements to maintain safe working conditions.

The Company gives particular attention to managing risks associated with agricultural activities, machinery operations, chemical handling, factory processes and climate-related conditions such as heat stress and extreme weather exposure.

Material Hazard	Employees Affected	P	E	S	Risk Level	Hierarchy of Controls and Key Mitigation Measures
Machinery accidents (rotating parts and sharp edges)	Machine operators, mechanics	2	2	4	Medium	• **Elimination:** Remove defective machinery from operation.
						• **Substitution:** Upgrade to safer machinery with automated safety features.
						• **Engineering Controls:** Machine guards, emergency stop systems and interlocks.
						• **Administrative Controls:** Lockout/tag out procedures, operator competency training, preventive maintenance and inspections.
						• **PPE:** Safety gloves, helmets and safety footwear.
High noise exposure	Factory employees	2	3	4	Medium	• **Elimination:** Remove unnecessary noise-generating activities where practicable.
						• **Substitution:** Replace older equipment with low-noise machinery.
						• **Engineering Controls:** Acoustic barriers, enclosures and vibration dampening systems.
						• **Administrative Controls:** Noise monitoring, hearing conservation programs and work rotation.

						• **PPE:** Ear plugs and ear muffs.
Fluff and dust exposure	Drying and processing employees	1	3	3	Low	• **Elimination:** Remove dust accumulation through routine cleaning programs.
						• **Substitution:** Introduce lower-dust processing methods where feasible.
						• **Engineering Controls:** Dust extraction systems and workplace ventilation.
						• **Administrative Controls:** Housekeeping procedures, health surveillance and employee awareness programs.
						• **PPE:** Dust masks and respirators.
Boiler, air receiver and pneumatic/hydraulic vessel explosion	Factory employees and contractors	2	5	10	High	• **Elimination:** Remove unsafe or obsolete pressure vessels from service.
						• **Substitution:** Install modern certified pressure equipment.
						• **Engineering Controls:** Pressure relief valves, automatic shutdown systems and monitoring devices.
						• **Administrative Controls:** Statutory inspections, preventive maintenance and emergency response drills.
						• **PPE:** Face shields, gloves and safety footwear.
Fire hazards	All employees and company assets	2	3	6	High	• **Elimination:** Remove combustible waste and ignition sources.
						• **Substitution:** Use less flammable materials where practical.
						• **Engineering Controls:** Fire alarms, extinguishers, hydrants and fire detection systems.
						• **Administrative Controls:** Fire drills, evacuation procedures and emergency response training.
						• **PPE:** Fire-resistant gloves, safety footwear and emergency response equipment.
Chemical exposure (pesticides and fertilizers)	Chemical sprayers, estate employees and surrounding communities	2	3	6	Medium	• **Elimination:** Phase out highly hazardous agrochemicals where feasible.

						• **Substitution:** Use lower-toxicity pesticides and bio-based alternatives.
						• **Engineering Controls:** Secure chemical storage facilities, spill containment systems and calibrated spraying equipment.
						• **Administrative Controls:** Safe handling procedures, worker training, health screening and bathing facilities.
						• **PPE:** Chemical-resistant gloves, respirators, goggles and protective clothing.
Slips, trips and falls	Estate and factory employees	2	3	4	Medium	• **Elimination:** Remove obstacles, uneven surfaces and trip hazards.
						• **Substitution:** Replace slippery flooring materials with anti-slip surfaces.
						• **Engineering Controls:** Proper drainage systems, handrails and designated walkways.
						• **Administrative Controls:** Housekeeping programs, warning signage and workplace inspections.
						• **PPE:** Non-slip safety footwear.
Heat stress	Estate and field employees	2	3	4	Medium	• **Elimination:** Suspend outdoor work during extreme heat conditions where necessary.
						• **Substitution:** Mechanize labor-intensive tasks where feasible.
						• **Engineering Controls:** Shade structures, rest shelters and drinking water stations.
						• **Administrative Controls:** Hydration programs, work-rest schedules, weather monitoring and employee awareness training.
						• **PPE:** Wide-brim hats and lightweight protective clothing.

P – Probability How likely is the hazard to occur?

E – Exposure How often are employees exposed to the hazard?

S – Severity What is the potential severity of harm or injury?

GRI 403-9: Work-related Injuries

During the reporting period, Maskeliya Plantations PLC identified key work-related hazards including fieldwork-related slips and falls, machinery and equipment-related hazards, and vehicle, chemical and manual handling related risks through workplace risk assessments, inspections and incident investigations. One fatality occurred in the rolling room during the reporting period and was treated as a high consequence work related incident, while two additional recordable work-related injuries were reported, resulting in 52 and 180 days of absence, respectively. Approximately 14,196,000 hours were worked during the reporting period. The rate of fatalities resulting from work-related injuries was 1.41%, and the rate of recordable work-related injuries was 2.82%.

The Company implemented corrective and preventive measures following incident investigations and continues to minimize risks through the hierarchy of controls, including engineering and maintenance controls, safe operating procedures, employee training, supervision, workplace inspections and appropriate PPE. All workers covered by this disclosure are full-time, permanent employees, and therefore no workers were excluded. The information was compiled from occupational health and safety records, incident reports, investigation records and employee absence records. The Company remains committed to strengthening its occupational health and safety practices, learning from incidents, and continuously improving workplace controls to protect the health, safety and wellbeing of all employees across its plantations and operations.

The rate of fatalities resulting from work-related injuries	1.41%,
The rate of recordable work-related injuries	2.82%

Occupational Health & Safety (OHS) – SDG Contribution

Focus Area	How OHS Supports SDG Achievement	SDG Alignment
Safe & Healthy Workplaces	Structured risk management systems, occupational health services, and preventive controls reduce workplace injuries and enhance employee wellbeing	SDG 3 – Good Health & Well-being
Skilled & Safety Aware Workforce	Continuous OHS training, awareness programs, and capacity building strengthen knowledge, safety behavior, and workplace competencies	SDG 4 – Quality Education SDG 8 – Decent Work & Economic Growth
Inclusive & Decent Working Conditions	Worker participation through OHS committees and grievance mechanisms promotes fair, safe, and inclusive workplace practices	SDG 8 – Decent Work & Economic Growth
Responsible Operational Practices	Use of PPE, chemical safety management, and environmental risk controls ensure safe and sustainable production processes	SDG 12 – Responsible Consumption & Production

Training And Development

GRI 404-1/404-2

Maskeliya Plantations PLC, employee learning and development is supported through a structured approach guided by the Training Policy (MK/RA/P/11). Training requirements are identified based on operational needs, job responsibilities, competency requirements, performance, and business priorities, with the objective of strengthening employee capabilities and supporting safe, productive, and sustainable operations. During the reporting period, the Company conducted training and awareness programmes covering key areas such as tea cultivation and harvesting, Good Agricultural Practices (GAP), tea manufacturing, occupational health and safety, food safety, machinery operation, first aid, fire prevention and firefighting, environmental and sustainability practices, human rights, prevention of child labour, responsible employment practices, and other job specific skills. Training was delivered through appropriate methods including practical demonstrations, field based learning, workshops, classroom sessions, and awareness programmes. The Company also supports employees approaching retirement by providing guidance on applicable retirement benefits and gratuity entitlements, supporting employees in planning for their transition from active employment to retirement in accordance with applicable laws, Company policies, and employment terms. During the reporting period, no specific termination or layoff related transition assistance programmes were implemented, including retraining, redeployment, or job placement support, as no such programmes were required during the year. Through these initiatives, the Company continues to strengthen workforce capabilities and support employees in managing significant career transitions, contributing to a skilled, capable, and sustainable workforce.

Training Programme Name	Objective Relating to Maskeliya Tea Plantations
√ First Aid Training Programme	To equip Maskeliya Plantations field and factory employees with essential emergency response skills to handle workplace injuries, snake bites, and sudden medical situations, overcoming the challenges of remote estate locations (such as Glenugie, Poonagalla, and Mousakelle) where immediate hospital access is limited, while fulfilling Rainforest Alliance occupational health requirements.
√ Chemical Spraying Programme	To educate Maskeliya Plantations field workers on the safe handling, mixing, proper dosage, and application of agrochemicals in steep tea cultivation terrain, ensuring the mandatory use of Personal Protective Equipment (PPE) to protect workers from chemical exposure and prevent environmental contamination in compliance with Rainforest Alliance standards.
√ Integrated Pest Management (IPM) & Pest Control	To train Maskeliya Plantations estate workers in identifying common tea pests early, monitoring infestations, and applying biological and cultural pest control methods, reducing chemical dependency, preserving estate biodiversity, and protecting tea bushes against crop losses.
√ Waste Management Training Programme	To improve environmental awareness among Maskeliya Plantations workers regarding proper waste segregation, composting, and recycling across field operations and estate housing, preventing water contamination and vector-breeding while support to company sustainability goals.
√ Wildlife & Rainforest Awareness Programme	To educate Maskeliya Plantations employees on protecting local biodiversity and ecosystems, ensuring that workers near sensitive forest borders minimize activities that could disrupt natural wildlife habitats, fully aligned with Rainforest Alliance conservation principles.
√ Fire Safety Awareness Programme	To enhance emergency preparedness, fire prevention, and safe evacuation methods among Maskeliya Plantations line room communities and factory workers, mitigating high-density residential fire risks and protecting estate property and lives.
√ Water Conservation & Buffer Zone Programme	To educate Maskeliya Plantations workers on responsible water management, maintaining ecological buffer zones near streams and reservoirs, and preventing chemical runoff, safeguarding vital water resources needed for tea cultivation and local communities.
√ Factory Machine Operation & Occupational Safety	To train Maskeliya Plantations factory staff on safe machinery handling, hazard identification, and emergency shutdowns, preventing workplace accidents and equipment downtime during intensive, continuous tea manufacturing seasons.
√ Health Awareness, Nutrition & Medical Check-ups	To improve preventive healthcare, hygiene, and nutritional standards among Maskeliya Plantations estate workers through structured awareness sessions and medical screenings, reducing physical fatigue and absenteeism while boosting workforce welfare.
√ Grievance Handling & Worker Engagement	To educate Maskeliya Plantations employees on formal grievance mechanisms and transparent communication channels, maintaining industrial harmony and upholding ethical labor practices aligned with Rainforest Alliance and Ethical Tea Partnership standards.
√ Worker Wage Structure & Self-Development	To improve financial literacy regarding wage calculations, attendance systems, and productivity incentives, while fostering discipline, teamwork, and personal growth among Maskeliya Plantations estate employees to build a motivated workforce.
√ Pre-Harvesting Training Programme	To train Maskeliya Plantations field employees on maintaining optimal plucking standards, identifying harvest-ready leaves, and managing field sanitation, directly maximizing made tea quality and operational efficiency across harvesting cycles.

Training interventions

Total Training Hours	2025/2026
Total Training Hours	104,509
Investment In Training (Rs.)	0.51Mn
Average Training Hours(By Gender)	
Male	31.43
Female	28.38
Average Training Hours Per Employee	14.91

Out of the 18 estates, only 17 estates conducted training sessions during the year. In addition, no training sessions were conducted at the Head Office level during the year.

SDG Alignment Through Training

Training Intervention	Operational Impact	SDG Contribution
Health & Safety Training (First Aid, Nutrition, Medical Programs)	Improved employee wellbeing and safer workplaces	SDG 3 – Good Health & Well-being: Promotes a safe, healthy, and productive workforce
Skills Development & Technical Training	Enhanced competencies, productivity, and employability	SDG 4 – Quality Education: Builds skills and knowledge SDG 8 – Decent Work: Supports productive employment and economic growth
Good Agricultural Practices (IPM, Chemical Handling)	Efficient resource utilization and reduced environmental impact	SDG 12 – Responsible Consumption & Production: Encourages sustainable use of resources and safe chemical practices
Environmental Awareness (Water Conservation, Climate Practices)	Strengthened climate resilience and sustainable operations	SDG 13 – Climate Action: Promotes climate awareness and adaptive practices
Biodiversity & Conservation Training (Rainforest, Buffer Zones)	Protection of ecosystems and sustainable land management	SDG 15 – Life on Land: Supports biodiversity conservation and ecosystem protection

Performance Management and Development Reviews

GRI 404-3

At Maskeliya Plantations PLC, performance management is an integral component of our Human Capital strategy, supporting operational excellence, employee accountability, productivity improvement, and continuous development. The Company has established a structured performance management framework to align individual contributions with organizational priorities, including enhancing land and labour productivity, maintaining high-quality tea production, improving operational efficiency, and strengthening employee capabilities.

The performance management framework is implemented across all employee categories, including estate manual workers, estate staff, factory technical teams, and executive management. The framework is designed to ensure fair, transparent, and objective performance evaluations while providing opportunities for employee recognition, career progression, skills development, and performance improvement.

The performance management process follows a structured cycle comprising objective setting, continuous monitoring, formal performance evaluations, feedback discussions, and development planning. At the beginning of each performance cycle, employees and managers establish clear objectives aligned with operational and organizational priorities. Performance targets are determined based on individual responsibilities, productivity requirements, quality expectations, occupational health and safety standards, and sustainability commitments. Throughout the year, supervisors and managers provide continuous guidance and coaching, supported by operational data, productivity records, quality measurements, and performance observations to ensure objective assessments. Evaluation outcomes are used to identify development needs, recognize achievements, determine incentive eligibility, support career advancement, and strengthen succession planning initiatives.

Estate Manual Workers

Estate manual workers, including tea pluckers, kanganies, and field workers, are evaluated through continuous field level monitoring and periodic performance reviews. Assessments focus on key indicators such as green leaf productivity, plucking quality, attendance and work discipline, adherence to Good Agricultural Practices (GAP), and compliance with health and safety requirements. Standardized weighing systems and field monitoring procedures ensure accurate and transparent measurement of productivity and quality performance. Employees demonstrating higher productivity and quality standards are recognized through applicable incentive schemes in accordance with Company policies and relevant labour requirements.

Estate Staff And Factory Technical Teams

Estate staff and factory technical teams undergo structured performance reviews to evaluate their contribution towards operational efficiency, productivity improvement, tea quality enhancement, and overall estate performance. Evaluations consider areas including field performance, manufacturing efficiency, quality management, resource utilization, technical competency, problem-solving ability, teamwork, leadership capabilities, and compliance with applicable standards and Company requirements. The outcomes of these reviews support targeted training programs, increased responsibilities, employee recognition, and career development opportunities.

Executive Management

Executive and senior management personnel undergo annual performance evaluations supported by periodic progress reviews throughout the year. Performance assessments consider strategic, financial, operational, sustainability, governance, and leadership objectives, including profitability, cost management, productivity improvement, operational excellence, strategic initiatives, digital transformation, employee engagement, industrial relations, and compliance requirements. These evaluations support leadership development, succession planning, and strengthening the Company's future management capabilities.

Head Office Employees

Head Office employees within the Finance and Operations Divisions are evaluated based on the timely completion of assigned work and adherence to established deadlines. Performance is monitored by the respective supervisors and managers through work progress and delivery against agreed timelines. This approach promotes accountability, effective work delivery, and the fulfillment of individual responsibilities

Maskeliya Plantations PLC promotes a performance driven culture by recognizing employee achievements through productivity incentives, quality related recognition, and career advancement opportunities based on performance, competency, and leadership potential. Where performance gaps are identified, employees are supported through coaching, targeted training programs, Performance Improvement Plans (PIPs), and regular progress monitoring to enhance capabilities and achieve expected performance standards. The performance management framework is governed by the Human Resources Department to ensure consistency, compliance, confidentiality, and continuous improvement. Estate management is responsible for maintaining accurate performance records and ensuring that evaluations are conducted fairly, objectively, and transparently. Through this structured performance management and development approach, Maskeliya Plantations PLC continues to strengthen employee capabilities, encourage continuous learning, improve operational performance, and create sustainable value for employees and stakeholders.

Performance Management Coverage Across Our Workforce

Total Training Hours	Gender	
	Male	Female
Executive	0.74%	0.03%
Non-Executive	5.46%	1.59%
Manual workers	40.61%	51.56%

Commitment To Child Protection And Sustainable Development

GRI 408/13.17

GRI 408-1: Operations and Suppliers at Significant Risk for Incidents of Child Labor

Maskeliya Plantations PLC is committed to the effective abolition of child labor and the protection of young workers from hazardous work, in accordance with applicable Sri Lankan labor laws and internationally recognized standards of the International Labor Organization (ILO), including Convention No. 138 on Minimum Age and Convention No. 182 on the Worst Forms of Child Labor. The Company maintains a zero tolerance approach to child labor across its estate and factory operations and does not employ individuals below the age of 18.

During the reporting period, the Company assessed its operations and relevant supply chain relationships for risks relating to child labor and young workers exposed to hazardous work. The assessment covered the Company's estate and field operations, tea factories, and relevant suppliers and contractors, including labour related service providers, agricultural input suppliers, transportation providers and other operational suppliers. The assessment also considered the Company's operating locations and relevant supply chain activities within Sri Lanka. Based on the assessment conducted during the reporting period, no operations or suppliers were identified as having significant risk of incidents of child labour or significant risk of young workers being exposed to hazardous work. The Company's workforce comprises permanent full-time employees, with no temporary employees engaged.

Although no significant risk operations or suppliers were identified, the Company maintains preventive measures to identify and manage potential risks and contribute to the effective abolition of child labour. These measures include strict age verification procedures at recruitment, using official identification documents to verify the age and eligibility of prospective employees; responsible recruitment practices; and controls to ensure that individuals below the Company's minimum employment age are not engaged. Relevant suppliers and contractors are required to comply with the Company's Supplier Code of Conduct, which prohibits child labor and requires adherence to applicable labor and human rights standards. Compliance is supported through supplier and contractor monitoring, internal reviews and due diligence. The Company also applies appropriate work assignment and occupational safety controls to prevent young workers from being exposed to hazardous activities.

During the reporting period, the Company further strengthened awareness and prevention measures through employee awareness initiatives addressing child labor risks, responsible employment practices and appropriate reporting mechanisms. Within its estate communities, the Company supports initiatives that contribute to reducing the underlying risks of child labor, including the promotion of school attendance, education, early childhood development, health and nutrition programs. Child development and welfare officers monitor school attendance, health and wellbeing, while community initiatives support children's development and education. The Company also maintains measures to safeguard children during emergencies affecting estate communities, and disciplinary practices prohibit physical punishment.

During the reporting period, no incidents of child labor and no cases of young workers being exposed to hazardous work were identified or reported across Maskeliya Plantations PLC's operations or among the suppliers and contractors covered by its monitoring and due-diligence processes. In the event that child labor is identified within the Company's operations or relevant supply chain, the Company is committed to implementing immediate and appropriate remediation measures, including removing the child from harmful working conditions, protecting the child's best interests, supporting access to education and, where appropriate, facilitating social reintegration in accordance with applicable legal and child-protection requirements.

Through these measures, Maskeliya Plantations PLC continues to strengthen responsible recruitment, supply-chain due diligence, child protection and community-based interventions, contributing to the effective abolition of child labor and the protection of children's rights, while supporting SDG 8 – Decent Work and Economic Growth.

Forced or Compulsory Labor

GRI 409-1/13-16

Maskeliya Plantations PLC prohibits all forms of forced or compulsory labor and is committed to upholding fundamental human rights in accordance with applicable Sri Lankan labor laws and internationally recognized standards of the International Labor Organization (ILO). Employment across the Company's plantation and factory operations is freely chosen and governed by formal employment arrangements, applicable employment conditions. During the reporting period, the Company assessed its operations and relevant supplier and contractor relationships for potential risks relating to forced or compulsory labor, taking into consideration the labor intensive nature of plantation operations and relevant worker and supply chain vulnerabilities. The assessment covered the Company's estate and plantation operations, tea factories, and relevant suppliers and contractors, including contractor supported activities and other operational service providers, across Sri Lanka. Based on the assessment, no operations or suppliers were identified as having significant risk of incidents of forced or compulsory labor, and no specific country or geographic area within the Company's operations and relevant supply chain was identified as having significant risk during the reporting period.

To contribute to the elimination of all forms of forced or compulsory labor, Maskeliya Plantations PLC implemented and maintained a range of preventive measures during the reporting period. These included ensuring that employment is entered into voluntarily and without coercion; prohibiting the retention of employees' identity documents and the requirement for deposits as a condition of employment; respecting freedom of association and collective bargaining through recognized trade unions; maintaining estate level supervision and Human Resources monitoring; providing accessible grievance and complaint mechanisms; and communicating labor and human rights expectations to relevant suppliers and contractors. Supplier and contractor compliance is supported through monitoring and, where necessary, corrective actions to address identified non-conformities. The Company also maintains employment and labor practices designed to ensure that workers are free to leave employment in accordance with applicable contractual and legal requirements and are not subjected to threats, intimidation or other forms of coercion.

During the reporting period, no incidents of forced or compulsory labor were identified or reported within Maskeliya Plantations PLC's operations or among suppliers and contractors covered by the Company's monitoring and due-diligence processes. Through these measures, the Company continues to strengthen responsible employment practices, worker rights, freedom of association, grievance mechanisms and supply-chain due diligence, contributing to the elimination of all forms of forced or compulsory labor.

Social & Relationship Capital

Communities at the Heart of Our Business

GRI 413-1/13.12

At Maskeliya Plantations PLC, creating sustainable value extends beyond our business operations to the communities in which we operate. As a plantation company, our estates are closely integrated with surrounding communities, where our employees, their families and local residents are integral to our long-term success. During the reporting period, 100% of the Company's operations, comprising all 18 estates, were covered by local community engagement and/or development programmes. The Company recognizes that understanding and appropriately managing the actual and potential social and environmental impacts of its operations is essential to maintaining resilient communities and sustaining responsible plantation operations over the long term.

Our approach to local communities is founded on responsible impact management, inclusive development and consideration of local community needs. Community related considerations are incorporated into estate level planning, operational reviews and development initiatives, supported by appropriate environmental monitoring and established processes for identifying and addressing concerns. Local community development programmes are implemented according to identified needs and local circumstances, with a focus on contributing to community wellbeing, resilience and inclusive development. Particular consideration is given to vulnerable and disadvantaged groups, including women, children, elderly residents, persons with disabilities and low-income households. The Company seeks to prevent or minimize adverse impacts while strengthening positive social and environmental outcomes across its operations.

Community Engagement

Meaningful stakeholder engagement is fundamental to understanding community expectations and ensuring that our operations contribute positively to regional development. Maskeliya Plantations PLC maintains ongoing engagement with employees, resident families, estate welfare societies, trade unions, women's groups, youth representatives, schools, healthcare providers, religious institutions, local authorities, government agencies, and other community representatives. Community priorities and emerging issues are identified through estate-level stakeholder consultations, worker committees, Occupational Health and Safety Committees, estate welfare meetings, grievance mechanisms, environmental monitoring programs, school development committees, public health officials, and regular estate management reviews. The insights gained through these engagement mechanisms are integrated into operational decision-making and community development initiatives, enabling the Company to respond effectively to stakeholder expectations while fostering transparency, inclusiveness, and long-term relationships with the communities we serve.

Creating Better Living Conditions

SAFE, COMFORTABLE AND SUSTAINABLE ESTATE LIVING ENVIRONMENT

We continuously support initiatives that enhance the living standards of our estate communities through:

- **Rehabilitation and improvement of worker housing facilities**
- **Support for self help housing improvement initiatives**
- **Enhancement of residential infrastructure and common facilities**
- **Development and maintenance of sanitation facilities**
- **Improvement of internal roads and access facilities within estates**
- **Provision of electricity facilities to estate residential areas**
- **Supporting community facilities that improve daily living conditions**

MASKELIYA

view

Strengthening Community Health & Well-being

BUILDING HEALTHIER PLANTATION FAMILIES

The health and wellbeing of our employees, their families and resident communities remain a key priority. Our healthcare initiatives include:

- Continuous medical assistance through estate healthcare facilities
- Preventive healthcare and health screening programs
- Maternal healthcare support including pregnancy monitoring and care
- Child health monitoring and development programs
- Nutrition awareness and supplementary feeding initiatives
- Healthcare support for elderly community members
- Medical camps and specialist healthcare programs
- Eye care, dental care and other essential health services
- Health awareness programs covering lifestyle and communicable diseases
- Emergency medical transportation support when required

Nurturing Children and Future Generations

INVESTING IN EDUCATION AND EARLY DEVELOPMENT

We believe childhood development is fundamental to creating empowered communities. Our initiatives include

- Supporting early childhood development through estate childcare facilities
- Promoting education among plantation children
- Supporting school-going children through educational initiatives
- Monitoring child growth, wellbeing and development
- Supporting child nutrition and health improvement programs
- Providing university scholarship assistance to eligible students to support higher education and academic achievement.

Empowering Youth for Future Opportunities

DEVELOPING SKILLS, CONFIDENCE AND EMPLOYABILITY

To prepare younger generations for future opportunities, we support:

- Vocational training and skill development programs
- Multi-skilled workforce development initiatives
- Personality development and leadership programs
- Career awareness and employment readiness initiatives
- Sports and recreational activities promoting teamwork and wellbeing

Enhancing Household Economic Resilience

CREATING SUSTAINABLE INCOME OPPORTUNITIES

Recognizing the challenges caused by seasonal income variations within plantation communities, Maskeliya Plantations promotes initiatives that strengthen household financial stability

- Supporting alternative livelihood opportunities for estate families
- Promoting home gardening and household-level cultivation initiatives
- Encouraging entrepreneurship and small business development
- Providing financial awareness and household cash management guidance
- Supporting community-based income generation programs
- Encouraging self-reliance among plantation families

Preserving Social Harmony and Cultural Heritage

STRENGTHENING COMMUNITY RELATIONSHIPS

Maskeliya Plantations values the cultural diversity and traditions of plantation communities through

- Support for religious and cultural activities
- Community celebrations and social programs
- Sports and recreational activities
- Employee and community engagement events
- Initiatives promoting unity, respect and social harmony

Food Package Distribution To Ditwa Affected Communities

During December 2025, Brunswick Estate extended social support by distributing food packages to individuals and families affected by the Ditwa climate event. This initiative was undertaken to provide immediate relief and help meet the essential needs of those impacted by the crisis.

Through this humanitarian effort, the Estate demonstrated its commitment to community well-being and social responsibility by supporting vulnerable households during a challenging period. Brunswick Estate remains committed to assisting local communities and contributing to their resilience through timely and meaningful support initiatives.

Blood Donation Programme

Recognizing the importance of collective responsibility towards society, the Estate conducted a Blood Donation programs in collaboration with local health authorities. Employees voluntarily contributed to strengthening the national bloods supply, demonstrating compassion and solidarity with patients requiring lifesaving medical treatment. Beyond supporting the healthcare sector, the programme encouraged a culture of volunteerism and social responsibility while strengthening the Estate's relationship with the wider community

Child Development

As a responsible corporate citizen, Maskeliya Plantations PLC is dedicated to creating lasting value for the communities in which we operate. Our long-term sustainability depends on the continued support and active participation of our stakeholders, particularly the members of our plantation communities. Recognizing that today's children are tomorrow's leaders, we place a strong emphasis on child development initiatives. During the reporting period, Maskeliya Plantations carried out a range of programs aimed at enhancing education, health, and overall well-being. These initiatives included literacy and numeracy support, provision of school supplies, health and nutrition programs, and extracurricular activities designed to foster creativity, confidence, and personal growth. Through these efforts, we continue to invest in the future of our estate communities, nurturing a generation that is empowered, educated, and prepared to thrive.

Dansal Programme

The Estate organized its annual Dansal Programme as a community outreach initiative that celebrated the values of generosity, compassion, and social harmony. The programme provided an opportunity for employees, their families, and neighboring communities to come together irrespective of social or cultural backgrounds, strengthening relationships and fostering a sense of belonging. By preserving local traditions and promoting community participation, the initiative contributed to enhancing social cohesion and reinforcing the Estate's commitment to community well-being.

Shramadana Campaign

The Lower Division Shramadana Campaign reflected our commitment to fostering cleaner, healthier, and more resilient communities. Employees voluntarily participated in cleaning public spaces, improving common facilities, and enhancing the surrounding environment. Through this collaborative effort, the Estate encouraged community ownership, environmental responsibility, and teamwork while creating a healthier living environment for employees and neighboring residents.

Waste Management Awareness Programme

Environmental sustainability is fundamental to the Estate's long-term commitment to community well-being. During the reporting period, awareness programs were conducted to educate employees and community members on responsible waste segregation, recycling, and environmentally sustainable waste disposal practices. The initiative promoted behavioral change, reduced environmental impacts, and encouraged collective responsibility for protecting the natural environment, thereby contributing to healthier and more sustainable communities.

Health & Safety Management Awareness Programme

The health, safety, and well-being of our employees and surrounding communities remain a strategic priority at Maskeliya Plantation Estate. During the reporting period, comprehensive Health & Safety Awareness Programs were conducted to strengthen awareness of workplace safety, accident prevention, emergency preparedness, and healthy lifestyle practices.

Recognizing the growing prevalence of non-communicable diseases, the Estate also promoted awareness on the prevention and early identification of diabetes, hypertension, cancer, and eye-related diseases, encouraging regular health screening and timely medical intervention. These initiatives support our objective of creating a healthier workforce and improving the overall well-being of our communities.

As a responsible plantation company, we are committed to maintaining a safe and healthy working environment that extends beyond statutory compliance with the Factory Ordinance and Workmen's Compensation Ordinance. Our health and safety management practices continue to be strengthened through internationally recognized sustainability and quality standards, including Fair-trade, Ethical Tea Partnership, Rainforest Alliance, ISO 22000, and HACCP certifications. Through continuous awareness, preventive healthcare initiatives, and employee engagement, we continue to cultivate a workplace where the health, dignity, and safety of every individual remain paramount.

Almsgiving Ceremony in the Factory

The Estate organized an Almsgiving Ceremony within the factory premises to promote spiritual well-being, cultural heritage, and social harmony among employees and the surrounding community. The ceremony provided an opportunity for collective reflection, gratitude, and unity while strengthening relationships among employees, religious leaders, and local stakeholders. By preserving long-standing cultural traditions, the Estate continues to nurture an inclusive and supportive workplace culture founded on mutual respect and shared values

GRI 413-2: Operations with Significant Actual and Potential Negative Impacts on Local Communities

Maskeliya Plantations PLC recognizes that its estate operations are closely integrated with the surrounding communities and that, as a major employer and land steward, its activities have the potential to create economic, social, environmental, health and safety, and infrastructure-related impacts. The Company therefore adopts a proactive approach to identifying, assessing, monitoring, and mitigating potential negative impacts through continuous stakeholder engagement, operational risk assessments, environmental monitoring, and responsible estate management practices. This approach enables the Company to protect community wellbeing while supporting sustainable regional development.

The communities surrounding our estates are closely linked to plantation operations, with many households depending directly or indirectly on the Company for employment and livelihoods. Potential social and economic impacts include dependence on plantation employment, seasonal fluctuations in household income, and changing employment expectations among younger generations. These potential impacts are managed through livelihood diversification initiatives, skills development and vocational training programs, youth development initiatives, employee welfare programs, and community empowerment activities aimed at strengthening long-term economic resilience.

Potential health and safety impacts associated with plantation operations, including occupational hazards and community health concerns, are managed through comprehensive occupational health and safety programs, preventive healthcare initiatives, estate medical services, health awareness campaigns, emergency preparedness programs, and continuous safety training for employees. The Company also maintains effective grievance mechanisms and stakeholder engagement platforms to identify and address community concerns in a timely and transparent manner.

The Company recognizes that plantation operations may place pressure on shared natural resources and community infrastructure. Potential environmental impacts, including waste generation and the use of shared water resources, are managed through responsible waste management practices, waste segregation and recycling initiatives, environmental awareness programs, natural resource conservation measures, and regular environmental monitoring. Similarly, potential infrastructure-related impacts, including increased demand for housing, drinking water, sanitation facilities, healthcare, and other community services, are addressed through the continuous improvement of estate housing, welfare facilities, water supply systems, sanitation infrastructure, and other essential community amenities.

During the reporting period, Maskeliya Plantations PLC did not identify any operations that resulted in significant actual negative impacts on local communities. The Company remains committed to continuously assessing potential risks, engaging constructively with community stakeholders, implementing appropriate mitigation measures, and integrating community considerations into operational decision-making to ensure the long-term sustainability and resilience of the communities in which it operates.

Membership Associations

GRI 2-28

Maskeliya Plantations PLC recognizes the value of maintaining active relationships with industry and professional associations that contribute to the sustainable development of Sri Lanka's plantation sector. Through its engagement with recognized industry bodies, the Company enhances collaboration remains informed of emerging industry developments, strengthens governance practices and supports the continuous improvement of operational, environmental and social performance.

The Company's membership and active participation in key industry associations provide valuable opportunities for knowledge sharing, policy dialogue, industry advocacy, professional development and collaboration on matters affecting the tea plantation sector. These relationships enable the Company to remain abreast of regulatory developments, market trends, labour practices, sustainability initiatives and industry best practices, thereby supporting informed decision-making and long-term value creation.

As a responsible corporate citizen, Maskeliya Plantations PLC maintains strong and constructive relationships with leading industry organizations that play a significant role in representing and advancing the interests of Sri Lanka's plantation industry. Through these memberships, the Company contributes to collective industry initiatives while benefiting from technical expertise, stakeholder engagement and platforms for addressing matters of common interest.

During the reporting period, the Company actively engaged with the following membership organizations:

Membership Organization	Nature of Engagement
The Colombo Tea Traders Association	Industry collaboration, market information sharing and promotion of the Sri Lankan tea industry.
The Planters' Association of Ceylon	Representation on plantation industry matters, policy advocacy, sustainability initiatives and sharing of industry best practices.
The Employers' Federation of Ceylon	Guidance on employment relations, labour legislation, human resource management and employer advocacy.

Through these strategic associations, Maskeliya Plantations PLC continues to strengthen its industry engagement, support responsible business practices and contribute to the sustainable growth and longterm competitiveness of Sri Lanka's plantation sector.

Tax

GRI 207-1/2/3

Maskeliya Plantations PLC operates within the Sri Lankan plantation sector and manages its tax affairs in accordance with applicable tax laws and regulations. The Company does not maintain a separate formal tax strategy; its approach to tax is embedded within its financial management, governance and compliance processes and is guided by applicable legislation, including the Inland Revenue Act No. 24 of 2017 and other relevant tax requirements applicable to its operations. The Company's approach is to comply with both the applicable statutory requirements and its tax obligations in a timely and responsible manner, while maintaining an appropriate level of tax risk consistent with its business activities. The Company does not engage in aggressive tax planning, tax avoidance schemes or arrangements lacking economic substance. Its tax approach is aligned with its commercial operations and broader commitment to responsible business practices and long-term value creation. For the financial year ended 31 March 2026, the Company complied with applicable tax requirements and contributed to government revenue through Corporate Income Tax (CIT), Value Added Tax (VAT), Withholding Tax (WHT), Pay-As-You-Earn (PAYE), Stamp Duty and other applicable taxes. Tax governance and compliance are overseen by the Tax Compliance Manager of the Group Company, who coordinates and monitors the Company's tax obligations. The Finance Department maintains relevant financial records, prepares tax information and supporting documentation, facilitates the timely submission of tax returns and payments, and monitors developments in tax legislation and regulatory requirements. Tax-related risks are managed through review of tax computations and supporting documentation, established internal financial controls and appropriate escalation of tax matters. Based on the Company's assessments, monitoring and past practices, no significant tax-related risks or concerns were identified during the reporting period. Tax-related controls are subject to applicable internal review and external statutory audit procedures.

The Company maintains engagement with the Inland Revenue Department (IRD) and other relevant tax authorities through statutory filings, tax assessments, information requests and regulatory interactions, and provides required tax returns, financial information and supporting documentation in accordance with applicable requirements. Tax queries, assessments and information requests received from the IRD are reviewed by the Finance Department and escalated to the Tax Compliance Manager where appropriate, who oversees the Company's response and submission of required information. The Company's Whistleblowing Policy provides a confidential mechanism through which individuals may raise concerns regarding suspected wrongdoing, non-compliance or conduct that may compromise the Company's integrity, including concerns relating to tax matters, through the established reporting channels. Such concerns are handled through the Company's applicable governance, Finance and compliance processes, with appropriate escalation where required. The Company does not undertake direct public policy advocacy on taxation; where relevant, tax related matters may be addressed through applicable industry or professional associations and consultation mechanisms. The Company continues to monitor changes in tax legislation and regulatory expectations and will strengthen its tax governance, risk management and compliance practices as appropriate.

Tax Contribution to the State

Tax Category	Total Tax Paid
Value Added Tax (VAT)	556.03Mn
Withholding Tax (WHT)	37.15Mn
Corporate Income Tax (CIT)	296.99Mn
PAYE	0.71Mn
Stamp Duty	1.13Mn
Total	892.01Mn

Tax Transparency & Value Creation – SDG Alignment

Risk / Governance Driver	Integrated Response	SDG Contribution
Risk of non-transparent tax practices and weak compliance affecting public trust and contribution to national development	Fully compliant tax management aligned with national tax laws, supported by Board Audit Committee oversight, internal controls, audits, and transparent engagement with tax authorities	Strengthened fiscal responsibility and national revenue contribution, supporting accountable institutions and economic growth → Sustainable Development Goal 16 Peace Justice and Strong Institutions, Sustainable Development Goal 8 Decent Work and Economic Growth

Rights of Indigenous Peoples

GRI 411/13.14:

During the reporting period, Maskeliya Plantations PLC assessed its impacts relating to the rights of Indigenous Peoples in accordance with GRI 411: Rights of Indigenous Peoples (2016). As a tea plantation company operating in Sri Lanka's central highlands, we recognize our responsibility to respect the cultural heritage, land-related interests, and human rights of all communities connected to our estates and surrounding areas.

Although our plantation operations are conducted on long-established estate lands and do not directly impact formally recognized Indigenous territories, we maintain precautionary due diligence processes aligned with international human rights principles, including respect for Free, Prior, and Informed Consent (FPIC) where applicable. Our governance framework integrates human rights risk assessments, structured stakeholder engagement with local communities, transparent communication channels, and accessible grievance mechanisms for workers and community members.

For the reporting period, 0 incidents involving violations of the rights of Indigenous Peoples were identified. No legal actions, substantiated complaints, or confirmed instances of non-compliance relating to Indigenous Peoples' rights were recorded through our internal monitoring systems, compliance reviews, or grievance mechanisms.

This outcome reflects the effectiveness of our community engagement practices, responsible land stewardship, and proactive risk management systems. Maskeliya Plantations PLC remains committed to continuous monitoring, responsible agricultural practices, and maintaining respectful relationships with all communities connected to our operational landscape. The Company will continue to strengthen its human rights governance framework to ensure alignment with international sustainability standards and evolving stakeholder expectations.

Human Rights & Community Relations – SDG Alignment

Risk / Governance Driver	Integrated Response	SDG Contribution
Risk of potential impacts on Indigenous Peoples' rights and community relations in plantation operations	Human rights due diligence, stakeholder engagement, grievance mechanisms, and continuous monitoring; no incidents reported during the period	Protection of human rights and strengthened community relations → Sustainable Development Goal 16 Peace Justice and Strong Institutions

Responsible Supply Chain Management

GRI 414-1: New Suppliers Screened Using Social Criteria

Maskeliya Plantations PLC incorporates relevant social considerations into its supplier selection, evaluation and onboarding processes as part of its commitment to responsible and ethical supply chain management. The Company primarily transacts with reputed and established suppliers, including established corporate entities that are expected to operate in accordance with applicable legal, regulatory, labour, human rights, occupational health and safety and industry standards.

Prior to entering into an agreement or approving a new supplier, the Company evaluates the supplier through its established procurement and supplier evaluation procedures. This includes reviewing relevant company information, documentation, licenses, certificates and other supporting information, as applicable. Social considerations are evaluated together with commercial, technical, operational, quality and regulatory requirements. These considerations include compliance with applicable labour and employment laws, respect for human rights, prohibition of child and forced labour, responsible employment practices, occupational health and safety, employee welfare and ethical business conduct.

The Company's supplier base includes established and reputed PLCs and other recognized business entities that are generally expected to maintain appropriate social and regulatory standards. These considerations, together with the Company's pre engagement evaluation and approval procedures, support the identification and management of potential social risks before suppliers are engaged.

For suppliers and contractors providing services within the Company's estates, particular attention is given to compliance with applicable workplace safety and employment requirements. Where gaps in documentation, social compliance concerns or other relevant issues are identified, the Company may request additional information or corrective action before approving the supplier.

During the financial year 2025/2026, 174 new suppliers were identified and all 174 were screened using applicable social criteria prior to approval, representing 100% of new suppliers.

GRI 414-2: Negative Social Impacts in the Supply Chain and Actions Taken

Maskeliya Plantations PLC seeks to manage potential social risks within its supply chain through pre-engagement supplier evaluation, compliance requirements and ongoing supplier engagement. Social aspects considered include compliance with labour and employment requirements, human rights, prohibition of child and forced labour, occupational health and safety, employee welfare and other relevant social matters.

The Company's pre-engagement evaluation process, together with its engagement with established and reputed suppliers, is intended to identify potential social risks before entering into supplier relationships. During the reporting period, 174 suppliers were assessed for relevant social impacts, representing 100% of suppliers subject to the applicable assessment process, of which 0% were identified as having significant actual or potential negative social impacts based on the criteria applied. Consequently , supplier relationships remained subject to the Company's normal continuation and monitoring processes, with no termination or non-renewal arising from significant social impacts and no specific improvement agreements being required as a result of the assessment. Where concerns or non-compliances are identified, the Company may engage with suppliers to obtain further information and implement appropriate corrective actions. Supplier performance and compliance may also be reviewed throughout the supplier relationship, as appropriate. Through these practices, Maskeliya Plantations PLC continues to promote responsible sourcing and strengthen the integration of social considerations into its supplier selection, evaluation and ongoing supply chain management processes.

Product Responsibility & Customer Health and Safety

GRI 13.10/416-1/416-2

Maskeliya Plantations PLC places the highest priority on product responsibility and customer health and safety by ensuring that all tea products manufactured by the Company meet stringent quality, food safety, and sustainability standards. This commitment is embedded throughout the entire value chain, from cultivation and harvesting to manufacturing, quality evaluation, packaging, and distribution, ensuring that product integrity is maintained across domestic and international markets.

The Company manages product health and safety through a comprehensive food safety and quality management framework supported by internationally recognized standards and certification requirements. Tea manufacturing operations are governed by ISO 22000:2018 Food Safety Management Systems and Hazard Analysis and Critical Control Points (HACCP) principles, certified by the Sri Lanka Accreditation Board. These systems enable the Company to systematically identify, assess, monitor, and control potential food safety risks throughout the production process while ensuring compliance with applicable regulatory and customer requirements.

All tea products manufactured by Maskeliya Plantations PLC undergo regular quality and safety assessments in accordance with applicable tea quality standards, including ISO 3720 requirements. Product testing covers critical parameters such as heavy metals, microbiological contamination, and agrochemical residue levels to ensure product safety and compliance. The Company maintains strict adherence to the Maximum Residue Limits (MRLs) specified by the Tea Research Institute (TRI) and applicable regulatory requirements in key export markets, including the European Union and Japan. Through responsible agricultural practices, integrated pest management approaches, and reduced dependency on agrochemicals, the Company continues to strengthen product safety while promoting environmental sustainability.

In addition to laboratory-based assessments, the Company maintains a strong internal quality evaluation process. Senior management, including estate management and the Chief Executive Officer, conducts regular tea tasting sessions to evaluate product quality and consistency across estates. Prior to dispatch, each tea grade undergoes systematic quality evaluation by the respective estate teams and independent tea brokers to ensure compliance with required quality specifications, customer expectations, and market standards. These assessments support continuous improvement, product consistency, traceability, and customer confidence.

The Company further strengthens food safety and quality assurance through regular internal audits, supplier assessments, employee awareness programs, and continuous monitoring of manufacturing processes. These practices ensure that potential risks are proactively identified and controlled while maintaining the highest standards of product responsibility.

During the reporting period, Maskeliya Plantations PLC recorded 0 incidents of non-compliance related to the health and safety impacts of its products and services. There were no product recalls, regulatory penalties, customer complaints, or monetary fines associated with food safety or product health and safety concerns. The Company remains committed to maintaining robust quality assurance practices and continuously improving its product safety management systems to protect consumers and uphold stakeholder trust.

Annual tea product test	100%
Availability of Food safety certifications	2
Medical checkups for food handlers (Number of Employees)	425


ISO/IEC 17021-1 and ISO/TS 22003
FMS 002-01

CERTIFICATE

CERTIFICATE N°: CU 901339ISO22000-01.2025
REGISTRATION Nº: CU 901339

Field of attention:
Food Safety Management System

Issued to:
Maskeliya Plantations PLC
No. 310, High Level Road, Nawinna, Maharagama, 10280

SRI LANKA

Standard:
ISO 22000:2018

Control Union Inspections (Pvt) Ltd certify that the Management System of the above organization has been audited and found to be in accordance with the requirements of the management system standards mentioned above.

This certificate covers the unit(s) and the scope(s) as mentioned in the authenticated annex of this certificate.

This certificate remains in force until further notice, provided that the above-mentioned client remains in compliance with the requirements as laid down in the contract with Control Union Inspections (Pvt) Ltd. Based on the audits performed, this certificate remains

Valid from 23-02-2025 until 22-02-2028

Date of certification:
23-02-2025

Place and date of issue:
Colombo - 23-02-2025

Name of the Authorised person:
On behalf of the Managing Director

Ms. Thilini Mahaarachchi
Certifier
Control Union Inspections (Pvt) Ltd.
No.100/8, 3rd Floor, FPA Building, Nawala Road, Narahenpita, Colombo 05,
Sri Lanka

Validity of this certificate may be confirmed at www.controlunion.com

1 of 3

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Product Responsibility, Labelling & Customer Safety – SDG Alignment

Cause (Workforce Need / Risk)	Company Action (Policy / Practice)	SDG Outcome
Risk of inadequate product information, food safety issues, and regulatory non-compliance impacting consumer trust and health	Implementation of transparent and compliant product labeling (traceability, ingredients, usage, environmental guidance) alongside certified food safety systems (ISO 22000:2018, HACCP), continuous monitoring, audits, and employee training	Informed consumer choices, enhanced food safety, and responsible consumption practices → Sustainable Development Goal 12 Responsible Consumption and Production, Sustainable Development Goal 3 Good Health and Well-being

Responsible Labeling

GRI 417-1/2/3: Marketing and Labeling

Maskeliya Plantations PLC is committed to providing accurate, transparent and reliable product and packaging information in compliance with applicable regulatory, certification and market requirements. The Company uses 2-ply, 3-ply and 4-ply multiwall paper sacks and rigid tea sacks for the packing and transportation of tea. The sourcing and specifications of these packaging materials are aligned with the applicable tea-packing requirements of the Sri Lanka Tea Board and relevant SLS certification requirements, supporting the protection, quality and traceability of tea throughout the supply chain. The Company's product information and labeling procedures cover the sourcing and specifications of packaging materials, product content and relevant quality requirements, safe use and storage, and appropriate disposal of packaging. Bulk tea packages are labeled in English and include relevant information such as tea grade, selling mark, net weight, invoice number and bag count. Value-added tea products include applicable information such as ingredients, brewing instructions, storage conditions, net weight, expiry date, batch number, country of origin and relevant quality and sustainability certifications, in accordance with applicable regulatory and market requirements. The Company uses paper-based packaging materials selected with consideration for environmental performance and responsible waste management. The packaging materials are suitable for recycling or responsible disposal where appropriate, thereby supporting the Company's efforts to minimize environmental impacts associated with packaging waste. All significant product categories are covered by the Company's applicable product information and labeling requirements and are assessed for compliance with relevant regulatory, certification and internal requirements. During the reporting period, 0 incidents of non-compliance were identified concerning product and service information and labeling that resulted in a fine or penalty, warning, or breach of applicable voluntary codes. Similarly, the Company recorded no incidents of non-compliance concerning marketing communications, including advertising, promotion and sponsorship, resulting in a fine or penalty, warning, or breach of applicable voluntary codes.

Anti-Corruption

GRI 205-1: Operations Assessed for Risks Related to Corruption

Maskeliya Plantations PLC assessed corruptionrelated risks across its 18 estates(100%), covering its plantation and estate level operations. The Company's Policy on Anti-Bribery and Corruption establishes a zero-tolerance approach to bribery and corruption, while oversight and monitoring are supported through the Sustainability Committee, Audit Committee and Grievance Committee, together with management controls and whistleblowing mechanisms. The assessment considered the nature and operating environment of the Company's estate operations and the effectiveness of existing controls and oversight mechanisms. Based on the risk assessments undertaken and the Company's past practices, no significant corruption risks or incidents were identified during the reporting period. The identified risks, where applicable, are managed through established internal controls, oversight and reporting mechanisms, with the Company continuing to strengthen its risk-based approach to preventing and detecting corruption across its geographically dispersed estate operations.

GRI 205-2: Communication and Training about Anti-corruption Policies and Procedures

Maskeliya Plantations PLC communicates its commitment to ethical conduct and anti-corruption through its Policy on Anti-Bribery and Corruption and Policy on Whistleblowing. These policies establish responsibilities for employees, Directors and relevant third parties and provide mechanisms for reporting suspected misconduct.

During the financial year, no formal anti-corruption training sessions were conducted for employees, Directors or business partners. However, the Company continued to communicate its anti-corruption requirements through established policy communication and disclosure mechanisms. The Policy on Anti-

Bribery and Corruption and the Policy on Whistleblowing were displayed on notice boards across all 18 estates, making the policies accessible to employees and estate based stakeholders. In addition, the policies were published on the Company's corporate website, making them publicly accessible to business partners, suppliers, contractors and other external stakeholders.

These communication measures provided employees and external stakeholders with access to information on the Company's expectations regarding ethical business conduct, its zero tolerance approach to bribery and corruption, and the channels available for reporting suspected misconduct. The Company recognizes the importance of structured anti-corruption training and will continue to assess opportunities to strengthen formal awareness and training programmes in future reporting periods, taking into consideration the corruption risks associated with different functions and levels of responsibility.

GRI 205-3: Confirmed Incidents of Corruption and Actions Taken

Maskeliya Plantations PLC maintains a zero-tolerance approach to bribery and corruption and provides confidential and anonymous channels through its Whistleblowing Policy for reporting suspected misconduct.

During the financial year, no confirmed incidents of corruption were reported or identified across the Company's operations. Accordingly, there were no confirmed incidents resulting in the dismissal or disciplinary action of employees for corruption, no contracts with business partners were terminated or not renewed due to corruption-related violations, and no public legal cases regarding corruption were brought against the Company or its employees during the reporting period.

Supply Chain Traceability

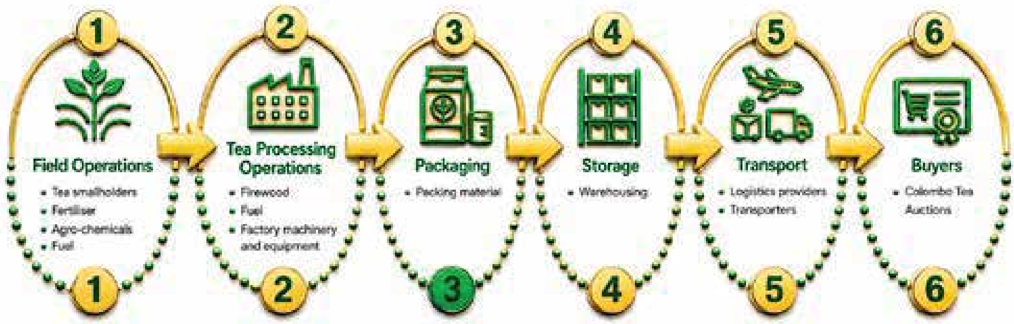
GRI 13.23

At Maskeliya Plantations PLC, supply chain traceability is an integral component of our responsible sourcing framework and sustainability strategy. We recognize that effective traceability enhances transparency, strengthens stakeholder confidence, and enables us to identify, assess, and manage potential environmental, social, and governance (ESG) risks associated with our products throughout the value chain. Our traceability processes are designed to monitor the movement of agricultural inputs, harvested produce, processing activities, storage, transportation, and final product dispatch, ensuring that products can be traced back to their respective estates, divisions, and production batches. This systematic approach enables the Company to verify the origin of raw materials, maintain product integrity, support quality assurance, and demonstrate compliance with applicable legal, regulatory, and customer requirements.

The Company maintains comprehensive records covering supplier information, procurement transactions, field operations, production data, processing records, inventory movements, and customer dispatches. Supplier due diligence procedures is implemented to assess compliance with our procurement policies, ethical business practices, labour standards, environmental management expectations, and applicable certification requirements. Preference is given to suppliers who demonstrate responsible business conduct, compliance with relevant statutory requirements, and alignment with the Company's sustainability commitments. Where non-conformities or potential risks are identified, corrective actions are initiated through supplier engagement, performance monitoring, and continuous improvement programs.

Our traceability framework supports risk management by enabling the timely identification and investigation of product quality concerns, operational issues, or sustainability-related risks. In the event of a quality incident or customer complaint, established traceability procedures facilitate efficient product verification, root cause analysis, and, where necessary, targeted corrective or recall actions. This capability minimizes operational disruptions while safeguarding product quality, food safety, customer confidence, and the Company's reputation.

Maskeliya Plantations PLC continues to strengthen digital record management, internal controls, and operational oversight to enhance end-to-end visibility across the supply chain. Regular internal reviews, management oversight, and periodic audits contribute to improving data accuracy, reliability, and traceability performance. Through continuous enhancement of our traceability systems and supplier engagement processes, we seek to promote responsible sourcing, protect human rights, uphold environmental stewardship, and reinforce sustainable value creation across our operations. These efforts support our commitment to transparency, accountability, and responsible supply chain management in alignment with the GRI 2021 reporting requirements and the principles of sustainable plantation agriculture.



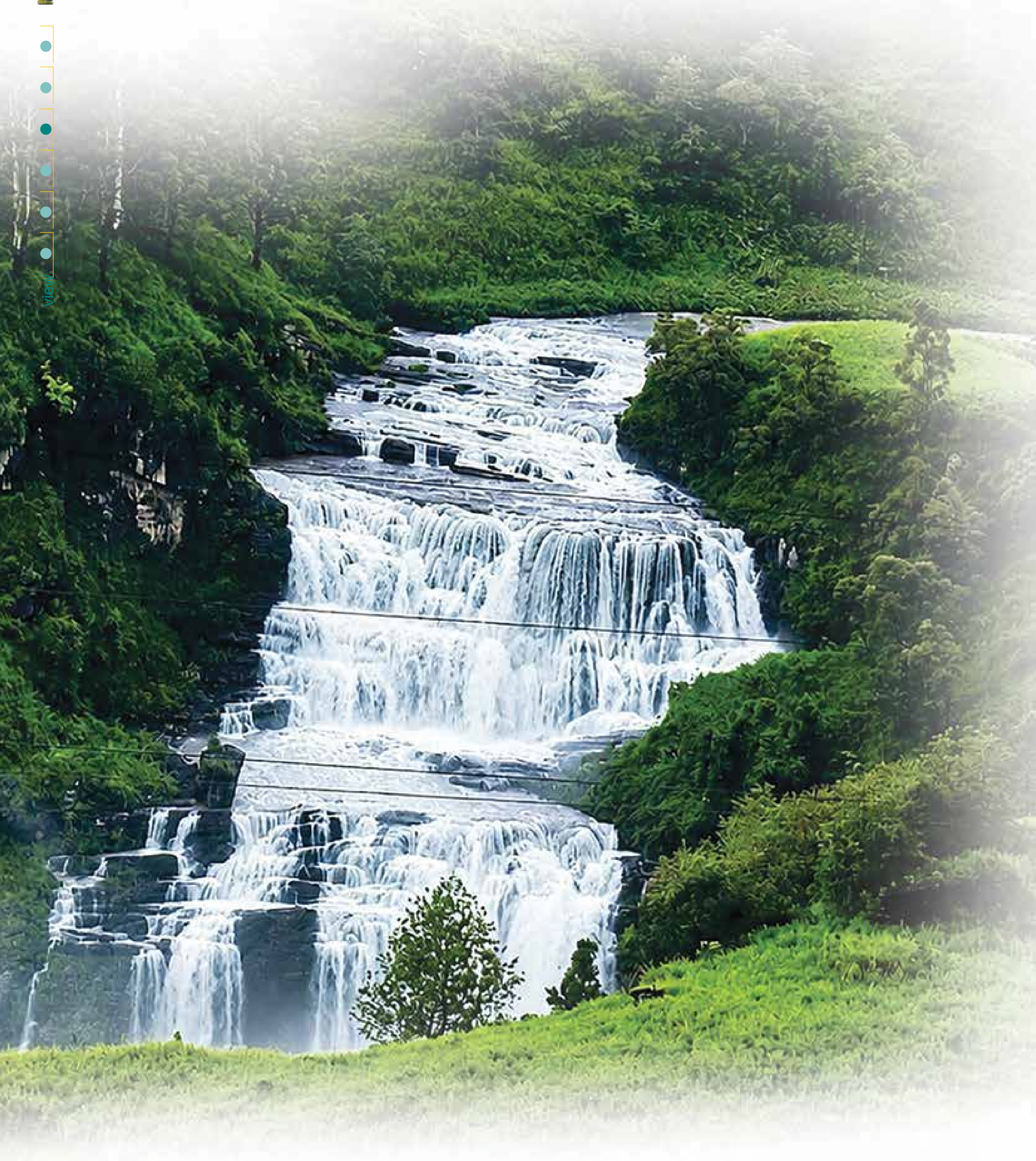
Natural Capital

Born from a hidden spring,

carrying the silence of the past,

the river moves forward

into an endless, unmapped future.



The company continuously works to refine production processes, ensuring that traditional craftsmanship and modern efficiency are balanced to maintain consistent quality across all products. Sourcing of raw materials plays a critical role in maintaining product standards. The organization collaborates with trusted suppliers and producers to ensure that ingredients and materials meet quality expectations while supporting responsible production practices.

Continuous improvement initiatives are implemented across operations to enhance production efficiency and reduce operational waste. These initiatives help maintain high-quality standards while optimizing resource use throughout the manufacturing process. Innovation also supports the development of new products and the improvement of existing offerings. By integrating research, experimentation, and feedback from stakeholders, the organization ensures that its products evolve to meet changing customer preferences. Maintaining consistency in production requires strong quality control systems. Regular inspections, product testing, and process monitoring are conducted to ensure that our every stage of production aligns with established quality benchmarks.

Across our factories, precision, discipline, and innovation guide every stage of the manufacturing journey. The careful orchestration of withering, rolling, fermentation, drying, and sorting reflect generations of plantation expertise combined with modern technology. Each process is calibrated not only to preserve flavor but also to enhance efficiency, conserve resources, and minimize environmental impact. Through this balance of heritage and innovation, Maskeliya continues to strengthen its reputation as a producer of high-quality tea while building sustainable value for all stakeholders.

Within this journey, Maskeliya Plantations PLC occupies a critical upstream position, where value is realised through the careful cultivation of tea, the disciplined harvesting of green leaf, and the precise manufacturing and grading of made tea supplied to the market through established brokerage channels. Financial performance, therefore, reflects the Company's ability to consistently transform natural resources, human effort, and technical expertise into economic value within an auction-driven industry structure.

The Company's responsibility within the value chain is centered on delivering tea that meets the quality expectations of brokers, exporters, and blenders who depend on the integrity and consistency of Sri Lankan tea. Maintaining high standards in field and factory operations remains fundamental to this objective. Rigorous attention to cultivation practices, plucking standards, and manufacturing processes ensures that the tea produced aligns with market requirements and achieves optimal realization at the Tea Auction.

Engagement with brokers and market intermediaries provides valuable insights into evolving demand patterns and quality preferences. This continuous feedback loop supports improvements in grading accuracy, process efficiency, and product consistency, strengthening the Company's position within the industry. Transparency in operational practices, including adherence to recognized certification standards such as Rainforest Alliance, further reinforces stakeholder confidence by demonstrating commitment to sustainable agriculture, traceability, and responsible production.

Beyond its operational focus, the Company recognizes its integral role within the estate communities in which it operates. The estates function as socio-economic ecosystems, where employment, housing, and community infrastructure contribute to the well-being of a large resident population. Sustained investment in these areas reflects a broader commitment to inclusive value creation and long-term social development.

Strong governance frameworks underpin all aspects of financial and operational performance. Ethical conduct, regulatory compliance, and accountability guide decision-making processes, while collaboration with suppliers, service providers, and industry stakeholders ensures continuity and resilience across the value chain. This integrated approach enables the Company to maintain consistency and reliability in its output despite external challenges, including climatic variability and market fluctuations.

GRI 101-3/13.3: Access And Benefit-Sharing

Maskeliya Plantations PLC recognizes the importance of conserving biodiversity and protecting natural habitats within its estates through the implementation of its Policy on Protection of Endemic, Endangered, Threatened and Migratory Wildlife (MK/RA/P/02) and Wild Life Conservation Policy (MK/RA/P/06). Biodiversity assessments, wildlife inventories and habitat surveys are conducted periodically to identify ecologically significant habitats and species within operational areas. Habitats supporting endemic, threatened, endangered and migratory species are designated as High Conservation Value (HCV) ecosystems and are managed in accordance with established environmental management procedures and applicable national environmental and wildlife conservation legislation.

The Company's process for ensuring compliance with biodiversity-related access and benefit-sharing requirements includes identifying and protecting environmentally sensitive habitats, maintaining minimum buffer zones around terrestrial and aquatic ecosystems, prohibiting activities that may adversely affect protected habitats, and monitoring habitat conditions through periodic field inspections and biodiversity records. Consultations are undertaken, where required, with relevant government authorities, environmental agencies, wildlife experts and certification bodies to ensure that biodiversity conservation and habitat management activities are implemented in accordance with applicable legal and regulatory requirements.

In addition to complying with applicable regulations, Maskeliya Plantations PLC voluntarily undertakes initiatives that contribute to biodiversity conservation and the equitable stewardship of biological resources. These initiatives include maintaining High Conservation Value habitats under active conservation management, implementing ecosystem restoration measures where appropriate, conducting employee training on biodiversity conservation and buffer zone management, displaying identification signage in environmentally sensitive locations, maintaining wildlife sighting records, and conducting awareness programs for estate communities to discourage hunting, trapping, trafficking and unauthorized possession of wildlife. Where wildlife is found in captivity, the Company maintains appropriate records and collaborates with the relevant authorities to facilitate the safe release of animals whenever feasible. These voluntary actions support the long-term conservation of biodiversity and promote responsible environmental stewardship beyond regulatory compliance.

GRI 101-5/13.3 – Locations With Biodiversity Impacts

The areas of conservation forests are given below.

Upcot Region	Hectares	Maskeliya Region	Hectares	Talawakelle Region	Hectares	Bandarawella Region	Hectares
Brunswick	3.50	Brownlow	0.28	Ferham	4.48	Ampittiakande	58.23
Glentilt	12.05	Hapugastenne	85.63	St. Clair	—	Craig	3.52
Glenugie	2.80	Laxapana	57.81	Talawakelle	3.63	Leangahawela	12.85
Mocha	12.05	Moray	34.77	Troup	—	Poonagalla	122.00
Strathspey	33.25	Mousakelle	2.87	Sub Total	8.11	Sub Total	196.60
Sub Total	63.65	Sub Total	181.36				
						Grand Total	449.72

Geographical Breakdown of Maskeliya Plantations

Maskeliya Plantations PLC manages a total land base of 10,560 hectares across Sri Lanka's upcountry region, separated into four key zones

- **Maskeliya Zone:** 2,548 hectares (directly bordering the Adam's Peak wilderness).
- **Upcot Zone:** 2,568 hectares.
- **Bandarawela Zone:** 3,925 hectares.
- **Talawakelle Zone:** 1,519 hectares.

The Connection to the World Heritage Site

- **The Border Estates:** Specific estates owned by the company, such as the Moray Tea Estate, sit immediately adjacent to the Peak Wilderness Sanctuary. Several popular hiking trails to Adam's Peak begin right where these tea fields end.
- **Environmental Buffer Zones:** Because we share a boundary with a highly sensitive ecosystem, Maskeliya Plantations maintains a dedicated biodiversity protection initiative. To protect the adjacent World Heritage site, major estates in the Maskeliya zone have obtained the Rainforest Alliance Sustainable Agriculture Certification to minimize chemical runoff into the wilderness.

Key Strategic Pillars of Our Heritage Border Initiative:

Our heritage border initiative focuses on micro-ecosystem and species protection, with our border estates serving as refuge corridors for migratory and endemic wildlife extending from the sanctuary. We maintain sustainable agriculture certifications, including Rainforest Alliance Sustainable Agriculture Certification and ISO 22000 standards, to minimize chemical drift and agricultural runoff into the fragile World Heritage cloud forests. Water resource conservation is another key priority, with stringent watershed management practices implemented around our valleys to safeguard water quality before it reaches local community catchments and hydro-reservoirs. In addition, we have carefully integrated eco-tourism initiatives through low-impact, high-end eco-tourism and eco-friendly cottage experiences, creating alternative revenue streams while educating visitors about the relationship between Ceylon Tea and pristine natural ecosystems. Through these ongoing conservation efforts, Maskeliya Plantations PLC demonstrates that premium, high-yielding high-grown tea production can coexist sustainably with the protection of important biodiversity and natural ecosystems

Products and Services in the Supply Chain with Significant Biodiversity Impacts.

Maskeliya Plantations PLC's principal business activities comprise the cultivation, manufacture and sale of tea, together with the planting and cultivation of timber. Accordingly, the Company's supply chain is predominantly agricultural and land based, and its most significant potential biodiversity impacts are associated with plantation cultivation, land management, field development, harvesting, processing and the use of agricultural inputs. The following products, services and related supply chain activities are considered the most relevant to biodiversity:

Product / service	Relevant supply chain activities	Potential / significant biodiversity impacts	Location / jurisdiction
Tea cultivation and production	Land preparation, tea cultivation, replanting, field development, application of agricultural inputs, harvesting and transportation of green leaf.	Land use pressure, habitat alteration, soil disturbance, potential impacts on terrestrial species and ecosystems, and potential impacts on water and soil biodiversity arising from agricultural practices.	Maskeliya, Upcot, Talawakelle and Bandarawela regions.
Tea processing and manufacturing	Processing of harvested green leaf into made tea at estate factories, including use of water, energy and processing infrastructure.	Potential impacts associated with water abstraction and wastewater, energy consumption, solid waste and interaction with surrounding ecosystems.	estate processing facilities Brunswick, Glentilt, Glenugie, Strathspey, Moray, Moussakelle, St. Clairs, Talawakelle, Ampitikanda, Craig, Poonagalla.
Fertilizers and crop-protection inputs used in tea cultivation	Procurement, storage, application and management of agricultural inputs.	Potential impacts on soil organisms, pollinators and aquatic ecosystems where agricultural inputs enter surrounding soil or water systems.	plantation estates
Replanting and field development	Preparation and development of plantation fields, replacement of existing tea bushes and associated soil-management activities.	Potential disturbance to soil, vegetation and habitats; changes in land cover and ecosystem characteristics.	Brunswick, Glentilt, Glenugie, Mocha, Brownlow, Laxapana, Talawakelle
Timber cultivation and timber production	Planting, management and harvesting of timber trees.	Potential impacts associated with land management and changes in vegetation and habitat; conversely, responsible management of timber resources can contribute to landscape restoration and ecosystem services.	Brunswick, Glenugie, Mocha, Strathspey, Brownlow, Hapugastenne, Laxapana, Moray, Moussakelle, St.Clair, Troup, Ampitikanda, Craig, Leangahawela, Poonagalla
Other agricultural crops / diversification - Coffee, Cinnamon and Fruits	crops / diversification - Coffee, Cinnamon and Fruits Cultivation, planting, field preparation, maintenance, harvesting and transportation of coffee, cinnamon and fruit crops as part of the Company's agricultural diversification activities.	Potential impacts include land use changes, disturbance to soil and vegetation, changes to habitats and ecosystems, water consumption, and potential impacts on soil organisms, pollinators and other biodiversity arising from agricultural inputs and cultivation practices. Diversification into these crops may also provide opportunities to improve land productivity and promote more diverse agricultural landscapes when managed using sustainable practices.	Company's plantation regions

Maskeliya Plantations PLC operates 18 tea estates located within Sri Lanka's central and Uva highlands, where several estate boundaries are situated adjacent to areas of high biodiversity value and environmentally sensitive ecosystems. These include landscapes associated with the Adam's Peak region, montane forests, natural water catchments and freshwater ecosystems that support a wide range of endemic flora and fauna.

The company's operational sites comprise tea cultivation, tea manufacturing facilities, estate infrastructure and administrative offices. Operations are conducted on established plantation lands, and the company does not own, lease or manage subsurface or underground land for extractive purposes.

Many estate locations are situated adjacent to terrestrial and freshwater ecosystems that are recognized for their ecological significance under Sri Lankan environmental legislation. These landscapes include protected forests, natural forest reservations, water catchment areas and biodiversity rich habitats that contribute to watershed protection and the conservation of native species.

The company is committed to protecting the ecological integrity of these landscapes by maintaining natural buffer zones, safeguarding watercourses, preventing encroachment into protected areas and integrating biodiversity considerations into estate management practices. Environmental protection measures are implemented to minimize operational impacts while supporting the long-term conservation of the ecosystems surrounding the company's estates.

GRI 201-2: Financial Implications And Other Risks And Opportunities Due To Climate Change

Climate change continues to present both risks and opportunities for Maskeliya Plantations PLC due to the company's dependence on natural ecosystems and weather sensitive agricultural operations. The company recognizes that changing climatic conditions, evolving regulatory requirements, and increasing stakeholder expectations may have a significant influence on operational performance, production costs, asset resilience, and long-term business sustainability. Climate-related risks and opportunities are considered within the company's enterprise risk management framework and are reviewed periodically by the management and the Board to support informed decision-making and long-term value creation.

Physical Risks

The company's plantation operations are exposed to physical climate-related risks arising from changing rainfall patterns, prolonged dry spells, extreme precipitation events, landslides, flooding, strong winds, and rising temperatures. These events have the potential to affect crop productivity, field accessibility, soil stability, water availability, and estate infrastructure, resulting in increased operating expenditure, reduced yields, higher maintenance costs, and interruptions to harvesting and transportation activities. The financial implications prior to mitigation include potential reductions in revenue arising from lower agricultural output and increased expenditure on estate rehabilitation, irrigation, drainage improvement, and infrastructure repairs.

To manage these risks, the company continues to implement sustainable land management practices, soil and water conservation measures, biodiversity conservation initiatives, climate-resilient agricultural practices, and regular maintenance of estate infrastructure. Adaptation measures, including drainage improvements, reforestation where appropriate, shade management, and continuous monitoring of weather conditions, are intended to strengthen operational resilience and reduce the financial impact of adverse climatic events. The associated expenditure is recognized as part of the company's ongoing operational and capital investment programs.

Regulatory Risks

The company recognizes that evolving climate-related legislation, environmental regulations, carbon reduction initiatives, and sustainability reporting requirements may increase compliance obligations and operating costs. Future regulatory developments relating to greenhouse gas emissions, environmental protection, sustainable agriculture, waste management, and resource efficiency could require additional investments in monitoring systems, operational improvements, and reporting processes. Prior to mitigation, such developments may result in increased compliance costs, capital expenditure, and administrative expenses.

These risks are managed through continuous monitoring of applicable regulatory developments, maintaining compliance with relevant environmental legislation, strengthening governance processes, integrating sustainability considerations into operational planning, and enhancing environmental management systems. The company also continues to improve its sustainability reporting practices in line with recognized reporting frameworks and applicable regulatory requirements. Expenditure associated with regulatory compliance and environmental improvements forms part of the company's normal operating and strategic investment activities.

Other Climate-Related Opportunities

Climate change also presents opportunities to improve operational resilience and enhance long-term competitiveness through increased resource efficiency, sustainable agricultural practices, renewable energy initiatives, and responsible environmental stewardship. Investments in energy efficiency, water conservation, biodiversity protection, sustainable land management, and climate-resilient cultivation practices may contribute to cost optimization, improved productivity, enhanced stakeholder confidence, and strengthened market access over the longer term. These initiatives also support the company's broader sustainability objectives and its commitment to responsible corporate governance.

The company continues to evaluate climate-related opportunities through its strategic planning and investment processes, with projects being implemented based on operational priorities, financial feasibility, and long-term value creation objectives. Costs associated with these initiatives are incorporated into the company's capital allocation and operational expenditure programs and are expected to contribute to improved environmental performance and business resilience over time.

During the 2025/26 reporting period, the Company had not yet established a formal framework for quantifying the financial implications of climate and sustainability-related risks and opportunities before mitigation measures, or for systematically tracking the costs incurred in managing such risks and opportunities. The Company is currently working towards establishing appropriate systems and processes, with implementation planned for the next reporting period to enable more robust and quantitative disclosures.

Climate related risks and opportunities are fully described under S2 disclosures.

GRI 301: Materials

Maskeliya Plantations PLC recognizes the importance of responsible material management in minimizing resource consumption and reducing the environmental impacts associated with its plantation, manufacturing and administrative activities. During the 2025/26 reporting period, the Company utilized a range of materials and inputs to support tea cultivation, tea processing, estate infrastructure, transportation, and general administrative activities. The Company continues to promote efficient resource utilization, responsible procurement and improved material management practices across its operations.

GRI 301-1: Materials Used By Weight Or Volume

During the reporting period, Maskeliya Plantations PLC used a range of materials to support its primary activities. The total materials used are presented below according to the units maintained in the Company's operational and procurement records.

Input Material	Unit of Measurement	Quantity/Amount Used
Boiler	Number	93
Building Materials	Number	80,669
Chemicals	Litres	40,860
Consumables	Number	19,332
Cookery & Cutlery	Number	27
Electrical Items	Number	3,956
Fertilizer	Kg	4,352,558
Foodstuff	Number	197,385
Fuel/Lubricants	Litres	1,211,211
Machinery Parts	Number	14,240
Packing Materials	Number	145,792
Stationery	Number	503,271
Timber/Furniture	Number	1,296,367
Tools/Spares	Number	2,107
Textile/Clothing/ Footwear	Number	971
Tyres & Tubes	Number	514
Vehicle Spares	Number	17,493
Others	Number	139,539
Firewood	Cubic Metres	1,175,363

Non-renewable materials: The Company's principal non-renewable material inputs include fertilizers, chemicals, fuel and lubricants, and materials derived from mineral, metal and fossil-fuel-based sources, including relevant machinery parts, vehicle spares, tyres and tubes, electrical items, building materials and other operational materials where applicable. These materials are primarily used to support tea cultivation, processing, transportation, maintenance and estate infrastructure.

Renewable materials: The principal renewable material input identified during the reporting period was firewood, which is used as a biomass energy source in the Company's operations. Other renewable materials may also be present within categories such as timber/ furniture and certain packaging or consumable materials, depending on their source and composition. The Company is progressively strengthening the classification of materials by renewable and non-renewable origin to improve the completeness and accuracy of future reporting.

Methodology Used to Capture, Calculate and Consolidate Material Data

The material data were captured through the Company's inter-estate management systems, which are maintained at estate level and updated on a monthly basis. Each estate records and maintains data relating to opening balances, purchases/receipts, issues/consumption and closing balances for relevant materials.

GRI 301-2: Recycled Input Materials Used

Maskeliya Plantations PLC recognizes the importance of incorporating recycled materials into its operations wherever technically and operationally feasible. During the reporting period, the Company did not maintain sufficiently detailed quantitative records to determine the percentage of recycled input materials used in the manufacture of its primary products. Accordingly, a reliable quantitative percentage of recycled input materials cannot be reported for the 2025/26 reporting period. The Company will continue to strengthen its procurement and material tracking systems to identify recycled content and improve the measurement and disclosure of recycled input materials in future reporting periods.

GRI 301-3: Reclaimed Products And Their Packaging Materials

During the reporting period, Maskeliya Plantations PLC did not maintain sufficiently detailed records to quantify the percentage of reclaimed products and their packaging materials by product category. Consequently, a reliable quantitative percentage cannot be reported for the 2025/26 reporting period. The Company continues to recognize the importance of responsible packaging and resource management and will work towards strengthening its systems for identifying, recording and monitoring reclaimed products and packaging materials.

Data for this disclosure were collected through the inter-estate system and updated data sheets maintained by the respective estates during the reporting period. The information on materials used, purchased and consumed was consolidated based on the updated estate-level records and data submitted through the inter-estate reporting system. Relevant information on packaging materials and other inputs was obtained from the respective estate data sheets and supporting operational records.

GRI 302: Energy

Energy efficiency and renewable energy integration are critical to reducing greenhouse gas emissions and mitigating climate-related risks. We monitor energy consumption in its operations and continues to transition to biomass, and mini-hydro sources to limit reliance on fossil fuels.

GRI 302-1 – Energy Consumption Within The Organization

The Company monitors energy consumption across its production facilities, estates, supporting infrastructure, and operational units to identify opportunities for improving energy efficiency. Energy management systems enable the tracking of electricity and fuel consumption, supporting informed decision-making and responsible energy management.

Energy efficiency initiatives include upgrading equipment, optimizing machinery performance, improving vehicle and equipment maintenance, and implementing energy saving technologies where technically and economically feasible.

Energy is fundamental to the transformation processes within our tea factories. The stages of withering, rolling, drying, sorting, and packaging require a reliable and carefully managed energy supply to ensure product quality, operational continuity, and manufacturing efficiency.

To support these operations, the Company maintains a diversified energy portfolio comprising both renewable and non-renewable sources. Biomass-based steam generation remains the principal renewable energy source, utilizing fuelwood procured from licensed suppliers and biomass cultivated on Company managed land.

Renewable electricity generated through solar installations and mini-hydro power further strengthens the Company's energy mix and reduces dependence on external electricity supplies.

Non-renewable energy continues to support factory operations, estate activities, transportation, and standby power generation through the use of grid electricity, diesel, petrol, and LP gas. The Company remains committed to progressively increasing the contribution of renewable energy while improving energy efficiency and reducing greenhouse gas emissions.

During the reporting period, energy consumption within the organization was as follows:

Energy Source / Activity	Category	Unit	Consumption
Electricity consumption Factory		Units kWh	5,117,223
Electricity consumption Staff quarters, CDCs		Units kWh	1,069,534
Fire wood used for the dryer		Kgs	12,261,941
Generator Fuel consumption	Diesel	litres	47,040
LP Gas usage		Kgs	4,811
Company vehicles lorries	Diesel	litres	49,956
Managers Vehicle	Diesel	litres	66,974
Managers Vehicle	Petrol	litres	3,972
Estate motor bikes	Petrol	liters	20,776
Outside lorries (vehicles)	Diesel	litres	31,469
Outside vehicles (motor bikes)	Petrol	litres	811
Fuel used for estate tractors	Diesel	litres	45,407
Fuel provided for out side tractors	Diesel	litres	9,938
Fuel used for machinery and provided to kovil and other festivals	Petrol	litres	33,531
Carbon Dioxide fire extinguishers refilled		Kgs	3,104

The Company continuously monitors energy use across its operations to identify opportunities for improving efficiency, increasing the share of renewable energy, and minimizing environmental impacts while ensuring reliable production and operational resilience.

1.Renewable Energy Sources

Energy source	Consumption	Conversion factor	Energy (GJ)
Firewood used for dryer	12,261,941 kg	14.71 GJ/tonne	180,373

The energy consumption from firewood used for dryers was calculated using the 2026 UK Government/DEFRA GHG Conversion Factors, applying the Net Calorific Value (NCV) for wood logs of 14.71 GJ/tonne.

2. Non-Renewable Energy Sources

Energy source	Consumption	Conversion factor	Energy (GJ)
electricity - Factory	5,117,223 kWh	3,600 kJ/kWh	18,422
Electricity - Staff quarters & CDCs	1,069,534 kWh	3,600 kJ/kWh	3,850
Generator - Diesel	47,040 L	36,120 kJ/L	1,699
Company vehicles/lorries - Diesel	49,956 L	36,120 kJ/L	1,804
Managers' vehicles - Diesel	66,974 L	36,120 kJ/L	2,419

Energy source	Consumption	Conversion factor	Energy (GJ)
Managers' vehicles – Petrol	3,972 L	32,782 kJ/L	130
Estate motorbikes – Petrol	20,7762 L	32,782 kJ/L	681
Company controlled Outside lorries – Diesel	31,469 L	36,120 kJ/L	1,136
Company controlled Outside vehicles/ motorbikes – Petrol	8112 L	32,782 kJ/L	27
Estate tractors – Diesel	45,407 L	36,120 kJ/L	1,640
Company controlled Outside tractors – Diesel	9,938 L	36,120 kJ/L	359
Machinery/festivals – Petrol	33,531 L	32,782 kJ/L	1,099
LPG	4,811 kg	47,300 kJ/kg	228
Total non-renewable energy			33,494 GJ

Category	Energy (GJ)
Total renewable energy	180,373
Total non-renewable energy	33,495
Total energy consumption	213,868 GJ

Energy consumption was converted to gigajoules (GJ) using the default net calorific values (NCVs) and methodological guidance provided in the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2: Energy. The applicable conversion factor for firewood is sourced from DEFRA 2026, IPCC default NCVs were, 43.0 MJ/kg for gas/diesel oil, 44.3 MJ/kg for motor gasoline, and 47.3 MJ/kg for liquefied petroleum gas (LPG). For fuels reported in litres, fuel density was applied to convert volume to mass before applying the IPCC NCV. Electricity consumption was converted using 3.6 MJ/kWh.

Energy Consumption Outside The Organization

During the reporting period, Maskeliya Plantations PLC did not disclose energy consumption in its upstream and downstream activities, as the relevant data was not available with sufficient completeness and reliability. The Company is strengthening its data collection and monitoring mechanisms and intends to report upstream and downstream energy consumption in the following reporting period.

GRI 302-3 – Energy Intensity

Maskeliya Plantations PLC monitors energy consumption in relation to its production output to assess energy efficiency and identify opportunities for improved energy performance. For the 2025/26 reporting period, the Company has selected total made tea production as the organization specific metric for calculating energy intensity, as it represents the principal finished product of the Company's tea manufacturing operations. Energy consumption is presented based on the three energy source categories maintained in the Company's operational records: electricity consumption, firewood/LPG/CO_2 related consumption, and fuel consumption. The energy intensity indicators are calculated by dividing the consumption of each energy source category by the total quantity of made tea produced during the reporting period.

Energy Intensity Calculation – 2025/26

Energy Source	Unit	Total Consumption	Organization-Specific Metric	Energy Intensity
Electricity consumption – Factory, Staff Quarters & CDCs	kWh	6,186,756.50	6,417,000 kg made tea	0.96 kWh/kg made tea
Firewood used for dryer / LPG usage / CO_2 fire extinguishers refilled	kg	12,269,855.00	6,417,000 kg made tea	1.91 kg/kg made tea
Fuel consumption – Company operations and activities	litres	309,872.19	6,417,000 kg made tea	0.04 litres/kg made tea

Production Metric

The Company produced 6,417,000 kg of made tea during the 2025/26 reporting period. This production volume has been selected as the primary denominator for the energy intensity calculation because made tea represents the principal finished product of the Company's tea manufacturing operations.

The Company also recorded 25,801,900 kg of green leaf production during the reporting period. This metric is maintained as a supplementary operational production indicator but is not used as the primary denominator for the GRI 302-3 energy intensity ratio.

Types of Energy Included

The energy intensity indicators cover the three energy source categories recorded by the Company:

- Electricity: Electricity consumed at factories, staff quarters and Community Development Centres (CDCs), reported in kWh.
- Firewood/LPG/CO_2-related consumption: Firewood used for tea drying, LPG usage and CO_2 used for refilling fire extinguishers, reported in kg.
- Fuel: Fuel consumed for generators, Company vehicles, managers' vehicles, estate motorbikes, outside lorries and vehicles, estate tractors, machinery and other activities, reported in litres.

Note: CO_2 used for fire-extinguisher refilling is retained within the Company's reported kg category to maintain consistency with the underlying operational data; however, CO_2 used for fire extinguishers is not itself an energy source. Similarly, the fuel category aggregates diesel and petrol consumption and is therefore presented in litres without converting the different fuels into a common energy unit.

Energy Boundary

The above intensity indicators are based on the consumption data provided by the Company's operations for the reporting period. The fuel category includes both Company related and outside/third-party vehicle activities as recorded in the Company's operational data. Accordingly, the intensity indicators are presented based on the reported consumption boundary, rather than converting the data into a common energy unit or separately allocating the outside-vehicle component.

Standards, Methodologies, Assumptions and Calculation Tools

Energy intensity was calculated using the Company's recorded energy consumption and production data for the 2025/26 reporting period. The organization specific denominator selected was total made tea production of 6,417,000 kg. Consumption was maintained in the original units recorded by the Company, namely kWh for electricity, kg for firewood/LPG/CO_2 related consumption, and litres for fuel consumption. The intensity for each energy source category was calculated by dividing the total consumption of that category by total made tea production. The calculations were performed using spreadsheet-based calculations and the Company's operational and production records. No conversion of electricity, firewood/LPG/CO_2related consumption or fuel into a common energy unit was undertaken for this disclosure. The methodology has been applied consistently to the reported 2025/26 consumption data.

Over time, incremental improvements in manufacturing practices can deliver meaningful gains in efficiency. During the reporting period, we continued to implement initiatives aimed at reducing energy consumption while maintaining consistent production levels.

Manufacturing processes were refined to optimize the energy intensive stages of withering, rolling, and drying. Heat recovery systems installed within tea dryers capture and reuse thermal energy that would otherwise be lost, improving overall process efficiency.

Investments in energy efficient machinery and the installation of variable frequency drives (VFDs) across estates and factories have further enhanced energy performance by reducing electricity consumption and improving equipment efficiency.

Equally important are the behavioral changes that accompany technological improvements. Through awareness programs and training initiatives, employees across estates and factories are encouraged to adopt responsible energy usage practices. Preventive maintenance schedules and periodic energy audits ensure that equipment continues to operate at peak efficiency, minimizing avoidable energy losses.

The Company continues to monitor energy consumption across its operations and evaluate opportunities to improve energy efficiency through process optimization, renewable energy integration, and the adoption of cleaner technologies.

Strategic ESG Target – Energy (2032)

As part of its long-term sustainability strategy, Maskeliya Plantations PLC has established the following energy target:

Strategic Objective	Baseline	2032 Target
Increase the proportion of renewable energy in the Company's total energy mix	Reporting period baseline	20% increase in the renewable energy ratio by 2032

The Company will pursue this target by expanding renewable energy generation, improving biomass utilization, enhancing energy efficiency across manufacturing operations, and reducing reliance on fossil fuels wherever operationally feasible. Progress toward this target will be monitored annually as part of the Company's ESG performance management framework.

While tea itself does not consume energy during its end use, the energy required during cultivation and manufacturing forms the embedded energy footprint of every kilogram of made tea. Accordingly, Maskeliya Plantations PLC focuses on reducing the energy intensity associated with tea production through continuous improvements in energy efficiency and the increased use of renewable energy sources.

In line with the Energy Management Policy (MK/RA/P/21), the Company is committed to maximizing energy efficiency, reducing operational costs, and achieving greater environmental self-sufficiency across its tea estates and processing factories. The policy establishes a structured framework to baseline, monitor, and optimize thermal and electrical energy consumption while supporting compliance with the Sri Lanka Sustainable Energy Authority (SLSEA) regulations, the National Energy Policy, and Rainforest Alliance requirements.

To reduce the embedded energy requirements of its products, the Company continues to integrate renewable energy sources, including rooftop solar installations and biomass-based energy initiatives utilizing sustainably managed Gliricidia fuelwood. Manufacturing efficiency is further enhanced through the optimization of thermal energy use in tea dryers, preventive maintenance of insulated steam pipelines to minimize heat losses, and the installation of Variable Speed Drives (VFDs) on high-capacity withering fans and rotorvane machines to match energy consumption with operational demand.

In addition, digital sub-metering at key processing stages enables continuous monitoring of energy performance and the identification of opportunities to eliminate idle energy consumption. Across estate operations, the Company also promotes energy efficient water pumping systems, gravity-fed irrigation where feasible, and optimized transport logistics to reduce fuel consumption associated with leaf collection and estate operations.

These initiatives contribute to lowering the energy required to produce each kilogram of made tea, reducing the embedded energy footprint of the Company's products while improving operational efficiency, supporting climate change mitigation, and delivering long-term environmental and economic value.

As this reporting period represents the base year for the Company's energy performance measurement, no year-on-year comparison is available to reliably determine the reduction in energy consumption achieved through conservation and energy efficiency initiatives. Accordingly, reductions in energy consumption, including the applicable energy types, baseline comparison and related calculations, cannot be meaningfully quantified for the current reporting period. Similarly, as this is the base year, there is no prior-period baseline against which to measure reductions in energy requirements of products and services. The Company will establish the necessary baseline and measurement mechanisms and report comparable reductions in subsequent reporting periods.

GRI 303/13.7: Water And Effluents

Water use is monitored across operational facilities to ensure responsible consumption and compliance with environmental regulations.

Efforts are made to improve water efficiency and manage wastewater responsibly to minimize environmental impact.

Sustainable water management remains central to the future strategy. Rainwater harvesting, efficient irrigation practices, and wastewater management systems are enhanced to mitigate the effects of climate variability and to secure water resources for both operational and community use.

GRI 303-1 – Interactions With Water As A Shared Resource

Water is a vital shared resource that sustains the delicate ecosystems surrounding Maskeliya Plantations PLC's estates while supporting the daily lives and well-being of the plantation communities. The Company interacts with water primarily at estate and factory level, where it is used for drinking, sanitation, factory cleaning, and limited gardening activities.

Water requirements are met through a combination of surface water sources located within estate boundaries, harvested rainwater collected through roof catchment systems and storage tanks, and water supplied by local authorities where necessary. As the Company's estates are situated in regions that receive relatively high annual rainfall, dependence on intensive water abstraction remains limited.

Recognizing the increasing impacts of climate variability on water availability, Maskeliya Plantations PLC adopts a responsible and precautionary approach to water stewardship. Water management practices consider the needs of employees, estate communities, downstream users, and surrounding ecosystems, while promoting the sustainable use of this shared resource in support of Sustainable Development Goal (SDG) 6 – Clean Water and Sanitation.

The Company's Policy on Conservation of Drinking Water Sources (MK/RA/P/01) guides the protection and sustainable management of drinking water sources across all estates. Under this policy, all drinking water sources are identified, mapped, and protected through dedicated conservation programs. Water source maps, distribution networks, and sampling points are maintained to support effective monitoring and management.

To safeguard water quality and availability, the Company has established 20-metre buffer zones around water sources, maintains vegetative barriers to minimize pesticide drift, installs protective fencing to prevent animal access, and promotes riparian planting and vegetative ground cover to reduce erosion and contamination from surface runoff. Regular cleaning and maintenance of water sources are carried out, while annual potable water quality testing is conducted in accordance with Sri Lanka Standard (SLS) 614 to ensure compliance with drinking water quality requirements. In addition, awareness programs are conducted to educate estate communities on the importance of protecting drinking water sources and practicing responsible water use.

As part of its ongoing commitment to water stewardship, Maskeliya Plantations PLC has established a target to reduce water intensity by 20% through improved operational efficiency, enhanced rainwater harvesting, water conservation initiatives, and responsible water use practices across its estates and factories. These measures strengthen the Company's resilience to changing climatic conditions while ensuring the long-term sustainability of water resources for both the business and the communities it serves.

Process for Setting Water-Related Goals and Targets

Water related goals and targets are established through a review of operational water requirements, identified water related risks, estate level monitoring results, regulatory requirements, and the availability of water resources in the areas in which the Company operates. The process involves consideration of information gathered from estates and factories, together with observations from water source monitoring, water quality assessments and operational reviews, to identify areas where improvements in water management are required.

In setting these goals, the Company considers applicable national environmental and water management requirements and relevant public policy objectives, including the protection of drinking-water sources, prevention of water pollution and responsible management of shared water resources. The Company's approach is also aligned with the principles of Sustainable Development Goal 6 – Clean Water and Sanitation, particularly the sustainable management and protection of water resources.

The local context of each estate is considered when determining appropriate water management priorities, including rainfall patterns, availability and reliability of water sources, proximity to streams and other natural water bodies, requirements of plantation communities and downstream users, and potential impacts of climate variability. Where water availability may be constrained or conditions indicate increased water related risk, greater emphasis is placed on conservation, monitoring and reducing pressure on local water resources.

Targets are reviewed in the context of operational performance and changing environmental conditions, enabling the Company to adjust its water-management priorities where necessary and ensure that water-related objectives remain relevant to both business requirements and the needs of the surrounding communities and ecosystems.

How and Where Water is Withdrawn, Consumed and Discharged

Water is primarily withdrawn and used across Maskeliya Plantations PLC's estates and factory operations in Sri Lanka. Water is sourced mainly from surface water sources located within estate boundaries, supplemented by harvested rainwater from roof catchment systems and storage tanks, and water supplied by local authorities where required. Limited groundwater extraction is undertaken at selected locations subject to applicable approvals. Water is consumed mainly for drinking, sanitation, factory cleaning, processing-related activities, and limited gardening, with rainwater harvesting and water reuse practices helping to reduce reliance on freshwater sources.

Water is discharged primarily as domestic wastewater and wash-down water generated from factory cleaning and processing activities. Such wastewater is managed through appropriate treatment, filtration and controlled soakage systems before discharge, in accordance with applicable environmental requirements. Wastewater discharge points are identified and monitored, and annual sampling and testing. The Company does not undertake significant direct discharge of untreated wastewater into rivers, lakes or coastal environments. Water management and discharge activities are undertaken across the Company's estate and factory locations, with measures such as buffer zones, vegetative barriers and riparian planting implemented to protect surrounding water bodies and aquatic ecosystems.

Approach Used to Identify Water Related Impacts

The Company identifies water related impacts through estate-level monitoring, periodic inspections, water-source mapping, water-quality testing, and review of operational activities that interact with water resources. The assessment considers both the Company's direct operations and the potential effects of its activities on employees, estate communities, downstream users and surrounding ecosystems.

The scope of the assessment covers the Company's estate and factory operations, including water sources, water-use points, wastewater discharge points and areas surrounding streams, rivers and other water bodies. Particular attention is given to activities that may affect water availability or quality, including water abstraction, agricultural activities, factory operations, wastewater generation, surface runoff and potential contamination risks.

The assessment is undertaken on an ongoing basis through routine estate level monitoring and inspections, supported by annual water-quality and wastewater testing. Drinking water sources are identified and mapped, while wastewater discharge points are assigned unique identification numbers to facilitate monitoring and traceability. Water quality assessments are conducted in accordance with applicable Sri Lanka Standards, including SLS 614 for potable water and SLS 652 for wastewater discharge quality.

The approach also incorporates a precautionary and risk based methodology, taking into consideration changes in rainfall patterns, climate variability, the sensitivity of surrounding ecosystems and the potential consequences for communities and downstream water users. Findings from monitoring, inspections and testing are used to identify areas requiring corrective action and to support improvements in water management practices.

GRI 303-2/4 – Water Discharge & Management Of Water Discharge-Related Impacts

The protection of natural water bodies is central to Maskeliya's environmental stewardship efforts. Wastewater generated from domestic use and factory cleaning activities is treated or released through controlled soakage systems designed to prevent contamination of surrounding ecosystems.

Effluent discharge complies with standards established by the Central Environmental Authority and relevant local authorities. Buffer zones are maintained around streams and rivers to protect water quality and preserve aquatic habitats. Regular inspections ensure that water discharge practices remain compliant with regulatory requirements and aligned with environmental best practices.

Water discharged from Maskeliya Plantations PLC's operations consists primarily of domestic wastewater and wash down water generated from factory cleaning and processing activities.

The Company is committed to managing water discharges responsibly to minimize potential impacts on the environment and surrounding communities. Wastewater generated from factory operations is treated through appropriate filtration and treatment processes before discharge to reduce suspended solids and other contaminants, ensuring compliance with applicable environmental regulations and industry standards. The Company regularly monitors and maintains its treatment systems to support effective wastewater management and responsible water stewardship.

The Company's Policy on Waste Water Testing and Sampling (MK/RA/P/03) provides the framework for monitoring the quality of wastewater discharged from its factories. In line with this policy, all wastewater discharge points are identified and assigned unique identification numbers to facilitate effective monitoring and traceability. Wastewater samples are collected annually by trained estate personnel under the supervision of the Senior Assistant Superintendent or Assistant Superintendent and are tested against the requirements of Sri Lanka Standard (SLS) 652 to verify compliance with prescribed discharge quality standards.

Maskeliya Plantations PLC does not undertake significant direct discharge of untreated wastewater into rivers, lakes, or coastal environments. Through routine monitoring, periodic testing, and effective treatment practices, the Company seeks to safeguard water quality, protect surrounding ecosystems, and ensure that downstream users are not adversely affected by its operations.

These measures reinforce the Company's commitment to responsible water stewardship and compliance with applicable environmental requirements.

Water discharge volumes are not currently measured or recorded consistently across all estates and factories. Accordingly, the Company was unable to provide a reliable quantitative figure for total water discharge during the reporting period. The Company currently focuses on monitoring the quality of wastewater at identified discharge points through annual sampling and testing. The Company intends to strengthen its water monitoring systems to enable the measurement and reporting of water discharge volumes in future reporting periods. Water discharge volumes are not currently measured or recorded consistently across the head office. The Company will implement consistent measurement and recording of water discharge volumes from the next reporting period.

GRI 303-3 /5 - Water Consumption & Water Withdrawal

Water withdrawal across the Company’s estates remains modest and appropriate to the nature of plantation operations. Based on an assumption derived from available operational information, total water withdrawal during the reporting period is estimated at 10.916 megalitres (ML), equivalent to 10,915,680 litres.

The Company’s estates primarily rely on surface water sources, supplemented by harvested rainwater and limited groundwater extraction at selected locations where regulatory approvals have been obtained. The Company does not utilize seawater or produced water in its operations. As the available information is based on an overall assumption, a reliable quantitative breakdown of water withdrawal by individual source was not available for the reporting period.

Rainwater harvesting systems play an important role in reducing reliance on freshwater sources by capturing seasonal rainfall for operational use. Where feasible, water recycling and reuse practices are also implemented for activities such as cleaning and gardening.

Total water consumption is estimated at 10.916 ML (10,915,680 litres) based on the same assumption applied to total water usage. This estimate is used because comprehensive direct measurements of water withdrawal, discharge and consumption were not available across all estates during the reporting period. The figure should therefore be considered an estimated/assumption based quantity rather than a directly measured volume.

No material changes in water storage infrastructure were identified during the reporting period that would have had a significant impact on water availability or consumption patterns.

The Company will continue to improve water data collection and monitoring across its estates, including the development of more comprehensive measurement systems, to enable more accurate quantitative reporting and source-level disclosure in future

reporting periods. Water withdrawal and water consumption at the Head Office are considered not material to the organization’s overall water-related impacts. Accordingly, Head Office water withdrawal and consumption are not separately reported.

GRI 305 - Emissions

Maskeliya Plantations PLC recognizes the importance of measuring, managing and reducing greenhouse gas (GHG) emissions arising from its operations and has established a GHG inventory management system to support accurate, complete, relevant, transparent and consistent reporting of its emissions. For the financial year 2025/2026, covering the period from 1 April 2025 to 31 March 2026, the Company's GHG statement was independently verified by Control Union Inspections (Pvt) Ltd in accordance with ISO 14064-3:2019 – Specification with guidance for the verification and validation of greenhouse gas statements, against the requirements of the GHG Protocol Corporate Accounting and Reporting Standard. The verification was conducted to provide reasonable assurance that the reported GHG emissions were accurate, complete and transparent and free from material error or omission.

The Company's GHG inventory for the reporting period covers Scope 1 and Scope 2 emissions. Scope 3 emissions have not been included in the current reporting year. The verified emissions for the reporting period comprise 10,557.77 tonnes of CO_2 equivalent (tCO_2e) of Scope 1 emissions and 2,711.30 tCO_2e of Scope 2 emissions, resulting in total verified Scope 1 and Scope 2 emissions of 13,269.07 tCO_2e. In addition, the Company reported 21,424.07 tCO_2e of biogenic CO_2 emissions, which are disclosed separately from the gross Scope 1 and Scope 2 emissions

GHG emission category	2025/2026 emissions
Scope 1 – Direct GHG emissions	10,557.77 tCO_2e
Scope 2 – Energy indirect GHG emissions	2,711.30 tCO_2e
Total Scope 1 + Scope 2 emissions	13,269.07 tCO_2e
Biogenic CO_2 emissions – reported separately	21,424.07 tCO_2e

The total verified Scope 1 and Scope 2 emissions of 13,269.07 tonnes CO_2e comprise 10,557.77 tonnes CO_2e of Scope 1 emissions and 2,711.30 tonnes CO_2e of Scope 2 emissions. Biogenic CO_2 emissions of 21,424.07 tonnes CO_2e are reported separately and are not included in the Scope 1 + Scope 2 total.

GRI 305-1: Direct (Scope 1) GHG Emissions

During the reporting period from 1 April 2025 to 31 March 2026, Maskeliya Plantations PLC recorded 10,557.77 tonnes of CO_2 equivalent (tCO_2e) of gross direct (Scope 1) GHG emissions. Scope 1 emissions comprise direct GHG emissions from sources owned or controlled by the Company within its organizational boundary. The Company's operational boundary includes relevant stationary and mobile fuel combustion sources and fugitive emissions within its operational control. The emission sources considered in the Company's GHG inventory include generator fuel consumption, LPG consumption, fuel used in company-owned and controlled vehicles and machinery, CO_2 from fire extinguisher refilling, and refrigerant leakage.

The verified GHG inventory includes carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O) and hydrofluorocarbons (HFCs). PFCs, SF_6 and NF_3 have not been identified as gases included in the Company's 2025/2026 verified GHG inventory.

The Company recorded 21,424.07 tonnes CO_2e of biogenic emissions during the reporting period. These emissions are disclosed separately from gross Scope 1 emissions, consistent with the GRI requirements for reporting biogenic CO_2 emissions. The principal biogenic emission source identified in the operational inventory is biomass used as firewood for tea drying operations.

Base Year

2025/2026 represents the Company's first year of formal GHG inventory reporting under the current reporting framework. Accordingly, no historical base year has been established and no prior-year base-year emissions are available for comparison. The 2025/2026 reporting year establishes the Company's initial emissions baseline for future monitoring and comparison, subject to any future recalculation requirements under the applicable GHG accounting methodology. As there is no historical base year, no recalculation of base-year emissions has been undertaken during the reporting period.

The selection of 2025/2026 as the initial baseline reflects the Company's commencement of formal GHG inventory reporting and independent verification during the reporting period. Future reporting periods will enable the Company to assess changes in absolute and intensity-based GHG emissions against this initial inventory.

Emission Factors and Global Warming Potentials

GHG emissions are expressed in tonnes of CO_2 equivalent using 100-year Global Warming Potentials (GWP100) based on the IPCC Sixth Assessment Report (AR6). The principal GWP values applied in the Company's GHG inventory are presented below.

GHG	GWP100
Carbon dioxide – CO_2	1
Methane – CH_4, fossil origin	29.8
Methane – CH_4, non-fossil origin	27.0
Nitrous oxide – N_2O	273
Refrigerant R410	2,255.5

The Company applies the GWP values contained in its GHG inventory methodology to express individual greenhouse gases in tonnes of CO_2 equivalent. The use of GWP values based on the IPCC Sixth Assessment Report provides a consistent basis for converting different greenhouse gases into a common CO_2-equivalent measure over a 100-year time horizon.

Consolidation Approach

Maskeliya Plantations PLC applies the operational control approach to establish its organizational boundary for GHG reporting. The Company considers the operational control approach to be the most appropriate method for measuring its GHG emissions, considering that there are entities and assets outside the Company's financial reporting group over which it exercises operational control. Accordingly, emissions from sources within the Company's operational control are included within its GHG inventory.

Under this approach, direct GHG emissions from sources owned or controlled by businesses and operations within the Company's organizational boundary are reported as Scope 1 emissions. GHG emissions arising from the generation of purchased electricity consumed by these businesses and operations are reported as Scope 2 emissions, while other indirect emissions arising from the Company's activities would be reported as Scope 3 emissions when included within the Company's GHG inventory.

Standards, Methodologies and Calculation Approach

The Company uses the GHG Protocol: A Corporate Accounting and Reporting Standard as the principal framework for measuring and reporting its GHG emissions. The operational-level calculation methodology applies the simplest calculation model, whereby activity data are multiplied by the relevant emission factor and the Global Warming Potential of the respective greenhouse gas. The calculation is expressed as follows:

GHG emissions (tCO_2e) = Activity data × Emission factor × Global Warming Potential (GWP)

To minimize bias and uncertainty, the Company seeks to use primary activity data that accurately represents the temporal, spatial and technological characteristics of individual emission sources. Emission factors are obtained from reliable and relevant published sources that align with the Company's emission calculation context.

For stationary fuel sources, GHG emissions from the combustion of diesel, including diesel used in generators, are calculated using emission factors published in the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and the 2019 Refinement to the 2006 IPCC Guidelines. For mobile fuel sources, including diesel and petrol used in mobile combustion, GHG emissions are calculated using emission factors published in the 2006 IPCC Guidelines and the 2019 Refinement to the 2006 IPCC Guidelines.

The Company's GHG inventory considers a range of operational fuel and emission sources. These include diesel consumption for generators, LPG consumption, firewood used in tea dryers as a biomass source, diesel used in company vehicles and lorries, petrol used in managers' vehicles and estate motorbikes, diesel used in estate tractors and other mobile equipment, fuel provided to relevant external vehicles and tractors where applicable under the Company's operational boundary, fuel used in machinery, CO_2 associated with fire extinguisher refilling and refrigerant leakage.

The Company has established and maintains a GHG Information Management System to ensure that its GHG reporting complies with the five core principles of accuracy, completeness, relevance, transparency and consistency. The system is intended to ensure that the GHG inventory is consistent with its intended use and free from material errors and omissions.

GRI 305-2: Energy Indirect (Scope 2) GHG Emissions

For the financial year 2025/2026, Maskeliya Plantations PLC recorded 2,711.30 tonnes CO_2e of gross location-based Scope 2 GHG emissions. Scope 2 emissions arise from the generation of purchased electricity consumed by the Company's operations. The Company's Scope 2 emissions for the reporting period were calculated using electricity consumption data and the applicable grid average emission factor.

The Company's gross location-based Scope 2 emissions amounted to 2,711.30 tCO_2e for the reporting period. A separate market-based Scope 2 figure has not been calculated for the 2025/2026 reporting period. Accordingly, the Company reports its Scope 2 emissions using the location based method for the current reporting year.

The Company's overall verified GHG inventory identifies CO_2, CH_4, N_2O and HFCs as the greenhouse gases included in the inventory. Scope 2 emissions principally relate to emissions associated with purchased electricity consumed within the Company's operational boundary.

Base Year

As 2025/2026 is the Company's first year of formal GHG inventory reporting under the current methodology, no historical base year has been established for Scope 2 emissions. The 2025/2026 Scope 2 emissions therefore establish the initial baseline for future monitoring and comparison. No base year recalculation was undertaken during the reporting period because there is no historical base year.

Emission Factors and Global Warming Potential Sources

GHG emissions associated with purchased electricity were calculated using the grid-average emission factor published in the Sri Lanka Energy Balance 2021 by the Sri Lanka Sustainable Energy Authority. The GWP values applied to convert relevant GHG emissions into CO_2 equivalents are based on the IPCC Sixth Assessment Report (AR6) using a 100-year time horizon.

Electricity consumption data are obtained from electricity bills and relevant operational records. The Company has established procedures for collecting electricity consumption data from factories, staff quarters, CDCs and other facilities within its operational boundary, with controls intended to avoid duplication of electricity consumption data.

Consolidation Approach

The Company applies the operational control approach for consolidation of its GHG emissions. Purchased electricity consumed by businesses and operations within the Company's organizational boundary is reported as Scope 2 emissions.

Standards, Methodologies and Calculation Approach

Scope 2 emissions were calculated using the Company's GHG inventory methodology, based principally on the GHG Protocol Corporate Accounting and Reporting Standard. Electricity consumption activity data are multiplied by the applicable grid average emission factor to determine the associated GHG emissions. The GWP values applied to the relevant gases are based on the IPCC Sixth Assessment Report using a 100-year time horizon.

The Company's GHG statement for 2025/2026 was independently verified by Control Union Inspections (Pvt) Ltd in accordance with ISO 14064-3:2019. The verification covered the Scope 1 and Scope 2 emission sources presented in the Company's GHG statement and assessed the reported information for accuracy, completeness, transparency and freedom from material error or omission.

GRI 305-4: GHG Emissions Intensity

Maskeliya Plantations PLC uses GHG emissions intensity ratios to provide additional context to its absolute GHG emissions and to assess emissions relative to the Company's economic activity and production output. For the 2025/2026 reporting period, the Company reports GHG emissions intensity using both made tea production and revenue as organization specific metrics.

The Company's total made tea production during the reporting period was 6,417,000 kg, equivalent to 6,417 tonnes of made tea, while the Company's revenue for the reporting period was LKR 7,066,659,011, equivalent to LKR 7,067 million.

The combined Scope 1 and Scope 2 emissions were 13,269.07 tCO_2e. Based on made tea production, the GHG emissions intensity is calculated as 13,269.07 tCO_2e divided by 6,417 tonnes of made tea, resulting in an intensity of approximately 2.068 tCO_2e per tonne of made tea.

The corresponding Scope 1 intensity was approximately 1.645 tCO_2e per tonne of made tea, while Scope 2 intensity was approximately 0.423 tCO_2e per tonne of made tea. The combined Scope 1 and Scope 2 intensity was therefore approximately 2.068 tCO_2e per tonne of made tea.

Using revenue as an economic denominator, the Company's combined Scope 1 and Scope 2 emissions intensity is calculated by dividing 13,269.07 tCO_2e by LKR 7,067 million of revenue, resulting in approximately 2 tCO_2e per LKR million of revenue. The Scope 1 intensity based on revenue was approximately 1 tCO_2e per LKR million, while the Scope 2 intensity was approximately 0.4 tCO_2e per LKR million.

The intensity ratios include Scope 1 direct GHG emissions and Scope 2 energy indirect GHG emissions. Scope 3 emissions are not included in the intensity ratio because Scope 3 emissions were not included in the Company's GHG inventory for the reporting year. The gases included in the underlying inventory are CO_2, CH_4, N_2O and HFCs.

As this is the Company's first formal GHG reporting year, the 2025/2026 intensity ratios establish the initial reference point for future monitoring. Future reporting periods will enable the Company to assess changes in GHG emissions intensity relative to both production output and economic activity, subject to any future methodological changes or inventory recalculations.

Reduction of GHG Emissions

For the 2025/2026 reporting period, Maskeliya Plantations PLC established its first formal GHG inventory under the current reporting framework. As this is the Company's initial GHG inventory year, there is no historical emissions base year against which reductions can be quantified. Accordingly, no separately quantified GHG emission reduction attributable directly to a specific reduction initiative has been reported under GRI 305-5 for 2025/2026.

The absence of a quantified reduction figure under GRI 305-5 does not indicate that the Company has not undertaken activities that may contribute to improved environmental performance or energy efficiency. Rather, the Company has not established a historical emissions baseline or separately quantified the emissions reductions attributable to individual initiatives during this first reporting period. The Company will seek to improve its ability to quantify and report emission reductions as its GHG information management system and historical emissions dataset develop.

Base Year and Baseline

The 2025/2026 GHG inventory establishes the initial baseline for future GHG performance assessment. The rationale for selecting 2025/2026 as the initial baseline is that it represents the Company's first comprehensive GHG inventory and independently verified reporting period under the current methodology.

Future GHG reductions will be quantified against an appropriate baseline in accordance with the Company's GHG accounting methodology. This will allow the Company to identify and quantify reductions directly attributable to specific initiatives and distinguish those reductions from changes resulting from variations in production, operational activity or other external factors.

Gases and Scopes Included

The Company's GHG inventory includes CO_2, CH_4, N_2O and HFCs. The Company's current GHG inventory covers Scope 1 and Scope 2 emissions, while Scope 3 emissions have not been included in the current reporting year. Consequently, no Scope 3 emission reductions are reported under GRI 305-5 for 2025/2026.

Methodology for Future Reduction Quantification

The Company's GHG emissions are quantified using an activity-data-based calculation approach in which GHG emissions are calculated by multiplying activity data by the applicable emission factor and Global Warming Potential. Emission factors are selected from relevant and reliable sources, including the 2006 IPCC Guidelines and 2019 Refinement for fuel combustion and the Sri Lanka Energy Balance 2021 published by the Sri Lanka Sustainable Energy Authority for purchased electricity. GWP values are based on the IPCC Sixth Assessment Report using a 100-year time horizon.

Future emission reduction initiatives will be quantified using the same underlying principles, with reductions determined by comparing emissions under the applicable baseline scenario with emissions following implementation of the relevant reduction initiative. The Company will seek to ensure that only reductions directly attributable to identified initiatives are included when reporting under GRI 305-5.

GHG Emission Sources and Reporting Boundary

Maskeliya Plantations PLC applies the operational control approach to establish its organizational boundary. The operational boundary distinguishes emissions according to the GHG Protocol. Direct emissions from sources owned or controlled by the Company are reported as Scope 1 emissions, indirect emissions from the generation of purchased electricity consumed by the Company's operations are reported as Scope 2 emissions, and other indirect emissions arising from activities within the Company's value chain are classified as Scope 3 emissions when included in the inventory.

Although the Company has identified potential Scope 3 emission sources, including employee commuting, business air travel, waste disposal, municipal water consumption and transmission and distribution losses of electricity, Scope 3 emissions have not been taken into consideration in the current reporting year. Air travel was not covered in the current reporting year, while waste generation was also excluded. The Company intends to continue developing its GHG information management system and improve the completeness of its emissions inventory over time.

Basis for Future Improvement

As 2025/2026 represents Maskeliya Plantations PLC's first formal GHG inventory and independently verified reporting year, the Company considers this reporting period an important foundation for strengthening its future climate and emissions management practices. The initial inventory provides a quantified understanding of the Company's direct and energy indirect GHG emissions and establishes a reference point against which future performance can be assessed.

Going forward, the Company will continue to strengthen its GHG information management system, improve the completeness and quality of activity data, evaluate opportunities to expand its assessment of Scope 3 emissions, and enhance its ability to quantify emission reductions resulting directly from specific initiatives. Future reporting will provide opportunities to establish trends in absolute emissions and emissions intensity and to assess progress against appropriate GHG reduction objectives and baselines.

The Company will also continue to review opportunities to improve energy efficiency, reduce fossil-fuel consumption, optimize the use of energy and fuel across its operations, and enhance the contribution of lower-carbon and renewable energy sources where operationally and economically feasible. These efforts will support the Company's broader objective of improving environmental performance while maintaining the productivity and resilience of its plantation and manufacturing operations.

GRI 306-1/2/3/4/5/13.8: Waste

Maskeliya Plantations PLC is committed to minimizing waste generation through effective resource management and the adoption of circular economy principles. Given the nature of its plantation operations, the Company does not generate significant quantities of operational waste requiring disposal. Waste management practices are guided by the Company's Waste Management Policy (MK/RA/P/20), which promotes the 3R approach – Refuse, Reduce, and Recycle – to minimize environmental impacts and maximize resource efficiency.

Organic waste generated from estate and factory operations, including refuse teafactory sweepings, and kitchen waste, is collected and processed in designated estate compost pits. The compost produced is utilized within the plantations as an organic soil amendment, improving soil fertility, enhancing sustainable agricultural practices, and reducing the need for external inputs.

Agricultural input containers, including empty fertilizer and crop protection chemical containers, are returned to the respective suppliers for appropriate recovery, reuse, or environmentally sound management in accordance with applicable regulatory requirements. Plastic, polythene, glass, metals, electronic waste, and other recyclable materials generated from estate, factory, office, and housing operations are segregated at source and directed to authorized recycling facilities or local recyclers. Factory ash is disposed of through controlled landfilling in designated locations away from water bodies and community settlements, while medical waste generated at estate dispensaries is managed through incineration by the relevant health authorities. Used CFL and fluorescent bulbs are collected separately for safe handling, and worn-out batteries are recovered for reuse or recycling through approved collectors.

Through these integrated waste management practices, Maskeliya Plantations PLC continues to divert waste from disposal, promote resource recovery and recycling, strengthen environmental stewardship, and reduce its overall environmental footprint while creating value from waste through circular resource management.

The Company does not currently have a formal process to verify or independently assess the waste-management activities and performance of third parties involved in the handling, recycling or disposal of waste. From the following reporting period, the Company will commence the collection and consolidation of relevant data and supporting information from third-party waste-management service providers to strengthen monitoring, traceability and reporting of waste management activities.

Within Maskeliya Plantations PLC, the estates are more than operational landscapes, they are places where families live, work, and build their futures. The Company therefore approaches sustainability through a people-centered lens, recognizing that environmental stewardship and community wellbeing are inseparable.

The Company does not currently have a comprehensive system to quantitatively measure and consolidate waste generated by individual waste streams across all estates and facilities; therefore, quantitative data on total waste generated and waste directed to disposal or recovery are not currently available. The Company will strengthen its waste data collection and monitoring systems, with quantitative data collection and consolidation to commence from the following reporting period to enable more comprehensive and reliable waste reporting.

Impacts Associated with Identified Waste Streams

The Company's identified waste streams may have varying environmental impacts depending on their nature and method of management. Organic waste, including refuse tea, factory sweepings and kitchen waste, can generate odour, attract pests and contribute to greenhouse gas emissions if improperly managed. However, the Company's composting practices convert these materials into organic soil amendments, thereby reducing disposal requirements, improving soil fertility and supporting the circular use of resources.

Empty fertilizer and crop protection chemical containers may pose risks to soil, water resources, ecosystems and human health if improperly handled due to potential residual chemical contamination. The Company therefore returns these containers to suppliers for appropriate recovery, reuse or environmentally sound management.

Plastic, polythene, glass and metal waste can contribute to land and water pollution and may persist in the environment if not properly managed. Segregation at source and recycling through authorized recyclers help reduce these impacts and recover valuable materials. Electronic waste, used CFL and fluorescent bulbs, and batteries may contain hazardous substances and therefore require appropriate handling to prevent contamination of soil and water. The Company's separate collection and recovery/recycling practices reduce the potential environmental impacts associated with these waste streams.

Factory ash may create risks of soil and water contamination and particulate pollution if improperly disposed of. The Company manages factory ash through controlled disposal at designated locations away from water bodies and community settlements, thereby reducing the potential for environmental contamination.

Medical waste generated at estate dispensaries may present biological and health risks if inadequately managed. The Company's practice of transferring such waste for incineration by the relevant health authorities is intended to ensure appropriate treatment and minimize potential risks to employees, communities and the environment.

Overall, the Company's waste management approach seeks to prevent waste-related impacts through reduction, reuse, recycling, composting and controlled disposal, while minimizing potential impacts on soil, water resources, air quality, ecosystems, employees and surrounding communities.

GRI 308 - Supplier Environmental Assessment

Sustainability within the tea sector depends not only on estate practices but also on the standards upheld throughout the supply chain. Maskeliya therefore evaluates new suppliers against environmental criteria during the onboarding process. This screening helps identify potential environmental risks and ensures alignment with the Company's sustainability commitments.

By encouraging suppliers to adopt responsible environmental practices, the Company strengthens the resilience of its supply chain while promoting continuous improvement across the broader plantation ecosystem.

GRI 308-1: New Suppliers That Were Screened Using Environmental Criteria

Maskeliya Plantations PLC incorporates environmental considerations into its supplier selection and onboarding processes as part of its commitment to responsible procurement and sustainable value creation.

New suppliers are evaluated, where applicable, against relevant environmental criteria to promote compliance with applicable environmental laws and regulations and encourage responsible environmental practices. The assessment may consider factors such as environmental compliance, resource efficiency, waste management practices, pollution prevention measures, and the potential environmental impacts associated with the products or services supplied.

Environmental criteria are integrated into the overall supplier evaluation process together with commercial, operational, quality, and regulatory requirements. The Company seeks to engage suppliers that demonstrate a commitment to environmentally responsible business practices and supports continuous improvement in environmental performance across its supply chain.

Maskeliya Plantations PLC remains committed to strengthening its sustainable procurement practices and progressively enhancing the integration of environmental considerations into supplier engagement and assessment processes, in line with its sustainability objectives and evolving stakeholder expectations.

The company incorporates environmental considerations into its supplier selection, evaluation and onboarding processes. The Company procures goods and services primarily from reputed suppliers that comply with relevant legal, regulatory, quality, environmental and industry standards. Environmental considerations are integrated with quality, technical, commercial and operational requirements when evaluating suppliers.

All new suppliers are registered through the Company's Group Commercial function following a review of relevant company documentation, certificates, licenses and other supporting documents, including evidence of compliance with applicable standards. As part of the supplier environmental screening process, the Company considers the supplier's compliance with applicable environmental laws and regulations, environmental permits and licenses where relevant, responsible management of waste and hazardous substances, management of other environmental risks, and its ability to comply with the Company's environmental requirements.

For high-value and critical purchases, particularly packaging materials and fertilizers, the Company places particular emphasis on compliance with applicable standards and certifications, given the nature of its agricultural and food related operations. Relevant certificates and supporting documentation are reviewed to ensure that suppliers meet the required quality, environmental and other applicable standards and that the products procured do not compromise the Company's environmental and quality requirements.

The Company follows established procurement and supplier evaluation procedures, including a Tender Committee process for the evaluation of tenders. Where appropriate, competitive quotations are obtained, generally through a minimum of three quotations, or purchases are made under established service agreements. Purchases made by estates within the applicable delegated purchasing limits are subject to the required approvals from the Financial Division and the Chief Executive Officer, in accordance with the Company's approval procedures.

Where environmental concerns, gaps in documentation or non-compliances are identified during supplier assessment, the Company may request corrective actions, additional information or supporting documentation before approving the supplier. Supplier performance and compliance may also be reviewed throughout the supplier relationship, as appropriate.

Through these processes, environmental requirements are incorporated into the Company's procurement and supplier management practices, supporting responsible sourcing and the maintenance of product quality and environmental standards. During the reporting period, 174 new suppliers were onboarded, and 100% of these new suppliers were screened using applicable environmental criteria before being approved for engagement.

GRI 308-2: Negative Environmental Impacts In The Supply Chain And Actions Taken

Maskeliya Plantations PLC recognizes the importance of managing environmental risks within its supply chain and seeks to engage suppliers that operate in accordance with applicable environmental laws, regulations, and responsible business practices.

As part of its supplier management approach, the Company considers environmental aspects during supplier evaluations and engagements, where relevant. Potential environmental impacts that may be considered include noncompliance with environmental regulations, improper waste management, pollution risks, inefficient use of natural resources, and other environmental issues associated with the supply of goods and services.

Where environmental concerns are identified, the Company engages with the relevant supplier to encourage appropriate corrective actions and improvements. Suppliers are expected to address identified issues within a reasonable timeframe and maintain compliance with applicable legal and environmental requirements. The Company promotes constructive engagement and continuous improvement as the preferred approach to managing environmental risks within its supply chain.

The Company reserves the right to review or discontinue business relationships with suppliers that fail to demonstrate an appropriate commitment to addressing significant environmental concerns or complying with applicable environmental obligations, where such circumstances warrant such action in accordance with the Company's procurement requirements and business policies.

Maskeliya Plantations PLC remains committed to strengthening environmental risk management across its supply chain through ongoing supplier engagement, responsible procurement practices, and the continued integration of sustainability considerations into supplier management processes. During the reporting period, 0 suppliers were identified and assessed for negative environmental impacts in the supply chain.

During the reporting period, 0% of suppliers identified as having significant actual and potential negative environmental impacts had improvements agreed upon as a result of assessment, and 0% of supplier relationships were terminated as a result of such assessments. No supplier relationships were terminated due to environmental impacts.

GRI 13.4 – Natural Ecosystem Conversion

Maskeliya Plantations PLC recognizes the importance of conserving natural ecosystems and their contribution towards biodiversity protection, water resource conservation, soil preservation, climate resilience and the overall sustainability of plantation landscapes. The company is committed to managing its operations in a manner that prevents the conversion and degradation of natural ecosystems while promoting responsible stewardship of environmentally sensitive areas within its estates.

The company implements the Ecosystems Conservation Policy (MK/RA/P/04) to identify, protect and manage both terrestrial and aquatic ecosystems located within estate boundaries. The responsibility for ecosystem conservation is assigned to the respective Estate Superintendent, who ensures that identified ecosystems are appropriately managed through established conservation programs.

As part of this policy, natural ecosystems within estates are identified, documented and marked on estate maps. Aquatic ecosystems identified include wetlands, waterlogged areas, streams, rivers, lakes and marshy lands, while terrestrial ecosystems include mini jungles, conservation forests, vegetation barriers, green barriers and biological corridors. Habitats supporting endemic, endangered, threatened or migratory wildlife species are recognized as high-value ecosystems and are provided with enhanced protection measures.

The company's tea cultivation activities are conducted on established plantation lands, and no conversion of natural forests or other natural ecosystems is undertaken for agricultural expansion. Estate planning, replanting activities and infrastructure development are carried out with consideration of ecosystem conservation requirements to minimize disturbance to environmentally sensitive areas.

To prevent ecosystem degradation, the company has established buffer zones around identified habitats, maintaining a minimum 5-metre buffer zone for terrestrial ecosystems and a minimum 10-metre buffer zone for aquatic ecosystems. The application of agrochemicals within these buffer zones is prohibited, and chemical applicators are provided with appropriate training to ensure compliance with responsible chemical management practices. Measures are also implemented to prevent contamination of aquatic ecosystems through surface runoff and other operational activities.

The company promotes natural regeneration of forest areas located in lands unsuitable for cultivation, including unproductive areas and areas along rivers and streams. Native plant species are introduced where appropriate, and live belts and vegetative barriers are established along estate roads and other locations to maintain ecological connectivity, strengthen biological corridors and support ecosystem integrity.

Employee and estate community awareness programs are conducted to promote the importance of ecosystem conservation and responsible environmental practices. Identification boards are displayed in environmentally sensitive areas, and measures are implemented to prevent unauthorized clearing, encroachment, disturbance and activities that may negatively impact protected ecosystems.

Through the implementation of the Ecosystems Conservation Policy and related conservation programs, Maskeliya Plantations PLC continues to safeguard natural ecosystems within its operational landscapes, support biodiversity conservation and maintain the ecological balance necessary for sustainable plantation management.

GRI 13.5 – Soil Health

Maskeliya Plantations PLC recognizes that healthy soils are fundamental to sustainable tea cultivation, long-term productivity, and environmental stewardship. As many of the Company's estates are located on hilly terrain, maintaining soil stability and preventing erosion are key priorities in estate management. The Company adopts sustainable agricultural practices that protect soil structure, conserve nutrients, and enhance the long-term health and resilience of plantation soils.

Soil conservation activities are guided by the Company's Policy on Vegetative Ground Cover Establishment and Soil Conservation (MK/RA/P/10), the primary objective of which is to prevent soil erosion across estate operations. Under this policy, exposed banks, vacant patches within tea fields, riverbanks, roadsides, and other erosion-prone areas are systematically identified and assessed. Site-specific plans are developed to establish suitable vegetative ground cover using appropriate plant species, while existing vegetation is preserved and incorporated into soil conservation programs wherever possible. Fallow areas are encouraged to regenerate naturally, supporting the development of healthy ecosystems and improving long-term soil stability.

A range of soil conservation measures is implemented across the estates to minimize soil erosion and land degradation. These include the establishment and maintenance of contour drains, stone walls, silt pits, and other erosion control structures, together with the preservation of ground cover and vegetative barriers on vulnerable slopes. Replanting and infilling programs are carried out using appropriate land preparation techniques to minimize soil disturbance, stabilize slopes, and maintain the integrity of plantation soils.

The Company promotes the responsible use of fertilizers and crop protection products in accordance with agronomic recommendations and applicable regulatory requirements. Soil fertility is maintained through balanced nutrient management practices, while fertilizer applications are optimized to improve nutrient use efficiency and minimize potential impacts on surrounding ecosystems. Estate management continuously monitors field conditions to support sustainable soil management and maintain productive tea-growing lands.

Organic matter generated through estate operations is utilized, where practicable, to improve soil structure, increase organic carbon content, enhance moisture retention, and maintain overall soil quality. Good agricultural practices, including effective drainage management, regular field maintenance, and the protection of natural vegetation, further contribute to reducing soil loss, preserving soil fertility, and protecting water resources from sedimentation.

Through the implementation of its Soil Conservation Policy and integrated land management practices, Maskeliya Plantations PLC remains committed to conserving soil resources, preventing erosion, restoring degraded areas through vegetative cover, supporting biodiversity, and ensuring the long-term resilience, productivity, and sustainability of its tea estates.

GRI 13.6 – Pesticides Use

Maskeliya Plantations PLC recognizes the importance of responsible agrochemical management in maintaining sustainable tea cultivation while protecting employee health, biodiversity, soil quality, water resources, and surrounding communities. The Company is committed to minimizing the environmental and social risks associated with pesticide use through the implementation of the Agrochemical Application Policy (MK/RA/P/07) and responsible crop protection practices.

The Company follows a selective and rational approach to agrochemical usage, whereby chemical application is undertaken only as a last resort following field observations, pest and disease monitoring, and agronomic recommendations. Crop protection measures are implemented based on the specific requirements of tea cultivation, with the objective of reducing unnecessary pesticide application while maintaining crop health and productivity.

All agrochemicals used by the Company are registered and approved by the relevant regulatory authorities in Sri Lanka and are applied in accordance with approved application procedures, label instructions, recommended dosage rates, and statutory requirements. Prior to application, spraying equipment is thoroughly inspected to ensure proper functioning, including checking for leakages, maintaining fittings and washers, and ensuring that nozzles operate effectively to achieve uniform application while minimizing wastage and environmental contamination.

The Company has established robust controls to ensure the safe handling and application of agrochemicals. Only trained male employees between the ages of 18 and 60 years are assigned to chemical spraying activities. Employees engaged in agrochemical application undergo pre-employment health screening and annual medical examinations to confirm their fitness for chemical handling duties based on medical recommendations.

Agrochemical sprayers receive training at least annually through internal resource personnel or qualified external experts. Training covers safe handling procedures, correct application techniques, personal health and safety requirements, environmental protection measures, emergency response procedures, and compliance with regulatory and Company standards. Appropriate personal protective equipment (PPE) is provided and its mandatory use is strictly enforced to minimize occupational health risks associated with agrochemical exposure.

The Company also implements measures to prevent adverse environmental impacts arising from pesticide application. These include protecting water bodies and environmentally sensitive areas from contamination, minimizing chemical drift, maintaining designated buffer zones, and complying with estate-level environmental management practices. Agrochemical applications are planned with due consideration for biodiversity conservation and the protection of sensitive ecosystems within the estates.

In parallel with responsible pesticide management, Maskeliya Plantations PLC adopts balanced and site-specific plant nutrition practices based on soil conditions, crop nutrient requirements, and estate agronomic programs. Fertilizer application is carefully planned to optimize nutrient use efficiency, maintain long-term soil fertility, and minimize potential environmental impacts associated with excessive fertilizer use.

During the 2025/26 reporting period, the Company applied a total of 3,134 tonnes of fertilizers and soil nutrient inputs across its estates. The principal fertilizer applications comprised VP/UM1145 (1,904 tonnes), U834 (645 tonnes), VP/UM1020 (236 tonnes), U709 (149 tonnes), Epsom Salt (98 tonnes), Zinc (66 tonnes), Coffee Mixture (16 tonnes), T65 (7 tonnes), ERP (4 tonnes), T750 (4 tonnes), T200 (3 tonnes), U606 (2 tonnes), DAP (0.63tonnes) and Muriate of Potash (MOP) (0.44tonnes). In addition, the Company continued to apply organic compost produced from estate-generated biodegradable waste, supporting circular resource use while improving soil structure and fertility.

The Company continuously evaluates opportunities to optimize agrochemical use through improved agronomic practices, integrated crop management, responsible nutrient management, and ongoing employee awareness programs. Through the implementation of its Agrochemical Application Policy and continuous improvement initiatives, Maskeliya Plantations PLC remains committed to reducing dependency on chemical inputs where feasible, safeguarding natural ecosystems, protecting employee wellbeing, and supporting the long-term sustainability of tea production.

GRI 13.13: Land And Resource Rights

Maskeliya Plantations PLC recognizes that responsible stewardship of land and natural resources is fundamental to sustainable plantation management and the protection of human rights. The Company conducts its plantation operations on land held under legally recognized lease arrangements and applicable statutory provisions governing Regional Plantation Companies in Sri Lanka. All land is managed in accordance with the relevant laws, lease agreements, environmental regulations, and the policies of the Government of Sri Lanka.

The Company respects the legitimate rights of local communities, neighbouring land users, employees, and other stakeholders in relation to land and natural resources. Operations are conducted with due consideration for the sustainable use of land, water, forests, biodiversity, and ecosystem services, while seeking to minimize adverse environmental and social impacts. Access to water resources, forest reservations, and environmentally sensitive areas is managed in compliance with applicable regulatory requirements and approved management plans.

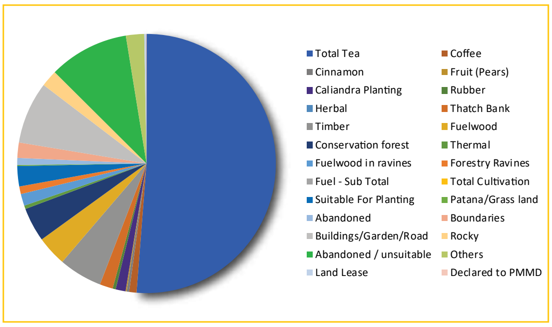
Maskeliya Plantations PLC does not knowingly engage in activities involving unlawful land acquisition, forced displacement, involuntary resettlement, or the infringement of customary or legally recognized land rights. The Company maintains ongoing engagement with government authorities, local communities, employee representatives, and other relevant stakeholders to address landrelated matters through transparent consultation and established grievance mechanisms where required.

As part of its environmental and social management practices, the Company implements soil conservation, watershed protection, biodiversity conservation, and sustainable land management initiatives to preserve the longterm productivity of plantation land and protect surrounding ecosystems. Environmental considerations are integrated into estate planning, cultivation practices, infrastructure development, and rehabilitation programs.

During the financial year ended 31 March 2026, the Company:

- Operated on legally recognized plantation lands under applicable lease and regulatory arrangements.
- Recorded no material disputes, legal proceedings, or grievances relating to land ownership, land tenure, customary land rights, or access to natural resources.
- Did not undertake any acquisitions or developments resulting in involuntary resettlement or displacement of local communities.
- Continued to implement sustainable land management and environmental conservation practices across its plantation operations.

Maskeliya Plantations PLC remains committed to respecting land and resource rights, promoting responsible environmental stewardship, and maintaining constructive relationships with all stakeholders to support longterm sustainable value creation.



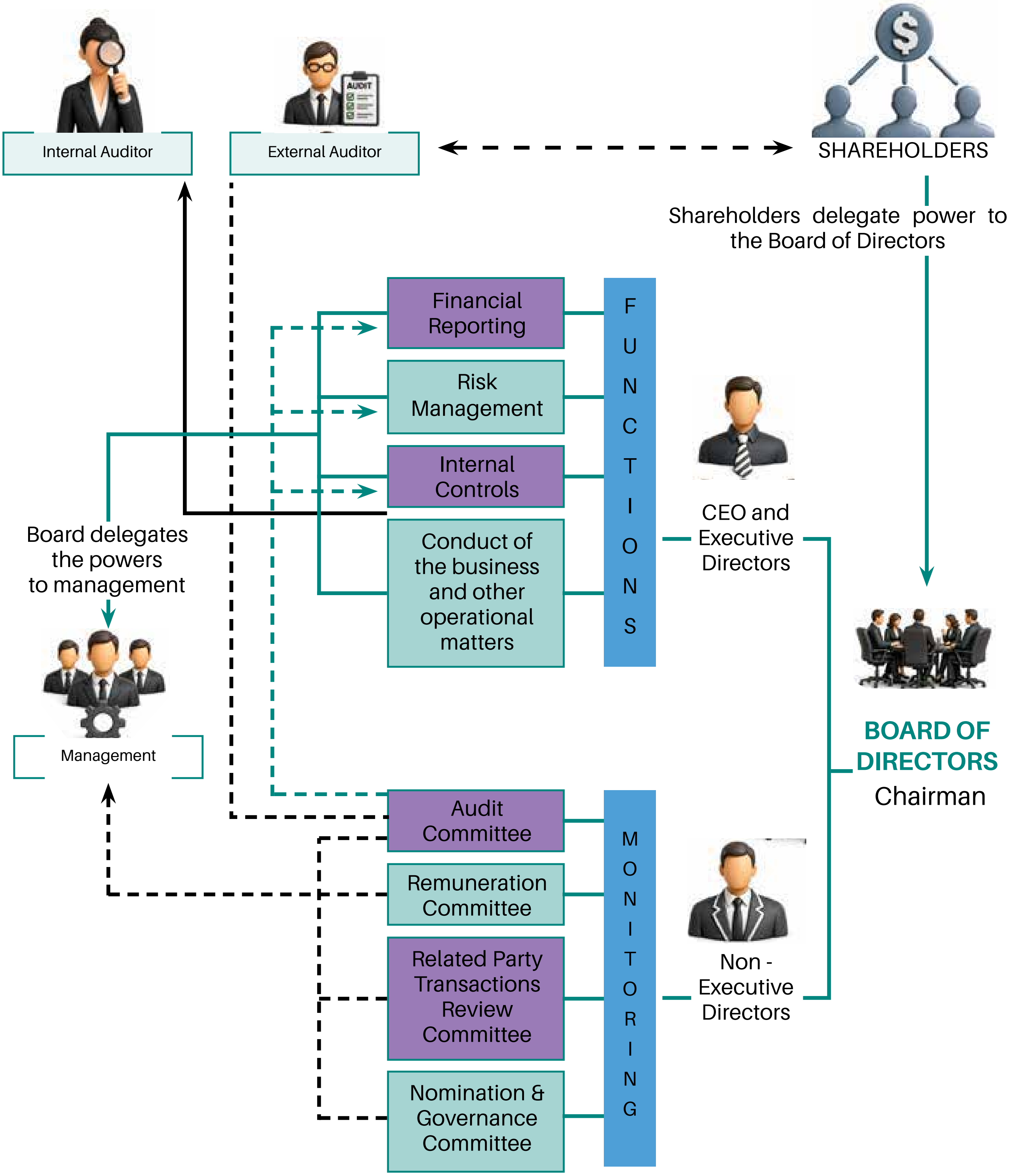
MASKELIYA

view

Corporate Governance

Corporate Governance Structure

The Company Governance framework is depicted in the following diagram,



The Board of Directors of Maskeliya Plantations PLC is committed and takes responsibility to maintain the highest standards of Corporate Governance.

Maskeliya Plantations PLC has designed its Corporate Governance policies and practices to ensure that the Company is focused on its responsibilities to its stakeholders and on creating long term shareholder value. The Company recognizes the interests of all its stakeholders including shareholders, employees, customers, suppliers, consumers and the other communities in which it operates. The Company complies with the rules on Corporate Governance, included in the Listing Rules of the Colombo Stock Exchange, and is guided by the principles included in the Code of Best Practice on Corporate Governance issued jointly by the Securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka. This statement sets out the Corporate Governance policies, practices and processes adopted by the Board.

The Board and its Operations

GRI 2-9 / 405-1

The Company is governed by its Board of Directors, who directs and supervises the business and affairs of the Company on behalf of the shareholders.

The Board comprises six Directors, all six are Non-Executive Directors. Out of six Non-Executive Directors, two are independent, ensuring an independent outlook to temper the expediency of the experts. Brief profiles of the Directors are set out on pages 23 to 24. The Board has assessed the independence of the Non-Executive Directors. During the year the Board met on 02 occasions.

Name of Director	Non Executive	Independent	Participation
Dr. Sena Yaddehige	x	-	1/2
Shaminda Yaddehige	x	-	1/2
Dr.D S A Samaraweera	x	-	2/2
L L S Wicremasinghe	x	x	2/2
W A A Perera	x	x	2/2
E M S Epitakumbura (appointed w.e.f 5/10/2025)	x	-	2/2

Prior to each meeting the Directors are provided with all relevant management information and background material relevant to the agenda to enable informed decisions. Board Papers are submitted in advance on Company performance, new investments, capital projects and other issues which require specific Board approval. A separate information memorandum is provided on statutory payments at each Board Meeting.

Role of the Chairman in overseen the management of impact.

GRI 2-11/2-12/2-13

The Chairman and the Chief Executive Officer of the Company are two different personnel where power and authority are clearly distinguished.

The separation of the officers with executive powers in the Company ensure a balance of power and authority.

The Chairman, is responsible for matters relating to policy, maintaining regular contact with the other Directors, shareholders and external stakeholders of the Company. He is responsible for overall commercial, operational and strategic development and assisted by the Executive Management Committee comprising Executive Directors and Heads of Companies of the Strategic Business Units (SBU) of the Ultimate Parent Company. The Finance function devolves on the Group Head of Finance and the Sector Financial Controller, who is present by invitation at board meetings when financial matters are discussed. The Board of Directors has access to independent professional advice as and when deemed necessary for decision making.

The main functions of the Board are to:

- Direct the business and affairs of the Company.
- Formulate short and long term strategies, as a basis for the operational plans of the Company and monitor implementation.
- Report on their stewardship to shareholders.
- Identify the principal risks of the business and ensure adequate risk management systems in place.
- Ensure internal controls are adequate and effective.
- Approve the annual capital and operating budgets and review performance against budgets.
- Approve the interim and final financial statements of the Company.
- Determine and recommend interim and final dividends for the approval of shareholders.
- Ensure compliance with laws and regulations.
- Sanction all material contracts, acquisitions or disposal of assets and approve capital projects.

All independent Directors have no direct or indirect material relationship with the Company and have duly submitted the annual declaration as per the Colombo Stock Exchange Listing Rules. Their wide range of expertise and significant experience in commercial, corporate and financial activities bring an independent view and judgment to the Board.

Sub Committees of the Board

GRI 2-15

The Board is responsible for the establishment and functioning of all Board Committees, the appointment of members to these committees and their compensation. The Board has delegated responsibilities to four Board Sub Committees which operate within clearly defined terms of reference. Information on Four Board Committee is given pages 191 to 197

Audit Committee

The Committee consisted of two Independent Non-Executive Directors namely Mr. L L S Wickremasinghe, Mr. W A A Perera and one Non Independent Non-Executive Director namely Dr.D S A Samaraweera and the Chairman of the Audit Committee, Mr. L L S Wickremasinghe. Audit Committee Chairman is a Senior Chartered Accountant. The Group Head of Finance, Chief Executive Officer, Financial Controller and Finance Manager of the Company, and Group Internal Audit Manager attend meetings by invitation. The Company Secretary functions as Secretary to the Audit Committee.

The Audit Committee Report on page 191 & 192 describes the activities carried out by the committee during the financial year.

Remuneration Committee

The Remuneration Committee, appointed by and responsible to the Board of Directors consist of two Independent Non-Executive Directors of Maskeliya Plantations PLC, Mr. L L S Wickremasinghe, Mr. W A A Perera and one Non-Executive Director Dr.D S A Samaraweera. Chairman of the Committee Mr. Mr. L L S Wickremasinghe.

The Report of the Remuneration Committee on page 193 highlights its main activities.

Related Party Transactions Review Committee

The Related Party Transactions Review Committee consisted of two Independent Non-Executive Directors namely Mr. L L S Wickremasinghe, Mr. W A A Perera and one Non-Executive Director namely Dr.D S A Samaraweera and the Chairman of the Committee, Mr. L L S Wickremasinghe. The Report of the Related Party Transactions Review Committee on page 194 & 195 highlights its main activities..

Nominations and Governance Committee

GRI 2-10

The Nominations and Governance Committee consisted of two Independent Non-Executive Directors namely Mr. L L S Wickremasinghe, Mr. W A A Perera and one Non-Executive Director namely Dr.D S A Samaraweera and the Chairman of the Committee, Mr. W A A Perera. The Report of Nomination and Governance Committee on page 196 & 197 highlights its main activitiess.

Committee Chairman/Member	Audit Committee	Remuneration Committee	Related Party Transactions Review Committee	Nominations and Governance Committee
Mr. L L S Wickremasinghe	Chairman	Chairman	Chairman	Member
Mr. W A A Perera	Member	Member	Member	Chairman
Dr.D S A Samaraweera	Member	Member	Member	Member

Company Secretary

The Company Secretaries are Richard Pieris Group Services (Pvt) Ltd who acts as Secretaries to the Board and make their presence at every Board meeting. The Company Secretaries advises the board on all regulatory matters pertaining to Securities & Exchange Commission, Colombo Stock Exchange. The Secretaries also records minutes which are tabled for the next meeting for effective follow-up on decisions taken. The Directors have independent access to the Company Secretary.

Relationship with Shareholders

GRI 2-16

The Board maintains healthy relationships with its key shareholders. The Annual General Meetings are held to communicate with the shareholders and their participation is encouraged. Apart from this, its principal methods of communication include the corporate website, the annual report, quarterly financial statements.

Internal Controls

The Board is responsible for instituting effective internal control systems to safeguard the assets of the Company and ensure that accurate and complete records are maintained from which reliable information is generated. The system includes all controls including financial, operational and risk management. Strategies adopted by the Company to manage its risk are set out in its report on Risk Management on pages 177 - 190.

Apart from the strategic plans covering a three year time horizon, a comprehensive budgetary process is in place, where annual budgets, identifying the critical success factors and functional objectives, prepared by all subsidiaries are, approved by the Board, at the commencement of a financial year, and its achievement monitored monthly, through a comprehensive monthly management reporting system both at Company & Group level. Clear criteria and benchmarks have also been set out for the evaluation of capital projects and new investments.

The Internal Audit Division reporting to the Chairman, regularly evaluates the internal control system across the Organization and its findings are reviewed first by the Audit Committee and significant issues are thereafter reported to the Board. The Board reviewed the internal control procedures in existence and are satisfied with its effectiveness.

Relationship with Other Stakeholders

The Board identifies the importance of maintaining a healthy relationship with its key stakeholders and ensures the Company inculcates this practice. Internal communication is mainly conducted through e-mails, memos and circulars.

The Board also ensures that the Company's policies and practices are in line with the Group's values and its social responsibilities. The Company promotes protection of the environment, health and safety standards of its employees and others within the Organization. The relevant measures taken are given in detail in the Company Operational Highlights on pages 27 - 29.

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 includes criteria on honesty, integrity and reputation, competence and capability and financial soundness. The Chairman and Directors satisfied the fit and proper assessment criteria stipulated in the Listing Rules of the CSE.

Compliance

GRI 2-27

The Board places significant emphasis on strong internal compliance procedures. The Financial Statements of the Company are prepared in strict compliance with the guidelines of the Sri Lanka Accounting Standards (LKAS and SLFRS) and other statutory regulations.

Financial statements are published quarterly in line with the Listing Rules of the Colombo Stock Exchange through which all significant developments are reported to shareholders quarterly. The Board of Directors, to the best of their knowledge and belief, are satisfied that all statutory payments have been made to date.

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

CSE-Section Reference	Requirement	Status of Makeliya Plantations PLC
7.6 (vii)	Details of material issues pertaining to employees & industrial relations of the entity.	In Compliance
7.10.1 (a) to (c)	Non Executive Directors	In Compliance
7.10.2 (a) to (c)	Independent Directors	In Compliance
7.10.3	Disclosures relating to Directors	In Compliance
7.10.4	Criteria for defining 'Independence"	In Compliance
7.10.5	Remuneration Committee	In Compliance
7.10.6	Audit Committee	In Compliance
7.13.1(b)	Minimum Public Holding Requirement	In Compliance

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.1.3	A statement confirming compliance with Corporate Governance Rules.	The statement has includes in report of Annual Report of Board of Directors	Complied
9.2	**Policies** **GRI 2-23**		
9.2.1	Policies	The following policies which are mandated by the revised CSE listing rules are currently in place; • Policy on the matters relating to the Board of Directors • Policy on Board Committees • Policy on Corporate Governance, Nominations & Re-election • Policy on Remuneration • Policy on Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities • Policy on Risk Management and Internal Controls • Policy on Relations with Shareholders and Investors • Policy on Environmental, Social and Governance Sustainability • Policy on Corporate Disclosures • Policy on Whistle Blowing • Policy on Anti-Bribery and Corruption Aforementioned polices includes in the company website.	Complied
9.2.2	Waivers and Exemptions	At present there are no waivers and exemptions applicable to the Company.	N/A
9.2.3	Disclosures in the Annual Report	Please refer section 9.2.1.	Complied
9.2.4	Availability of Policies to Shareholders	The Company will provide any of the above policies to its shareholders, upon a written request.	Complied
9.3	**Board Committees**		
9.3.1	Establishment of Board Committees	The Remuneration Committee, Audit Committee, Related Party Transactions Review Committee and Nominations and Governance Committee are in place.	Complied

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.3.2	Board Composition, Responsibilities and Disclosures	The composition of existing Committees is in line with the revised CSE listing rules. The Responsibilities of these committees are in line with the rule set out and required disclosures have been made.	Complied
9.3.3	Chairperson of Board Committees	The Chairperson of the Board is not the Chairperson for any of the Sub Committees.	Complied
9.4	**Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders**		
9.4.1	Record maintain	The Company Secretary maintains records of all resolutions and the following information of General Meetings. (The number of Shares in respect of which proxy appointments, number of votes in favour against and number of shares in respect of vote was directed to be abstained).	Complied
9.4.2	Communication and relation with Shareholders and Investors	The company has a policy on effective communication and relations with shareholders and investors.	Complied
9.5	**Policy on matters relating to the Board of Directors**		
9.5.1	Availability of policy on governing matters relating to Board of Directors	The Company maintains a Policy on matters relating to the Board of Directors.	Complied
9.5.2	Disclosures in the Annual Report	The Company confirms the existence of policies governing the matters relating to Board of Directors	Complied
9.6	**Chairperson and CEO**		
9.6.1	Chairperson and CEO	The Chairman and the Chief Executive Officer of the Company are separate individuals and not related by family. Additionally, the Chairman is not an Executive Director.	Complied

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.6.3	Senior Independent Director	The Company does not have a Senior Independent Director (SID).	Complied
9.6.3. (b)	Senior Independent Director	Not Applicable	Complied
9.6.3. (C)	Senior Independent Director	Not Applicable	Complied
9.6.3 (e)	Senior Independent Director	Not Applicable	Complied
9.7	**Fitness of Directors and CEOs**		
9.7.1 9.7.2 9.7.3	Appointment of "Fit and Proper" Persons	The Company ensures that the Directors and CEO at all times fulfill the fit and proper assessment criteria set out in the Listing Rules	Complied
9.7.4	Annual Declarations from Directors and CEO	The Company ensures annual declarations from directors and CEO before effective date	Complied
9.7.5	Disclosures in the Annual Report	Annual Report of the Board of Directors from Page 198 to 200 provides the relevant disclosure.	Complied
9.8	**Board Composition**		
9.8.1	Board at minimum to consist of Five (5) Directors	The Board of Directors of the Company consists of Six (6) Directors as of 31 March 2026.	Complied
9.8.2	Minimum number of independent Directors (Minimum 2 or 1/3 of total number, whichever is higher)	The Company is complied with the minimum number of Independent Directors. The Board of Directors of the Company consists of Two (2) Independent Directors as of 31 March 2026.	Complied
9.8.3 9.8.4 9.8.5	Criteria for determining independence & Declarations	Company assesses the independence of directors according new revised rules.	Complied
9.9	**Alternate Directors**		

view

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.9	Appointment of Alternate Directors	No Alternate Directors were appointed to represent Non-Executive Directors.	N/A
9.10	**Disclosures relating to Directors**		
9.10.1	Policy on the maximum number of Directorships	Policy on maximum number of Directorships which a Director can hold in listed companies is 07.	Complied
9.10.2	Appointment of new Director	Disclose the appointments of new Directors to the Colombo Stock Exchange, including a brief resume, their directorship capacity, and any relevant interest in shares of the Listed Entity. Please refer pages 23 to 24 for the brief resume of each Director.	Complied
9.10.3	Changes to the Composition	The Company will make an immediate announcement regarding any changes to the composition of the Board Committees referred to Rule 9.3.	Complied
9.10.4	Disclosures in the Annual Report	Please refer page 23 to 24 for profiles of Directors, names of Companies in which the Director serves in Directorships, names of committees in which the Director serves as Chairperson, the nature of Director's expertise. Please refer page 162 for details of meeting attendance.	Complied
9.11	**Nominations & Governance Committee**		
9.11.1	Nominations & Governance Committee	The company has the Nominations & Governance Committee.	Complied
9.11.2	Formal Procedures	Company has a formal procedure for the appointment of new directors and re-election of Directors to the Board.	Complied
9.11.3	Terms of Reference	The Committee has adopted a Terms of Reference which define the scope, authority and duties in compliance with the revised CSE listing rules.	Complied
9.11.4	Composition	The Committee comprises of Two Independent Non-Executive Directors and one Non Executive Director.	Complied
9.11.5	Functions	The Company has documented the functions of the Committee in Terms of Reference. All functions are effectively discharged by the Committee.	Complied

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.11.6	Disclosures in the Annual Report	Disclosure requirements are covered in the Remuneration Committee Report given on page 193.	Complied
9.12	**Remuneration Committee**		
9.12.1	Definition of Remunerationn	The Company has established a formal and transparent policy on remuneration. The remuneration is defined in terms of cash and non-cash benefits.	Complied
9.12.2	Remuneration Committee	The Company has Remuneration Committee which determines the remuneration for Executive and Non - Executive Directors.	Complied
9.12.3 9.12.4	Remuneration Policy - Executive Directors / Non- Executive Directors	The remuneration Committee has established a formal and transparent procedure for fixing the Executive Directors' remuneration. The remuneration of Non-Executive Directors is based on the principal of non- discriminatory pay practices ensuring their independence is not impaired.	Complied
9.12.5	Terms of Reference	The Committee has adopted a Terms of Reference which define the scope, authority and duties in compliance with the revised CSE listing rules.	Complied
9.12.6	Composition	The Committee comprises of two Independent Non-Executive Directors and one Non Executive Director.	Complied
9.12.7	Functions	The Company has documented the functions of the Committee in Terms of Reference. All functions are effectively discharged by the Committee.	Complied
9.12.8	Disclosures in the Annual Report	Disclosure requirements are covered in the Remuneration Committee Report given on page 193.	Complied
9.13	**Audit Committee**		
9.13.1	Audit and Risk Committees	The Company has established Audit Committee to perform the Audit and Risk Functions.	Complied
9.13.2	Terms of Reference	The Committee has adopted a Terms of Reference which define the scope, authority and duties.	Complied

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.13.3	Composition	The Audit Committee comprises of two Independent Non-Executive Directors. The Audit Committee met five times during the year. The Head of Finance and Group Internal Audit Manager of the Company attend the Committee meeting by invitation. The Chairman of the Audit Committee is a Senior Chartered Accountant.	Complied
9.13.4	Functions	The Functions of the Committee are effectively summarized in the Audit Committee Report on page 191 -192.	Complied
9.13.5	Disclosures in the Annual Report	Please refer to the Audit Committee in page given 191 -192.	Complied
9.14	**Related Party Transactions Review Committee**		
9.14.1	Availability of Related Party Transactions Review Committee	The company has Related Party Transactions Review Committee.	Complied
9.14.2 (1) & (2)	Composition	The Committee comprises of two Independent Non-Executive Directors and one Non Executive Director.	Complied
9.14.3	Functions	The Functions of the Committee are effectively summarized in the Related Party Committee Report on page 194 -195.	Complied
9.14.4	General requirements	The Related Party Transaction Committee met four times during the year.	Complied
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	The Committee takes into account the provision of the said CSE listing rules when reviewing related party transactions.	Complied
9.14.6	Shareholder Approval	A situation to obtain the shareholder approval as per revised CSE listing rules has not arisen during the year.	Complied
9.14.7	Immediate Disclosures	A situation has not arisen where immediate disclosure is required to be made as per revised CSE listing rules.	Complied
9.14.8	Disclosures in the Annual Report	The Related Party Transactions are disclosed in note no.17, 28 & 34 of the Page 236, 243 & 245. Disclosure requirements are covered in the Related Party Transactions Review Committee Report given on page 194 -195.	Complied

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.14.9	Acquisition and Disposal of assets from/to related parties	There were no such transactions that required shareholder approval.	Complied
9.14.10	Exempted Related Party Transactions	The provisions of the sections are considered when evaluating the Related Party Transactions by the Committee.	Complied
9.16	**Additional Disclosures**		
9.16	(i) Declaration of all material interest (ii) Review of internal controls and compliance controls (iii) Compliance with laws, rules and regulations (iv) Material Non-Compliances	Disclosure requirements are covered in the Annual Report of the Board of Directors given on page 198 - 200. Material non-compliance with any Law or Regulation has not arisen during the year 2025/26.	Complied

Going Concern

The Directors have continued to use the 'Going Concern' basis in the preparation of the Financial Statements, after careful review of the financial position and cash flow status of the Company. The Board of Directors believes that the Company has adequate resources to continue its operation for the foreseeable future.

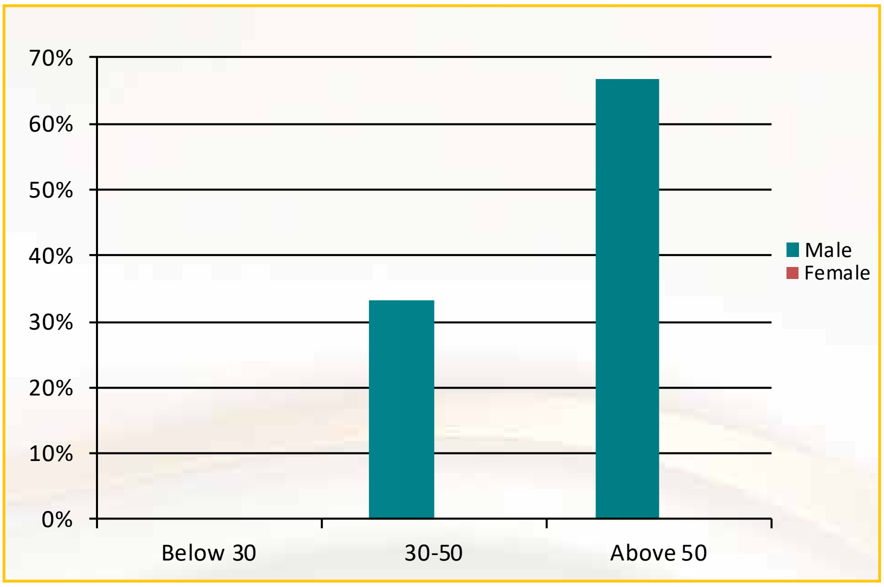
GRI 2-9 Governance structure and composition
GRI 405-1 Diversity of governance bodies and employees

The Company is governed by its Board of Directors, which directs and supervises the business and affairs of the Company on behalf of its shareholders. The Board provides oversight of the Company's management and its impacts on the economy, environment and people through its review of Company performance, investments, capital projects, statutory obligations and other matters requiring Board approval.

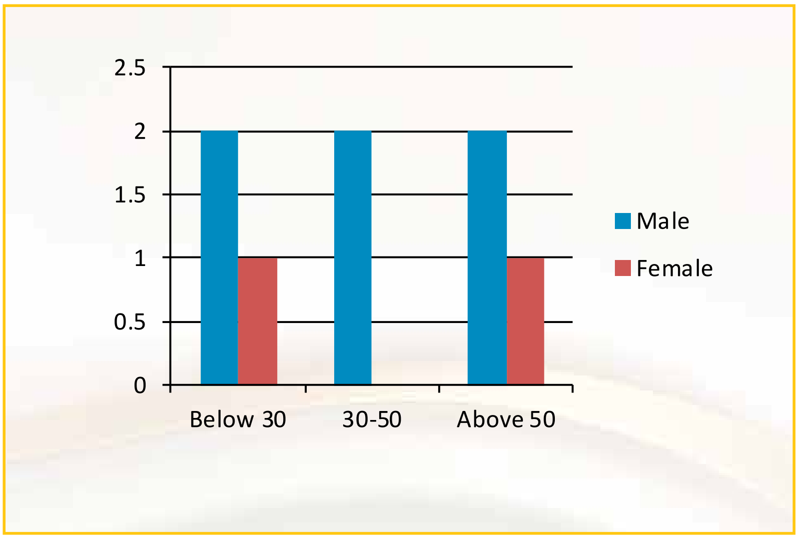
The Board comprises six Non-Executive Directors, of whom two are Independent Directors, providing an independent perspective in the oversight and decision-making process. The Board has assessed the independence of the Non-Executive Directors. During the year, the Board met on two occasions, with relevant management information and background material provided to Directors prior to each meeting to facilitate informed decision-making.

Board papers submitted in advance include information on Company performance, new investments, capital projects and other matters requiring specific Board approval. A separate information memorandum on statutory payments is also provided at each Board meeting. Through these established governance and reporting processes, the Board monitors matters relevant to the Company's economic performance, regulatory responsibilities and its broader impacts arising from its operations, while providing oversight of management's actions and decisions. The Board of Directors is responsible for providing strategic direction, overseeing the management and affairs of the Company, and ensuring effective governance and accountability in the best interests of the Company and its shareholders.

BOD	Below 30	30-50	Above 50
Male	-	33.3%	66.7%
Female	-	-	-



Head Office	Below 30	30-50	Above 50
Male	2	2	2
Female	1	0	1



The Board of Directors comprises members with varying lengths of tenure, providing a balance of longstanding experience and more recent perspectives. As at the end of the 2025/26 reporting period, Dr. Sena Yaddehige, Chairman, has served on the Board for more than 23 years, while Mr. Shaminda Yaddehige has a tenure of more than 10 years and Dr. Sarath Samaraweera has served for more than 8 years. Mr. Sudheera Epitakumbura has served for more than 5 months, while Mr. Lasantha Wickremasinghe and Mr. Adrian Perera have each served for more than 1 year. This range of tenure contributes to a combination of institutional knowledge, experience and fresh perspectives within the Board.

GRI 2-10 Nomination and Selection of the Highest Governance Body and its Committees

The nomination and selection of Directors to the Board of Maskeliya Plantations PLC are guided by the qualifications, professional expertise, experience and competencies required for the effective discharge of their responsibilities. In considering appointments to the Board and its Committees, due consideration is given to the skills, knowledge, experience and professional background of candidates in relation to the requirements of the Company and the respective position.

The Nominations and Governance Committee, appointed by and responsible to the Board of Directors, supports the nomination and selection process by considering the suitability and competencies of candidates for appointment to the Board and its Committees. The Committee comprises Independent Non-Executive Directors and a Non-Executive Director, with an Independent Non-Executive Director serving as its Chairman. This composition supports an objective and independent assessment of candidates.

In selecting Directors and Committee members, consideration is given to their ability to contribute effectively to the governance, strategic direction and oversight of the Company, including their relevant commercial, corporate, financial and other professional experience. The Board also considers the specific competencies required by individual Board Committees when determining their membership, thereby ensuring that Directors appointed to each Committee possess the appropriate knowledge and experience to discharge their respective responsibilities effectively.

In nominating and selecting members of the Board, the Company takes into consideration the interests and expectations of shareholders and other relevant stakeholders, together with the governance, strategic and operational requirements of the Company. The Board seeks to maintain an appropriate balance of experience, perspectives and backgrounds to support effective decision-making and oversight.

Diversity is considered as part of the overall Board composition, including diversity of professional background, experience, knowledge and perspectives. Independence is also an important consideration, with the Company seeking to ensure an appropriate representation of Independent Non-Executive Directors in accordance with applicable governance and regulatory requirements, thereby supporting objective and impartial judgement.

In assessing potential Board members, consideration is given to competencies relevant to the Company's significant impacts, risks and opportunities, including sector knowledge, financial and commercial expertise, governance, sustainability and strategic capabilities. The overall composition of the Board is reviewed to ensure that the collective skills and competencies remain appropriate to the Company's evolving business environment and responsibilities to its stakeholders

GRI 2-12

The Company's Sustainability Management Committee, comprising relevant members of management, supports the development, implementation and periodic updating of sustainability related strategies, policies, objectives and initiatives. The Committee ensures that sustainability considerations are integrated into relevant business activities and provides management-level coordination of the Company's sustainability priorities.

The Sustainability Management Committee oversees processes for identifying, assessing and managing the Company's impacts on the economy, environment and people. In carrying out this role, the Committee considers information gathered through stakeholder engagement, operational assessments, risk management processes, compliance reviews and other relevant sources. The outcomes of these processes are considered in determining appropriate actions, priorities and improvement measures relating to the Company's sustainability performance.

The Committee reviews the effectiveness of these processes through its regular management-level monitoring and review activities. Progress on material sustainability matters, identified impacts and related initiatives is assessed during the Committee's regular meetings, with follow-up actions undertaken where necessary to strengthen the Company's approach to managing its sustainability impacts.

GRI 2-13 Delegation of responsibility for managing impacts

The Board of Directors of Maskeliya Plantations PLC, as the highest governance body, retains overall responsibility for directing and supervising the business and affairs of the Company on behalf of its shareholders. The Board oversees the Company's strategic, operational, financial, risk management and compliance matters and, through this governance framework, maintains oversight of the Company's impacts on the economy, environment and people.

The roles of the Chairman and the Chief Executive Officer are clearly separated, with their respective powers and authority distinguished to ensure an appropriate balance of power and accountability. The Chairman is responsible for matters relating to policy and maintains regular contact with the other Directors, shareholders and external stakeholders. He is also responsible for the overall commercial, operational and strategic development of the Company, supported by the Executive Management Committee comprising Executive Directors and Heads of Companies of the Strategic Business Units (SBUs) of the Ultimate Parent Company.

Through this structure, the Board delegates the management and implementation of operational, commercial and strategic responsibilities to senior management while retaining overall oversight and accountability. The Board also has access to independent professional advice, as and when considered necessary, to support informed decision-making and effective oversight.

The Company has delegated responsibility for the management of its business and operational impacts to senior executives through its established executive management structure.

The Chairman has responsibility for policy matters and the overall commercial, operational and strategic development of the Company and is supported by the Executive Management Committee, comprising Executive Directors and Heads of Companies of the SBUs of the Ultimate Parent Company.

The Executive Management Committee therefore provides a management-level mechanism through which responsibilities relating to the Company's operations, business performance and strategic objectives are implemented and monitored. The Chief Executive Officer, as a separate executive authority from the Chairman, is responsible for executive management within the Company's governance structure.

Responsibility for specific functional areas is further delegated to relevant management personnel and employees within the Company and the wider management structure.

The Finance function is assigned to the Group Head of Finance and the Sector Financial Controller. The Sector Financial Controller participates in Board meetings by invitation when financial matters are discussed, thereby providing a direct channel for relevant financial information to be presented to the highest governance body.

The Company's management structure also supports the implementation of Board-approved strategies, risk management systems, internal controls, compliance requirements, budgets and operational plans through the relevant executives and functional personnel.

While management is responsible for implementing and managing matters within their respective areas of responsibility, the Board retains overall oversight through its responsibility to direct the business and affairs of the Company, monitor strategy implementation, review performance, identify principal business risks, ensure effective internal controls and oversee compliance with applicable laws and regulations.

The Company has established Board-level reporting mechanisms through which senior executives and relevant management personnel provide information to the Board to support its oversight and decision-making responsibilities.

Management information relating to matters requiring Board consideration is presented to the Board through Board papers and management reports. The Board reviews information relating to Company performance, strategic and operational matters, investments, capital projects, financial matters, principal business risks, internal controls, compliance and other matters requiring Board approval.

The Sector Financial Controller attends Board meetings by invitation when financial matters are discussed and provides relevant financial information to support the Board's oversight and decision-making. The Board also monitors the implementation of short- and long-term strategies and reviews performance against approved annual capital and operating budgets.

The Board's oversight of the Company's impacts is further supported through its consideration of principal business risks, internal controls, compliance with laws and regulations, material contracts, acquisitions and disposals of assets, and capital projects. These matters enable the Board to consider the economic, operational, environmental and people-related implications of the Company's activities within its decision-making and oversight processes, where relevant.

The Board has access to independent professional advice as and when deemed necessary to support its consideration of significant matters and to facilitate informed and independent decision-making.

Frequency of reporting: Senior management reports to the Board through the established Board meeting and reporting process, with specific matters presented for consideration as relevant to the Board agenda. Financial matters are reported to the Board when such matters are discussed, with the Sector Financial Controller attending by invitation. During the reporting year, the Board met on two occasions.

GRI 2-14 Role of the highest governance body in sustainability reporting

The Sustainability management committee oversees the Company's sustainability reporting process and is responsible for reviewing and approving the reported sustainability information, including the material topics identified by the Company. The review is supported by the relevant management-level committee, which comprises members with appropriate management experience and organizational knowledge to assess the completeness, relevance and consistency of the information presented.

The management committee reviews the sustainability-related information and provides relevant inputs and recommendations to support the reporting process. The information is subsequently subject to the appropriate governance review and approval process, ensuring that the sustainability disclosures presented

GRI 2-15 Processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated

The Board of Directors is responsible for establishing and overseeing the governance mechanisms designed to prevent and mitigate conflicts of interest within the Company. The Board has delegated specific responsibilities to four Board Sub-Committees, namely the Audit Committee, Remuneration Committee, Related Party Transactions Review Committee, and Nominations and Governance Committee, each of which operates within clearly defined terms of reference.

The Board ensures that matters requiring independent consideration are reviewed through the appropriate Board Sub-Committees. The Related Party Transactions Review Committee plays a key role in reviewing related party transactions and comprises two Independent Non-Executive Directors and one Non-Executive Director. The Committee is chaired by an Independent Non-Executive Director, providing independent oversight of transactions involving related parties and supporting the identification and mitigation of potential conflicts of interest.

The Audit Committee also supports the Board in maintaining appropriate governance and oversight arrangements. The Committee comprises two Independent Non-Executive Directors and one Non-Executive Director and is chaired by an Independent Non-Executive Director who is a Senior Chartered Accountant. The Chief Executive Officer, Group Head of Finance, Financial Controller, Finance Manager and Group Internal Audit Manager attend meetings by invitation, where relevant, providing access to management and assurance information to support the Committee's oversight responsibilities.

The Remuneration Committee and Nominations and Governance Committee further strengthen the Company's governance framework by providing independent oversight of matters relating to remuneration, appointments, board composition and governance. Both committees include Independent Non-Executive Directors, with the Remuneration Committee chaired by an Independent Non-Executive Director and the Nominations and Governance Committee chaired by an Independent Non-Executive Director.

The Company also maintains independent governance support through the Company Secretaries, Richard Pieris Group Services (Pvt) Ltd, who attend Board meetings and advise the Board on regulatory matters relating to the Securities and Exchange Commission and the Colombo Stock Exchange. The Company Secretaries maintain the minutes of Board meetings, which are tabled at subsequent meetings to facilitate effective follow-up of decisions. Directors have independent access to the Company Secretary for advice and guidance on governance and regulatory matters.

The Board may also obtain independent professional advice when considered necessary to support objective decision-making. The participation of Independent Non-Executive Directors, together with the oversight provided through the Board Sub-Committees and access to independent professional and Company Secretarial advice, provides mechanisms to identify, assess and mitigate potential conflicts of interest and support decisions that are made in the best interests of the Company and its shareholders.

The Company discloses relevant conflicts of interest to stakeholders through its Annual Report and other statutory and regulatory disclosures, in accordance with applicable legal, regulatory and corporate governance requirements. The Company's governance framework provides for appropriate disclosure and oversight of matters that may give rise to actual or potential conflicts of interest.

The Company maintains transparency regarding matters relating to cross-board memberships, cross-shareholdings with suppliers and other stakeholders, and the existence of controlling shareholders, where applicable. Details of related parties, their relationships with the Company, related party transactions and outstanding balances are disclosed in the Annual Report in accordance with applicable accounting standards and regulatory requirements.

These disclosures enable stakeholders to understand the nature of relevant relationships and transactions and provide transparency over potential conflicts of interest and their implications for the Company and its stakeholders.

GRI 2-16 Communication of critical concerns
GRI 2-27 Compliance with laws and regulations

During the reporting period, 0 critical concerns were communicated to the highest governance body. Also, there were 0 significant instances of non-compliance with laws and regulations and 0 fines paid, with a total monetary value of LKR 0.

Risk Management

The rigorous application of effective risk-management practices is fundamental to achieving the strategic objectives of Maskeliya Plantations PLC (MPPLC), strengthening business resilience and supporting long-term value creation. As a plantation company operating across a portfolio of tea estates and factories, MPPLC is exposed to a diverse range of financial, strategic, operational, human-capital, technological and regulatory risks that may influence its ability to achieve its objectives.

Risk is understood as any event, circumstance or development that could adversely affect the Company's financial performance, operational continuity, reputation, assets, people, compliance position or ability to create long-term value. In the plantation sector, the interconnected nature of these exposures makes proactive risk management particularly important. For example, changes in labour availability or production conditions can affect harvesting, tea production, factory utilization, sales volumes and ultimately profitability.

The Company's risk-management approach therefore extends beyond responding to risks after they materialize. It provides an early-warning mechanism through which emerging threats and opportunities can be identified, assessed and addressed in a timely manner. By anticipating changes in the operating environment, MPPLC is better positioned to protect its downside while responding to opportunities to improve productivity, efficiency, competitiveness and financial performance.

Risk management is embedded within the Company's strategic planning, budgeting, financial management, investment decisions, procurement, estate operations, factory management, human-resource practices, internal controls and compliance activities. The objective is not to eliminate risk, which is neither practical nor desirable in a dynamic business environment, but to ensure that material risks are understood, prioritized and managed within the Company's established risk appetite and tolerance levels.

Particular importance is placed on risks that may materially influence the Company's plantation operations, including tea auction-price volatility, liquidity and financing conditions, labour availability and costs, procurement and input-price pressures, production and factory performance, asset reliability, information systems, competition, regulatory requirements and internal controls.

Through a structured and continuously evolving risk-management framework, the Company seeks to ensure that risks are identified at the level at which they arise, appropriately escalated and addressed through proportionate mitigation measures. This approach strengthens the Company's capacity to make informed decisions, maintain operational continuity and safeguard shareholder and stakeholder value.

Risk Management Governance

Effective risk management at Maskeliya Plantations PLC (MPPLC) is supported by a clearly defined governance structure that establishes accountability from the Board level to individual estates. The framework ensures that risks are identified and managed at the level at which they arise, while significant exposures are appropriately escalated to senior management and the Company's governance bodies. The Board of Directors provides overall oversight, supported by the Audit Committee, Management, Internal Audit, Functional Managers and Estate Managers. This integrated structure ensures that risk management is embedded within strategic decision-making, financial management and day-to-day plantation operations.

Board of Directors

The Board of Directors has overall responsibility for the governance and oversight of MPPLC's risk-management and internal-control framework. The Board sets the appropriate tone for risk management and promotes a culture in which significant risks are identified, evaluated and managed proactively. It provides strategic direction and ensures that material risks capable of affecting the Company's financial performance, operational continuity, strategic objectives and shareholder value receive appropriate attention. The Board also oversees the adequacy of the systems and controls established by Management to safeguard Company assets and investments. Significant changes in the Company's risk profile, material exposures and matters requiring strategic intervention are escalated to the Board to support informed and timely decision-making.

Audit Committee

The Audit Committee provides an important governance and assurance role in overseeing the Company's risk management and internal control processes. The Committee reviews the processes through which significant risks are identified and assessed and ensures that material risk exposures are appropriately communicated to the Board. It also considers the effectiveness of the Company's risk-management framework and internal controls, including significant matters identified through internal audit activities. The Committee monitors developments in the Company's risk-management programme and considers whether the risk reporting provided by Management is sufficiently comprehensive to support effective oversight. Through these responsibilities, the Audit Committee strengthens the connection between risk management, internal control, assurance and corporate governance.

Management

Management is responsible for translating the Company's risk-management framework into practical actions across its operations. Management identifies and evaluates risks affecting the Company's financial, operational, commercial and compliance objectives and determines appropriate mitigation measures based on the nature and significance of each exposure. This includes incorporating risk considerations into budgeting, working-capital management, capital investment, procurement, production planning, human-resource management and operational decision-making. Management is also responsible for monitoring the effectiveness of mitigation strategies, responding to emerging risks and escalating material exposures through the established governance structure. This ensures that risk management remains integrated into the Company's everyday business decisions rather than being treated as a separate activity.

Internal Audit Function

The Internal Audit Function provides independent assurance over the effectiveness of the Company's risk-management, internal-control and governance processes. Through its assurance activities, Internal Audit assesses whether established policies, procedures and controls are operating as intended and whether significant risks are being appropriately addressed. Activities may include system audits, reviews of internal controls, inventory counts, cash counts and surprise checks across the Company's operations. Internal Audit also identifies control weaknesses and recommends corrective actions where improvements are required. Its independent perspective provides additional assurance to Management, the Audit Committee and the Board regarding the effectiveness of the Company's control environment and the safeguarding of Company assets.

Functional Managers

Functional Managers are responsible for identifying and managing risks within their respective areas of responsibility, including Finance, Procurement, Human Resources, Information Systems, Factory Operations and other business functions. They are expected to understand the specific risks associated with their functions, evaluate their potential consequences and implement appropriate controls and mitigation measures. Functional Managers continuously monitor risk exposures and communicate significant issues to Management where further intervention is required. They also ensure that risk considerations are incorporated into relevant operational and commercial decisions, thereby strengthening risk ownership at the functional level.

Estate Managers

Estate Managers represent a critical operational layer of the Company's risk-management framework because they are directly responsible for managing risks arising from day-to-day estate activities. Their responsibilities extend across tea cultivation, harvesting, labour management, factory operations, machinery, estate infrastructure, transportation, inventory and other operational activities. Estate Managers are responsible for implementing approved risk-mitigation measures and ensuring that control activities are carried out effectively and on a timely basis. They also monitor changing conditions at estate level and escalate significant or emerging risks to the relevant Management functions. Their close involvement with daily operations enables the Company to identify potential problems at an early stage and take corrective action before they develop into material business risks.

Integrated Governance and Accountability

The Company's governance structure establishes clear ownership and escalation of risk across all levels of the organisation. While the Board retains overall oversight, risk management is embedded throughout the organization through Management, Internal Audit, Functional Managers and Estate Managers. This ensures that risks are managed close to their source while material exposures are escalated through appropriate governance channels. The resulting structure promotes accountability, timely decision-making, effective internal controls and a stronger risk aware culture across MPPLC.

The MPPLC Risk Management Cycle

Risk Management Process

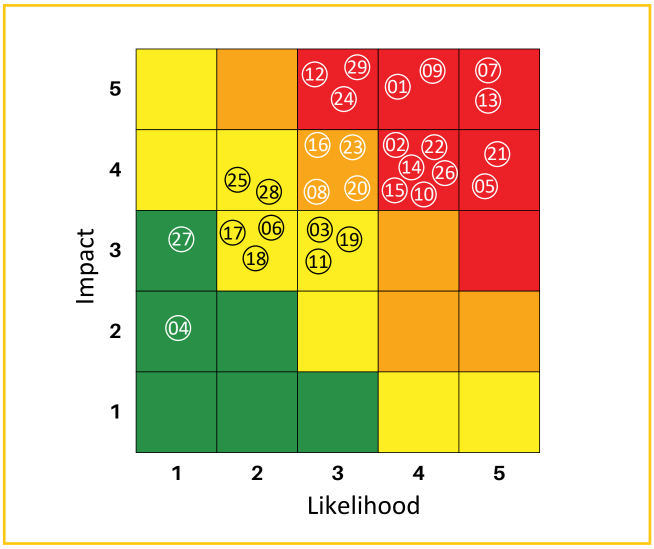
MPPLC's risk management process operates as a continuous four stage cycle through which risks and opportunities are identified, assessed, treated, monitored and reported. The process considers both internal and external factors that may influence the Company's strategic, financial, operational and compliance objectives. It provides an early-warning mechanism that enables the Company to take timely action, strengthen decision-making and manage risks within an acceptable level of exposure.

Risk Identification

The process begins with the systematic and specific identification of risks and opportunities that may affect MPPLC's objectives. Risks are identified at corporate, functional and estate levels, considering both internal operations and external developments. For a tea plantation business, these may include tea auction price movements, labour availability and costs, production and tea quality, procurement and input prices, energy costs, machinery reliability, field access, crop health, liquidity, financing conditions, information systems, competition and regulatory requirements. The Company also considers how risks may be interconnected; for example, labour shortages can affect harvesting, production volumes, factory utilization, revenue and profitability. Early and precise identification enables Management to take preventive action before risks become material.

Risk Assessment

Identified risks are assessed using qualitative and, where appropriate, quantitative information, considering their likelihood, potential impact and financial implications. The assessment considers possible effects on profitability, cash flows, production, tea quality, employees, assets, reputation, compliance and business continuity. Risks are then prioritized according to their level of exposure, with greater management attention given to risks with higher likelihood and/or greater potential impact. This enables MPPLC to allocate resources effectively and determine which risks require enhanced controls, closer monitoring or escalation.



Risk Treatment

Following assessment and prioritization, the Company determines the most appropriate risk response based on the nature and severity of the exposure. Risk treatment aims to reduce the likelihood and/or impact of risks through appropriate preventive and corrective measures. Depending on the circumstances, MPPLC may avoid, reduce, transfer or accept a risk within its established risk appetite. Mitigation measures may include strengthening internal controls, preventive maintenance, employee training, supplier diversification, appropriate insurance, technology investment, financial-management measures and operational improvements. The objective is to ensure that risks are managed to an acceptable level through practical and proportionate responses.

Risk Monitoring and Reporting

MPPLC continuously monitors the effectiveness of risk responses and maintains appropriate reporting and escalation mechanisms. Management and responsible operational teams assess whether mitigation measures have achieved the intended results and whether existing controls remain effective as the Company's operating environment changes. Significant risks, emerging exposures and control weaknesses are escalated through the appropriate management and governance channels, including the Audit Committee and Board of Directors where required. The Company also reviews the gross risk before mitigation against the residual or net risk after mitigation to determine whether further action is necessary. The outcomes of monitoring and reporting are used to improve risk responses, creating a continuous cycle of learning, adaptation and strengthened risk management.

Principal Risk Register

The Company's principal risks are assessed based on their potential impact on financial performance, operational continuity, strategic objectives, employees, assets, compliance and stakeholder confidence. The following register presents the Company's key objectives and corresponding mitigation strategies

1. Financial Risks

	Risk	Company Objectives	Potential Impact	Risk Mitigation Strategies / Risk Treat ment	Impact	Likelihood
1.	Liquidity & Cash Management Risk	• Capitalize on opportunities to raise funds at lowest possible cost. • Maximum utilization of the conces-sionary funding available to Plantation Companies. • Ensuring proper man-agement of working capital.	Insufficient liquidity could constrain the Company's ability to meet employee, supplier and financing obligations and limit investment in estates, factories and productive assets.	**Strategy- Risk Avoidance** • Funding of long term assets through Equity and Long Term Loans. • Ensure availability and effective utilization of short term Funding facilities where necessary.	High	Moderate

2.	Interest Rate & Gearing Risk	• To ensure a strong liquidity position. • To minimize adverse effects of interest rate volatility and currency denominated borrowings. • To ensure cost of borrowing is at the optimum level with the assistance of Group Treasury. • Maximum utilization of the concessionary funding available to Plantation Companies.	Rising interest rates may increase finance costs, reduce profitability and place pressure on cash flows. Excessive gearing may reduce financial flexibility.	**Strategy-Risk Reduction:** • Structure the loan portfolio appropriately across foreign and local currencies. • Use appropriate hedging techniques such as interest rate swaps. • Monitor gearing and interest rate exposure.	High	High
3.	Currency / Foreign Exchange Risk	• To Minimize risks associated with foreign exchange fluctuations relating to export proceeds, imports and foreign currency debt. • Ensure effective treasury management.	Exchange rate movements may affect export income, imported inputs, foreign currency debt obligations and overall profitability.	**Strategy-Risk Acceptance:** • Utilize natural hedges where export proceeds off set foreign currency obli-gations. • Apply effective treasury management. • Use forward bookings, forward sales, swaps and other appro priate hedging instruments where required.	Moderate	Moderate
4.	Credit Risk	• To minimize risks associated with debtor defaults. • Work towards obtaining collaterals from major local customers with high outstanding. • Follow stringent assessment procedures to ensure credit worthiness of the customers prior to the granting of credit.	Customer defaults or delayed settlements may increase workingcapital requirements and adversely affect cash flows.	**Strategy-Risk Transfer:** • Obtaining insurance co-vers for export debtors. • Colombo Tea Auctions payment systems monitor the payments made by Tea Brokers to the sellers & is a highly regulat ed activity.	Low	Low

5.	Inflation & Cost Escalation Risk	• Protect operating margins against rising costs. • Improve productivity and cost efficiency. • Maintain disciplined cost management across estates and factories	Rising wages, energy, transportation, agricultural inputs and maintenance costs may increase production costs and compress operating margins	**Strategy-Risk Reduction:** • Strengthen budgetary controls and cost monitoring. • Conduct regular budget-versus-actual analysis. • Improve productivity and operational efficiency. • Strengthen procurement and cost negotiation. • Monitor major cost drivers.	High	High
6.	Capital Investment Risk	• Minimize the risk of investments failing to meet expected returns.	Poor investment decisions may tie up capital, reduce expected returns and negatively affect profitability.	**Strategy-Risk Avoidance:** • Apply stringent capital-expenditure approval procedures based on investment level, expected returns and payback period. • Monitor post investment performance.	Moderate	Low

2. Strategic & Market Risks

	Risk	Company Objectives	Potential Impact	Risk Mitigation Strategies / Risk Treatment	Impact	Likelihood
7.	Tea Auction Price Volatility	• Protect profitability against fluctuations in tea auction prices. • Maintain product quality and market competitiveness. • Maximize value generated from tea production.	Declining or volatile tea auction prices can directly reduce revenue, margins and profitability and weaken returns from the Company's estates.	**Strategy-Risk Reduction:** • Maintain high standards of tea quality. • Improve estate and factory productivity. • Monitor auction prices and market trends. • Maintain production cost discipline. • Optimize product quality and market positioning.	High	High

8.	Competition Risk	• Maintain market position and competitiveness. • Improve productivity and efficiency	Increased competition may place pressure on market share, selling prices, margins and customer relationships.	**Strategy-Risk Reduction:** • Maintain high product quality. • Increase productivity and efficiency. • Strengthen customer relationships and market positioning. • Undertake research and development where appropriate.	High	High
9.	Economic & Global Market Risk	• Strengthen resilience against domestic and global economic changes. • Protect financial stability and operational continuity. • Maintain flexibility in changing market conditions.	Economic instability may influence tea demand, auction prices, financing costs, exchange rates, inflation and imported input costs.	**Strategy-Risk Acceptance:** • Monitor domestic and global economic developments. • Strengthen cashflow and working capital management. • Review budgets, forecasts and operating plans regularly. • Adjust procurement, production and investment plans where necessary.	High	Moderate
10.	Government / Fiscal Policy Risk	• Minimize adverse effects of government policy and fiscal measures. • Maintain operational flexibility and regulatory compliance. • Protect the Company's long-term operating position.	Changes in taxation, labor policies, plantation regulations, land-related policies and other government measures may increase costs or restrict operational flexibility.	**Strategy-Risk Acceptance:** • Monitor policy, legislative and fiscal developments. • Maintain regulatory compliance. • Assess financial and operational implications of policy changes. • Escalate material developments to Management and governance bodies.	High	Moderate
11.	Changing Consumer Demand Behavior	• Respond effectively to changing customer preferences. • Protect market relevance and customer relationships. • Identify new market and product opportunities.	Changes in consumer preferences may affect demand for traditional tea products, product positioning and future market opportunities	**Strategy-Risk Reduction:** • Monitor consumer and market trends. • Maintain consistent product quality. • Strengthen customer relationships. • Explore product and market development opportunities.	Moderate	Moderate

12. Reputation Risk	• Protect the Company's reputation, estate brands and product quality. • Maintain stakeholder confidence.	Adverse events involving product quality, employees, estates, regulatory compliance or stakeholder relationships may damage customer confidence and the Company's reputation.	**Strategy-Risk Transfer** • Having in place a budgetary process & a budgetary control mechanism on a monthly basis to ensure that the Company's performance is continuously in line with its targets. • Adopting stringent quality assurance policies with regard to raw and packing materials bought out from third parties. • Ensure quality in manufacturing process and compliance with the standards. • All factories maintain a minimum of HACCP ISO 22000 Standard for food and safety. • Ensuring effective communication with various stakeholders such as employees, bankers, regulators, customers, suppliers and the shareholders.	High	Moderate

3. Operational & Business Risks

Risk	Company Objectives	Potential Impact	Risk Mitigation Strategies / Risk Treatment	Impact	Likelihood
13. Human Capital & Labor Risk	• To Ensure smooth operational continuity. • Attract, develop and retain skilled employees. • Maintain positive employee relations. • Improve employee benefits and welfare.	Labor shortages, absenteeism, industrial disputes, skills gaps and rising labor costs may affect harvesting, production, productivity and operational continuity.	**Strategy- Risk Avoidance** • Maintaining healthy relationships with trade unions through regular dialogue. • Entering into collective agreements with trade unions. • Ensure compliance with all regulatory requirements with regard to the benefits applicable to workers at estates. • To protect ourself as an employer successful in motivating, developing, retaining and attracting the best of human capital.	High	High

				• Improving employee benefits by way of financial incentives and welfare activities. • Arrange in house and external training in order to de-velop human resources.		
14.	Procurement Risk	• Minimize risks relating to price and availability. • Procure quality inputs at value for money.	Supply shortages, price increases or poor quality inputs may disrupt estate and factory operations and increase production costs.	**Strategy-Risk Transfer** • Continuous replanting activity with adequate plant nurseries. • Establishing relationships with many suppliers for bought leaf in order to reduce over dependency on a single supplier. • Entering into forward contracts for purchases of certain raw material items.	High	High
15.	Asset Risk	• To Minimize risks from fire, theft and plant, machinery and equipment breakdown.	Fire, theft, accidents or equipment breakdowns may cause financial losses and operational disruption.	**Strategy-Risk Reduction** • Obtaining comprehensive insurance covers for all tangible assets. • Adoption of stringent procedures with regard to the moving of assets from one location to another. • Carrying out mandatory preventive maintenance programs. • Carrying out frequent employee training programs in areas such as fire prevention & effective usage of plant & machinery.	High	Moderate
16.	Internal Control Risk	• To Maintain a sound internal-control system to safeguard shareholder wealth and Company assets.	Weak controls may result in fraud, financial losses, asset misappropriation, reporting errors or failure to safeguard Company resources.	**Strategy-Risk Transfer** • Carrying out system audits and other control mechanisms such as inventory counts and cash counts throughout the estates by the Central Internal Audit Department of the main Group. • Conduct surprise checks within the Company which ensures that systems are in place.	High	Moderate

17.	Technological Risk	•To Keep pace with technological developments and minimize technological obsolescence	Outdated machinery, systems or technology may reduce productivity, increase maintenance costs and weaken competitiveness	**Strategy-Risk Reduction:** • The continuous investments in new machineries and experiments on new methods. •Mechanization of estate functions up to the highest possible extent. • Investing in Research & Development activities whenever necessary. •Implementation of the new computer system in head office and the estates. • Investing in hardware resources.	High	Moderate
18.	Information Systems Risk	To Minimize risks associated with information security, hardware, communication and software.	System failures, cyber incidents, hardware failures or data loss may disrupt financial, operational and reporting activities.	**Strategy-Risk Reduction** • Maintaining of spare servers mirroring of hard disks with critical data. • Data backups stored at offsite locations. • Vendor agreements for support service and maintenance. • Regular updating of Virus scanners, Firewalls etc. • Compliance with statutory requirements for environmental preservations	Moderate	Low
19.	Inventory Risk	•To Reduce stock obsolescence and holding costs. • Reduce theft and shrinkage. • Maintain appropriate inventory availability.	Excessive inventory may increase holding costs and obsolescence, while inadequate or poorly controlled inventory may disrupt operations and result in losses	**Strategy-Risk Transfer** • Adopting a monthly declaration policy. • Identifying slow moving stocks and effectively laying out a channel for these to be sold off. • To sift & catalogue all tea produced.	Moderate	Moderate

20.	Factory Machinery Breakdown Risk	• Maintain uninterrupted factory operations and processing capacity. • Protect tea quality and production efficiency.	Machinery breakdowns may interrupt tea processing, reduce factory utilization, delay production and affect tea quality and revenue.	**Strategy-Risk Reduction:** • Implement preventive maintenance programmes. • Ensure timely repairs and servicing. • Maintain critical spare parts. • Train employees in safe machiery operation. • Maintain appropriate insurance coverage.	High	Moderate
21.	Energy Cost Risk	• Control energy-related production costs. • Improve energy efficiency across estates and factories. • Protect operating margins.	Rising electricity and fuel costs may significantly increase estate and factory operating costs and reduce profitability.	**Strategy-Risk Reduction:** • Monitor electricity and fuel consumption. • Improve energy efficiency. • Maintain machinery to optimize energy performance. • Assess energy efficient technologies. • Include energy costs in budgets and variance analysis.	High	High
22.	Field Access & Crop Recovery Risk	• Ensure timely harvesting and fieldmanagement activities. • Protect estate productivity and operational efficiency.	Poor field access may delay harvesting, crop recovery, maintenance and other field activities, resulting in lower productivity and higher costs.	**Strategy-Risk Reduction:** • Maintain estate roads and access routes. • Priorities critical access areas. • Plan field activities according to access conditions. • Maintain estate transport infrastructure.	High	Moderate
23.	Crop Disease Risk	• Protect tea yields and quality. • Maintain healthy and productive plantations. • Minimize agricultural losses.	Crop diseases may reduce yields and tea quality, increase agricultural expenditure and negatively affect revenue and profitability.	**Strategy-Risk Reduction:** • Conduct regular field inspections. • Monitor crop health. • Apply appropriate agronomic practices. • Implement timely disease-control measures. • Monitor disease trends.	High	Moderate

24.	Occupational Health & Safety Risk	• Protect employees and maintain safe working conditions. • Minimize workplace accidents and operational disruption. • Promote a strong safety culture.	Workplace accidents may result in employee injuries, compensation costs, productivity losses, operational disruption and reputational consequences	**Strategy-Risk Reduction:** • Maintain occupational health and safety procedures. • Conduct regular safety training. • Provide appropriate PPE. • Conduct workplace and machinerysafety inspections. • Monitor incidents and implement corrective actions.	High	Moderate

4. COMPLIANCE & REGULATORY RISKS

	Risk	Company Objectives	Potential Impact	Risk Mitigation Strategies / Risk Treatment	Impact	Likelihood
25.	Compliance with Applicable Legislation & Internal Policies	• Maintain compliance with applicable laws, regulations and internal policies. • Protect the Company's license to operate and reputation.	Non-compliance may result in penalties, legal proceedings, financial losses, operational restrictions and reputational damage.	**Strategy-Risk Reduction:** • Monitor regulatory and legislative developments. • Conduct compliance reviews and internal audits. • Maintain appropriate records and documentation. • Update policies and procedures when requirements change. • Implement corrective actions promptly.	High	Moderate
26.	Tax Compliance Risk	• Ensure timely and accurate fulfilment of tax obligations. • Minimize tax penalties, interest and additional liabilities. • Maintain transparent tax reporting.	Errors, omissions or delays in tax compliance may result in penalties, interest, additional tax liabilities and reputational consequences	**Strategy-Risk Reduction:** • Make timely statutory submissions and payments. • Conduct tax reconciliations and reviews. • Maintain supporting documentation. • Monitor changes in tax legislation. • Strengthen review and approval controls.	High	Moderate

27.	Fraud & Anti-Corruption Risk	• Protect Company resources and shareholder value. • Maintain ethical, transparent and accountable business practices. • Prevent and detect fraudulent and unethical activities.	Fraudulent, corrupt or unethical conduct may result in financial losses, legal consequences, control failures and significant reputational damage.	**Strategy-Risk Avoidance:** • Maintain segregation of duties. • Apply appropriate authorization and approval controls. • Conduct internal audits and surprise checks. • Monitor unusual transactions. • Maintain appropriate ethical conduct and reporting mechanisms. • Take timely corrective action.	Moderate	Low
28.	PMMD / Plantation-Sector Compliance Risk	• Maintain compliance with applicable plantation-sector requirements. • Protect the Company's operating position. • Maintain required records, approvals and operational practices.	Failure to comply with applicable plantation sector requirements may result in regulatory action, financial consequences or operational restrictions.	**Strategy-Risk Reduction:** • Monitor applicable plantation sector requirements. • Maintain required records and approvals. • Conduct periodic compliance reviews. • Escalate significant non-compliance. • Implement corrective measures promptly.	High	Low
29.	Rainforest Alliance Certification & Renewal Risk	• Maintain applicable certification requirements. • Protect customer confidence and market access. • Support responsible and sustainable plantation practices.	Failure to maintain certification requirements may affect market access, customer confidence and the Company's ability to meet relevant market and sustainability expectations.	**Strategy-Risk Reduction:** • Maintain certification requirements and relevant standards. • Conduct internal compliance reviews. • Maintain supporting documentation. • Prepare for assessments and audits. • Address identified non-conformities within required timeframes.	High	Low

Risk Management Commitment

Maskeliya Plantations PLC recognizes that effective risk management is a shared responsibility across the organization. The Board provides oversight, the Audit Committee provides governance and assurance support, Management implements risk responses, functional managers manage risks within their areas of responsibility, Internal Audit provides independent assurance, and Estate Managers implement controls at operational level. The Company's approach is founded on early identification, informed assessment, appropriate treatment, continuous monitoring and effective escalation. This enables risks to be managed at the level at which they arise while ensuring that material exposures receive appropriate management and governance attention. As the operating environment continues to evolve, MPPLC will continue to strengthen its risk-management capabilities, internal controls, operational resilience and financial discipline. Through proactive risk management and informed decision-making, the Company seeks to protect its people and productive assets, maintain operational continuity, strengthen financial resilience and create sustainable long-term value for shareholders and other stakeholders.

Report of the Audit Committee

The Audit Committee assists the Board in fulfilling its overall responsibility to the shareholders in relation to the integrity of the Company's financial reporting process in accordance with the Companies Act and other legislative reporting requirements including the adequacy of disclosures in the financial statements in accordance with the Sri Lanka Accounting Standard. The Terms of References of the Audit Committee define the authority of the Committee and are periodically reviewed and revised with the concurrence of the Board.

The Audit Committee Charter, approved by the Board of Directors defines the purpose, authority, composition, meeting, and responsibilities of the Committee.

Purpose

The purpose of the Audit Committee is to:

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

Members of the Audit Committee

The Audit Committee consisted of two Independent Non-Executive Directors namely Mr.L.L.S Wickremasinghe, Mr.W.A.A Perera and one Non-Executive Director Dr. D.S.A Samaraweera. The Chairman of the Committee is Mr.L.L.S Wickremasinghe.

Richard Pieris Group Services (Private) Limited which is the Secretary of the Company acts as the Secretary to the Committee.

Audit Committee as per the CSE Listing Rules 9.13.3.(1)

Name of Committee Member	Position
Mr.L.L.S Wickremasinghe	Chairman of the Committee, Independent, Non-Executive Director
Dr.D.S.A Samaraweera	Member of the Committee, Non-Executive Director
Mr.W.A.A Perera	Member of the Committee, Independent, Non-Executive Director

The principal activities of the Committee are detailed below;

Meetings of the Audit Committee

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

Name of Committee Member	27-May 2025	05-Aug 2025	25-August 2025	04-November 2025	10 - February 2026	25-February-2026
Mr.L.L.S Wickremasinghe	√	√	√	√	√	√
Dr.D.S.A Samaraweera	-	√	-	√	√	√
Mr.W.A.A Perera	√	√	√	√	√	√

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

Internal Audit and Risk Management

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

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

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

Internal Controls

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

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

Financial Statements

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

External Auditors

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

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

Subject to shareholder approval at the next Annual General Meeting, the Audit Committee has recommended to the Board of Directors that Messrs. Ernst & Young be reappointed as auditors for the financial year ending 31st March 2027.

Conclusion

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

L.L.S Wickremasinghe

Chairman of the Audit Committee

25 August 2026

Report of the Remuneration Committee

The Remuneration Committee, appointed by and responsible to the Board of Directors, consist of two Independent Non-Executive Directors namely Mr.L.L.S Wickremasinghe, Mr.W.A.A Perera and one Non-Executive Director Dr. D.S.A Samaraweera. The Chairman of the Committee is Mr.L.L.S Wickremasinghe.

Meetings of the Remuneration Committee

The Committee met on one occasions during the financial year.

Name of Committee Member	25-August-2025
Mr.W.A.A Perera	√
Dr.D.S.A Samaraweera	-
Mr. L.L.S Wickremasinghe	√

Remuneration Committee as per the CSE Listing Rules 9.12.6.(1)

Name of Committee Member	Position
Mr.L.L.S Wickremasinghe	Chairman of the Committee, Independent, Non-Executive Director
Dr.D.S.A Samaraweera	Member of the Committee, Non-Executive Director
Mr.W.A.A Perera	Member of the Committee, Independent, Non-Executive Director

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

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

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

Remuneration Policy

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

L.L.S Wickremasinghe
Chairman - Remuneration Committee
25 August 2026

Report of the Related Party Transactions Review Committee

GRI 2-15

The Company has an established Related Party Transactions Review Committee ('the Committee') which complies with Section 9.14 of the Listing Rules of Colombo Stock Exchange and the Code of Best Practice on Related Party Transactions issued by CA Sri Lanka. The Committee comprises two Independent Non-Executive Directors and one Non- Executive Director.

Members of the Related Party Transactions Review Committee as per the CSE Listing Rules 9.14.2.(1)

Name of Committee Member	Position
Mr.L.L.S Wickremasinghe	Chairman of the Committee, Independent, Non-Executive Director
Dr.D.S.A Samaraweera	Member of the Committee, Non-Executive Director
Mr.W.A.A Perera	Member of the Committee, Independent, Non-Executive Director

Purpose

The Objectives of the Committee,

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

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

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

Meetings of the Committee

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

Name of Committee Member	27-May 2025	05-Aug 2025	04-November 2025	10-February-2026
Mr.L.L.S Wickremasinghe	√	√	√	√
Dr.D.S.A Samaraweera	-	√	√	√
Mr.W.A.A Perera	√	√	√	√

Meetings were attended by invitation only by the Chief Executive Officer, Sector Financial Controller, Financial Manager, and Group Head of Finance. The Secretary of the Company, Richard Pieris Group Services (Private) Limited serves as the Committee's secretary.

Through verbal briefings and the tabulation of Committee meeting minutes, the Board of Directors has been informed of the Committee's actions and opinions.

Task of the Committee

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

Related Party Transactions during the year 2025/26

Details of the related party transactions entered into by the Company are disclosed on page 245 & 246.

Declaration

Refer to the Board of Directors' Annual Report on the Company's Affairs, pages 198 to 200, for the Board of Directors' declaration that, aside from the information provided in note no. 17,29 & 34 the Company did not engage in any related party transactions that fall under the purview of the Listing Rules in 2025/26.

Disclosures

A detailed disclosure of all the related party transactions including Recurrent and Non-Recurrent related party transactions which are required to be disclosed under section 9.14.2 of the Listing Rules of the Colombo Stock Exchange has been made in note no. 34 to the Financial Statements given in Pages 245 to 246 to this report.

L.L.S Wickremasinghe
Chairman of the Related Party Transaction Review Committee
25 August 2026

Report of the Nomination and Governance Committee

GRI 2-10

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

Members of the Committee

The Committee consisted of two Independent Non-Executive Directors namely Mr.W.A.A Perera, Mr. L.L.S Wickremasinghe and one Non-Executive Director Dr. D.S.A Samaraweera, the Chairman of the Committee, Mr.W.A.A Perera.

Meetings of the Committee

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

Name of Committee Member	14-October-2025
Mr.W.A.A Perera	√
Dr.D.S.A Samaraweera	√
Mr. L.L.S Wickremasinghe	√

Nomination and Governance Committee as per the CSE Listing Rules 9.11.4.(1)

Name of Committee Member	Position
Mr.W.A.A Perera	Chairman of the Committee, Independent, Non-Executive Director
Dr.D.S.A Samaraweera	Member of the Committee, Non-Executive Director
Mr. L.L.S Wickremasinghe	Member of the Committee, Independent, Non-Executive Director

Purpose

The Objectives of the Committee,

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

Disclosure of Activities

The Committee undertook the following key activities:

- Reviewed the Board and Committees to ensure proper independence, expertise, and compliance with governance `standards.
- Recommended restructuring Board Committees to maintain effectiveness and regulatory compliance.
- Proposed appointment of Mr.E.M.S Epitakumbura as Non-Independent Non-Executive Director from 15th October 2025.
- Reviewed governance policies to ensure ongoing compliance with legal requirements.
- Monitored adherence to CSE Listing Rules, reaffirming the Company's commitment to strong and transparent governance.

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

Conclusion

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

W.A.A Perera

Chairman – Nomination and Governance Committee

25 August 2026

Annual Report of the Board of Directors

The Directors of Maskeliya Plantations PLC have pleasure in presenting to the Members, their Report together with the Audited Financial Statements of the Company for the year ended 31 March 2026 and the Auditor's Report thereon.

The Board of Directors approved this report at the Board meeting held 25 August 2026.

The details set out herein provide pertinent information required by the Companies Act No. 7 of 2007, Listing Rules of the Colombo Stock Exchange, Securities Exchange Commission and are guided by recommended Best Accounting Practices. The Company's new registration number is PQ 134

Principal Activities and Operational Review

The principal activity of Maskeliya Plantations PLC is cultivation and processing of Tea and remains unchanged from the previous year. During the year the Company managed & operated 18 Estates with a extent of 5,352 ha. of Tea in bearing. The Company has also commenced planting Rubber, Cinnamon, Fruits and Coffee.

The Company continues to be managed by RPC Management Services (Pvt) Ltd. The basis of Computation of Management Fees was same as that of the previous year and was in accordance with the Agreement signed between both parties as disclosed Note 34.1.2 of the Financial Statements.

Review of the Company Performance

The Chairman's Review, Financial and Operational highlights and other reports attached, briefly describe the performance of the Company in the current financial year. These Reports together with the Financial Statements reflect results and the state of affairs of the Company.

Turnover

The Turnover of the Company was Rs.7,066,659,011/- (2025 – Rs. 6,732,927,757/-) and a composition of the Revenue is given in Note 6 to the Financial Statements.

Financial Results

Year Ended 31 March	2026 Rs'000.	2025 Rs'000.
Profit /(Loss) before tax	978,986	1,440,127
Income Tax (Expense)/Income	(320,914)	(481,753)
Profit /(Loss) after taxation	658,072	958,374
Other Comprehensive Income/(Expense) net tax	(162,893)	(193,935
Total Comprehensive Income/(Expense) net tax	495,179	764,439
Profit/(Loss) B/f Including Timber Reserves	1,474,850	953,202
Profit available for Disruptions	1,970,029	1,717,641
Dividends	(215,814)	(242,791)
Profit/(Loss) c/f Including Timber Reserves	1,754,215	1,474,850

Results and Dividends

Details relating to the Company's profits/(Loss) are given on page 207 - 208. The dividend of Rs. 4.00 per share (2025.Rs.4.50) was paid to the shareholders during the year.

Property, Plant and Equipment

The total capital expenditure incurred on the acquisition of fixed assets during the year amounted to Rs. 287,684,267/- (2025- Rs. 264,426,709/-), out of which expenditure on Replanting and Field Development amounts to Rs.65,079,086/-(2025 - Rs. 103,276,885/-).

Further information relating to the movement of Fixed Assets is given in Notes 13 to 14.1 to the Accounts. Capital expenditure has been financed by short term borrowings or internally generated funds.

Stated Capital

The Stated Capital of the Company as at 31 March 2026 was Rs. 673,720,950/-. Details of the Stated Capital are given in Note 19 to the Financial Statements.

Reserves and Accumulated Profits

The total Reserves and Accumulated profit of the Company as at 31 March 2026 was Rs.2,967,935,294/- (2025 - Rs. 2,688,570,945/-)

Donations

No donations were made during the year under review by the Company /- (2025- Nil)

Taxation

The profit of the Company is liable for income tax at standard rates. The profit earned on Agro Farming, Agro processing, Interest Income and Other source of income are liable at 30 %.

Share Information

Information on Earnings, Dividend, Net Assets and Market Value per share is given on Pages 248 and 249 of this report.

Major Shareholders

The twenty five largest shareholders of the Company as at 31 March 2026 together with percentages held are given under the caption "Shareholder and Investor Information" on Page 249.

Directors

The Names of the Directors who held Office during the year are given below. Their brief profile appears on Page 23 to 24.

Name	
Dr. Sena Yaddehige	Chairman
Shaminda Yaddehige	Director
Dr.D S A Samaraweera	Director
L L S Wickremasinghe	Director
W A A Perera	Director
E M S Epitakumbura	Director appointed w.e.f 15 October 2025

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

"That Dr. Sena Yaddehige of Le Neuf, Chemin, St. Saviours, Guernsey, United Kingdom, who is 80 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act no. 07 of 2007 shall not apply to the said Dr. Sena Yaddehige"

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

"That Dr. D S A Samaraweera of 1F20, Mattegoda Scheme, Mattegoda who is 78 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act no. 07 of 2007 shall not apply to the said Dr. D S A Samaraweera "

In accordance with the Provisions of the Article 92 of the Articles of Association of the Company, Mr. L L S Wickremasinghe retires by rotation at the Annual General Meeting and offers himself for re-election.

In accordance with the Provisions of Article 98 of the Articles of Association of the Company, Mr. E M S Epitakumbura retires at the Annual General Meeting and offers himself for election.

Interest Register

The Company maintains an interest register as required by the Companies' Act No.07 of 2007.

Information pertaining to Directors' interest in contracts, their remuneration and their share ownership are disclosed in the interest register.

Directors' Interest in Contracts.

Directors' Interest in Contracts in relation to transactions with related entities, key Management Personnel and other related disclosures are stated in Note 34 (Related Party disclosures) to the Financial Statements.

Directors' Interest in Shares.

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

Director	2026	2025
Dr.D S A Samaraweera	100	100
Mr. L L S Wickremasinghe	200	200

Directors' Remuneration and Other Benefits

The Remuneration of the Directors for the year ended 31 March 2026 is given in Note 9 of the Financial Statements.

Vision, Mission & Objectives

The Company's Vision, Mission and Long-Term Objectives are given in Page 8 of the report.

Environmental Protection

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

The Company's efforts in relation to environmental protection are set out on Page 159 under managing our environment.

Employment Policy

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

Statutory Payments

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

Events after the Reporting Date

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

Board Committees

The Board has delegated responsibilities to four Board sub-Committees which operate within clearly defined terms of reference. Their compositions and functions are given in page 191 to 197 of this report.

Related Party Transactions

There are no related party transactions which (non-recurrent) exceed 10 percent of the Equity or 5 percent of the total assets whichever is lower and the Company has complied with the requirements of the Listing Rules of the Colombo Stock Exchange on Related Party Transactions. However, the Company disclosed the transactions that could be classified as related party transactions which are adopted in the presentation of the Financial Statements and accordingly given in note 17, 28 & 34 on Pages 236 , 243 & 245.

Corporate Governance and Internal Control

The policies adopted by the Company in relation to Best Practices and Good Corporate Governance are given on Page 161 to 175.

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

Directors' Responsibility for Financial Reporting

The Statement of Directors' Responsibility for financial reporting of the Company is set out in Page 202 of this report.

Compliance with Laws and Regulations

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

The Company is in compliance with the CSE rules on related party transactions which was made mandatory with effect from 01 January 2016.

Auditors

The Financial Statements for the year ended 31 March 2026 have been audited by Messrs. Ernst & Young, Chartered Accountants. The Auditors Report is given on Page 203 - 206.

The Audit Fees of Messrs. Ernst & Young for the current year was Rs.7,799,598/- (2025 Rs 7,090,544/-). In addition, Rs.1,037,780 (2025 Rs. 692,914/-) was paid by the Company for non-audit related work which consists Tax related work. As far as the Directors were aware the Auditors do not have any relationship other than that of an Auditor with the Company.

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

Annual General Meeting

The Annual General Meeting will be held at the registered office of the Company at 310, High Level Road, Nawinna, Maharagama on on 25 September 2026, 11.30am. The notice of the Annual General Meeting is on Page 270 of this report.

Dr. D S A Samaraweera
Director

E M S Epitakumbura
Director

Mrs. R J Siriweera

Director/Company Secretary

Richard Pieris Group Services (Pvt) Ltd.

Secretaries

310, High Level Road

Nawinna

Maharagama.

25 August 2026

Financial Calendar

GRI 2-3

Statement of Directors' Responsibility

GRI 2-3

In keeping with the provisions under the Companies Act No. 7 of 2007, the Directors of Maskeliya Plantations PLC, acknowledge their responsibility in relation to financial reporting of the Company. These responsibilities differ from those of its Auditors, Messrs Ernst & Young, which are set out in their report, appearing on Page 203 to 206.

The Financial Statements of the Company for the year ended 31 March 2026 included in this Report, have been prepared and presented in accordance with the Sri Lanka Accounting Standards and they provide the information as required by the Companies Act No. 7 of 2007, Sri Lanka Accounting Standards and the Listing Rules of the Colombo Stock Exchange. The Directors confirm that suitable accounting policies have been used and applied consistently, and that all applicable accounting standards have been followed in the preparation of the Financial Statements on Pages from 207 to 247 inclusive. All material deviations from these standards if any, have been disclosed and explained. The judgments and estimates made in the preparation of these Financial Statements are reasonable and prudent.

The Directors confirm their responsibility for ensuring that Company maintains accounting records, which are sufficient to prepare Financial Statements to disclose with reasonable accuracy, the financial position of the Company. They also confirm their responsibility towards ensuring that the Financial Statements presented in the Annual Report give a true and fair view of the state of affairs of the Company as at 31 March 2026 and that of the profit for the year then ended.

The overall responsibility for the Company's internal control systems lies with the Directors. Whilst recognising the fact that there is no single system of internal control that could provide absolute assurance against material misstatements and fraud, the Directors confirm that the prevalent internal control systems instituted by them which comprise internal checks, internal audit, financial and other controls are so designed that, there is reasonable assurance that all assets are safeguarded and transactions properly authorised and recorded, so that material misstatements and irregularities are either prevented or detected within a reasonable period of time.

The Directors' are of the view that the Company has adequate resources to continue operations in the foreseeable future and have continued to use the going- concern basis in the preparation of these Financial Statements.

The Directors have provided the Auditors, Messrs Ernst & Young, Chartered Accountants, with every opportunity to carry out reviews and tests that they consider appropriate and necessary for the performance of their responsibilities The Auditors, have examined the Financial Statements together with all financial records and related data and express their opinion which appears as reported by them on Page 203 to 206 of this report.

By Order of the Board,
Mrs. R J Siriweera
Director/Company Secretary
Richard Pieris Group Services (Pvt) Ltd.
Secretaries
310, High Level Road
Nawinna
Maharagama.

25 August 2026

Independent Auditors' Report

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

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

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TO THE SHAREHOLDERS OF MASKELIYA PLANTATIONS PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Maskeliya Plantations PLC ("the Company"), which comprise the statement of financial position as at March 31,2026, and the statement of Profit or Loss, statement of comprehensive income, statement of changes in equity and statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at March 31,2026, 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 Company in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

Key audit matter	How our audit addressed the key audit matter
Measurement of Bearer Biological Assets	
As of 31 March 2026, the Company's bearer Biological Assets amounted to Rs. 2,333 Mn and represented 33% of the Company's total assets. Bearer Biological Assets comprised of Rs. 726 Mn Immature Plantations and Rs 1,607 Mn of Mature plantations, as disclosed in Notes 3.6.7.1 and 14.1 to the financial statements. Measurement of Bearer Biological assets in the financial statements was a key audit matter due to following: • The materiality of the reported bearer biological asset balance; and • Identification of costs to be capitalized as immature plantations, the degree of management's judgement involved in point at which transfers are to be made from immature plantations to mature plantations and identification of possible indicators of impairment, as disclosed in Notes 3.6.7.1 and 14.1 to the financial statements.	Our audit procedures included the following key procedures: • Obtained an understanding of management's expense allocation process and the identification of expenses to be capitalized in relation to immature plantations. • Tested the significant expenses incurred by capital expenditure authorisations and other corroborative evidence • Assessed the reasonableness of depreciation provided on the matured plantations by performing independent computations.

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	• Inspected the ageing profile of the immature Biological Assets as of the reporting date to ensure that possible indictors of impairment have been identified, assessed for probable impairment charges/ losses accounted for in the financial statements. We also assessed the adequacy of the related disclosures made in Notes 3.6.7.1 and 14.1 to the financial statements.
Retirement Benefit Obligation	
As disclosed in note 23 to the financial statements, the Company's retirement benefit obligation amounted to Rs.1,326 Mn and represented 32% of total liabilities as of 31 March 2026. The value of retirement benefit obligation was based on the actuarial valuations carried out by an external valuer engaged by the company. This was a key audit matter due to: • The materiality of the reported retirement benefit obligation balance; and • The degree of assumptions and estimation uncertainties associated with measurement of the retirement benefit obligation. Key areas of assumptions, judgements and estimates used in assessing the value of the retirement benefit obligation included judgements involved in ascertaining the discount rate and future salary/ wage growth rate as disclosed in Notes 3.13 and 23 to the financial statements.	Our audit procedures included the following key procedures: • Assessed the competence, capability and objectivity of the external actuary engaged by the Company. • Tested the data used in the valuation of retirement benefit obligations by agreeing key information to source documents and accounting records. • Read the external actuary's report and identified the key estimates made and the approach taken by the actuary in determining the value of the retirement benefit obligation. • Assessed the reasonableness of the judgements, assumptions and estimates made by the external actuary such as discount rate and future salary/ wage growth rate in measuring the value of the retirement benefit obligation. We also assessed the adequacy of the disclosures made in notes 3.13 and 23 to the financial statements.

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Valuation of Consumable Biological Assets	
Assessment of consumable biological assets are carried at fair value. The fair value of such assets was determined by an external valuer engaged by the company. This was a key audit matter due to: • the materiality of the reported fair value of Consumable Biological Assets which amounted to Rs.1,486 Mn and represents 21% of the Company total assets as of the reporting date; and • the degree of assumptions, judgements and estimation uncertainties associated with fair valuation of Consumable Biological Assets and the complexity of the valuation process Key areas of significant assumptions, judgements and estimates used in assessing the fair value of Consumable Biological Assets, as disclosed in Notes 3.6.7.5 and 14.2.1 to the financial statements, included judgements involved in ascertaining the appropriate valuation technique and estimates such as: • Discount rate • Expected timber volume. • Price per cubic foot	Our audit procedures included the following key procedures: • assessed the competence, capability and objectivity of the external valuer engaged by the company. • read the external valuer's report and identified the key estimates made and the valuation approach taken by the valuer in determining the fair value of Consumable Biological Assets • Agreed the key data used by the external valuer, to the underlying books and records maintained by the company. This also included assessing the appropriateness & consistency of the application of the formula used for deriving the expected timber volume • assessed the reasonableness of significant assumptions, judgements and estimates made by the valuer such as discount rate, expected timber volume, price per cubic foot and valuation technique in assessing the fair value of Consumable Biological Assets. Our procedures included comparing with the industry practices that are generally used in determining fair value of Consumable Biological Assets. We also assessed the adequacy of the disclosures made in Notes 3.6.7.5 and 14.2.1 to the financial statements

Other Information included in the Company's 2026 Annual Report

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

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

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

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

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

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

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

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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 scepticism throughout the audit. We also:

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

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

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

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

Report on other legal and regulatory requirements

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

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

25 August 2026
Colombo

STATEMENT OF PROFIT OR LOSS

For the Year ended 31 March	Notes	2026 Rs. '000	2025 Rs. '000
Revenue	6	7,066,659	6,732,928
Cost of Sales		(6,003,723)	(4,990,492)
Gross Profit		**1,062,936**	**1,742,436**
Other Income	7	103,374	7,199
Administrative Expenses		(98,528)	(124,153)
Change in Fair Value of Biological Assets	14.4	108,447	136,996
Management Fee		(110,431)	(227,897)
Finance Cost	8	(100,387)	(117,567)
Finance Income		13,575	23,113
Profit Before Taxation	9	**978,986**	**1,440,127**
Income Tax Expenses	10	(320,914)	(481,753)
Net Profit for the Year		658,072	**958,374**
Basic Earnings per Share	11.2	12.20	17.76
Dividend per Share	11.3	4.00	4.50

The accounting policies and notes on Pages 212 through 247 form an integral part of the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

For the Year ended 31 March	Notes	2026 Rs. '000	2025 Rs. '000
Profit for the Year		658,072	958,374
Other Comprehensive Income			
Other Comprehensive Income that will be reclassified to Profit or Loss in subsequent periods (net of tax)		-	-
Net Other Comprehensive Income that will be reclassified to Profit or Loss in subsequent periods		-	-
Other Comprehensive Income that will not to be reclassified to Profit or Loss in subsequent periods (net of tax)			
Remeasurement Gains/(Losses) on Defined Benefit Plan	23	(232,705)	(277,050)
Income Tax Effect	10.2	69,812	83,115
Net Other Comprehensive Income/(Loss) that will not to be reclassified to Profit or Loss		(162,893)	(193,935)
Total Other Comprehensive Income / (Loss) for the Year		**(162,893)**	**(193,935)**
Total Comprehensive Income for the Year, net of Tax		**495,179**	**764,439**

The accounting policies and notes on Pages 212 through 247 form an integral part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 31 March	Notes	2026 Rs.'000	2025 Rs. '000
ASSETS			
Non Current Assets			
Right of Use Assets	12	515,976	538,795
Freehold Property, Plant & Equipment	13	934,477	790,350
Bearer Biological Assets	14.1	2,333,546	2,340,033
Consumable Biological Assets	14.2	1,485,148	1,370,553
Tax Recoverable		-	47,926
Total Non Current Assets		5,269,147	5,087,657
Current Assets			
Produce on Bearer Biological Assets	14.3	19,628	25,776
Inventories	15	979,012	1,121,997
Trade and Other Receivables	16	744,705	488,997
Amounts Due from Related Parties	17	44,076	36,645
Cash and Cash Equivalents	18	113,184	231,424
Total Current Assets		1,900,605	1,904,839
TOTAL ASSETS		**7,169,752**	**6,992,496**
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	19	673,721	673,721
General Reserve	20	540,000	540,000
Timber Reserves	21	1,459,306	1,344,711
Retained Earnings		294,909	130,139
TOTAL EQUITY		2,967,936	2,688,571
Non Current Liabilities & Deferred Income			
Retirement Benefit Obligations	23	1,325,064	1,114,886
Deferred Tax Liability	24	831,108	841,986
Deferred Income	25	120,272	133,752
Lease Liability	26	610,569	604,002
Total Non Current Liabilities		2,887,013	2,694,626
Current Liabilities			
Trade and Other Payables	27	728,133	619,643
Interest Bearing Loans & Borrowings	22	-	304,124
Lease Liability	26	15,962	16,929
Income Tax Liability	24	139,210	222,854
Amounts Due to Related Parties	28	215,684	437,394
Dividend Payable	29	215,814	8,355
Total Current Liabilities		1,314,803	1,609,299
TOTAL EQUITY AND LIABILITIES		**7,169,752**	**6,992,496**
NET ASSETS PER SHARE		**55**	**50**

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

Y D Laksiri
Sector Financial Controller

The Board of Directors is responsible for these Financial Statements.

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

Dr. D S A Samaraweera
Director

E M S Epitakumbura
Director

The accounting policies and notes on Pages 212 through 247 form an integral part of the Financial Statements.
25th August 2026
Colombo

STATEMENT OF CHANGES IN EQUITY

For the Year ended 31 March	Stated Capital Rs. '000	General Reserve Rs. '000	Timber Reserve Rs. '000	Retained Earnings Rs. '000	Total Rs. '000
Balance as at 31 March 2024	**673,721**	**540,000**	**1,214,081**	**(260,879)**	**2,166,923**
Net Profit for the Year	-	-	-	958,374	958,374
Total Other Comprehensive Income /(Loss) for the Year	-	-	-	(193,935)	(193,935)
Dividend Paid	-	-	-	(242,791)	(242,791)
Timber Reserve	-	-	130,630	(130,630)	-
Balance as at 31 March 2025	**673,721**	**540,000**	**1,344,711**	**130,139**	**2,688,571**
Net Profit for the Year	-	-	-	658,072	658,072
Total Other Comprehensive Income/(Loss) for the Year	-	-	-	(162,893)	(162,893)
Dividend Paid	-	-	-	(215,814)	(215,814)
Timber Reserve	-	-	114,595	(114,595)	-
Balance as at 31 March 2026	**673,721**	**540,000**	**1,459,306**	**294,909**	**2,967,936**

The accounting policies and notes on Pages 212 through 247 form an integral part of the Financial Statements.

STATEMENT OF CASH FLOWS

Year ended 31 March	Notes	2026 Rs. '000	2025 Rs. ' 000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit before Taxation		**978,986**	**1,440,127**
Adjustments for			
Depreciation/Amortisation	12-14	195,684	170,283
Provision for Defined Benefit Plan Cost	23	205,688	169,846
Amortisation of Grants	25	(15,885)	(15,885)
Gain/(Loss) on change in fair value on Consumable Biological Assets	14.2	(114,595)	(130,630)
Gain/(Loss) on change in fair value Green Leaf	14.3	6,148	(6,367)
Finance Cost	8	100,387	117,568
Interest Income	7	(13,575)	(23,113)
Profit/(Loss) on Sale of Timber Trees		(547)	(15,042)
Operating Profit/(Loss) before Working Capital Changes		**1,342,291**	**1,706,787**
(Increase)/Decrease in Inventories	15	142,985	(199,793)
(Increase)/Decrease in Trade and Other Receivables	16	(255,707)	101,113
Increase/(Decrease) in Trade and Other Payables	27	100,135	32,642
Increase/(Decrease) in Amounts Due to Related Parties	28	(221,710)	(371,227)
(Increase)/Decrease in Amounts Due from Related Parties	17	(7,431)	(7,912)
Cash Generated from Operations		**1,100,563**	**1,261,610**
Interest Income		13,575	23,113
Finance Cost Paid		(17,497)	(36,155)
Retiring Benefit Obligation Cost paid	23	(228,215)	(212,229)
Net Cash from Operating Activities		**868,426**	**1,036,339**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property Plant & Equipment		547	19,655
Grant Received	25	2,405	4,914
Field Development Expenditure	14.1	(65,079)	(103,277)
Purchase of Property, Plant & Equipment	13	(222,605)	(161,150)
Net Cash used in Investing Activities		**(284,732)**	**(239,858)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of Government Lease Rentals	26.1	(88,735)	(85,486)
Payment of Lease Rental	26.2	(11,375)	(9,454)
Income Tax Paid		(297,699)	(66,162)
Dividend Paid		-	(242,791)
Payment of Loans		(72,918)	(175,000)
Net Cash used in Financing Activities		**(470,727)**	**(578,893)**
Net Increase/(Decrease) in Cash & Cash Equivalents		**112,967**	**217,588**
A. Cash & Cash Equivalents at the beginning of the Year		217	(217,371)
B. Cash & Cash Equivalents at the end of the Year		**113,184**	**217**
Note A			
Cash & Cash Equivalents at the beginning of the Year			
Cash & Bank Balances		231,424	156,583
Bank Overdrafts		(231,207)	(373,954)
		217	(217,371)
Note B			
Cash & Cash Equivalents at the end of the Year			
Cash & Bank Balances	19	113,184	231,424
Bank Overdrafts	19	-	(231,207)
		113,184	**217**

The accounting policies and notes on Pages 212 through 247 form an integral part of the Financial Statements.

Notes to the Financial Statements

1. REPORTING ENTITY

1.1 Domicile and Legal Form

Maskeliya Plantations PLC was incorporated and domiciled in Sri Lanka, under the Companies Act No. 17 of 1982 (The Company was re-registered under the Companies Act No. 07 of 2007) in terms of the provisions of the Conversion of Public Corporation and Government-Owned Business Undertakings into Public Companies under Public Companies Act No. 23 of 1987.

The registered office of the Company is located at No 310, High Level Road, Nawinna, Maharagama and Plantations are situated in the planting districts of Bandarawela, Maskeliya, Upcot & Talawakelle.

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

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

1.2 Principal Activities and the Nature of the Operations

During the year, the principal activities of the Company were cultivation and manufacture and sale of black Tea, planting of timber.

1.3 Parent Enterprise and Ultimate Parent Enterprise

The Company's parent undertaking is RPC Management Services (Pvt) Ltd. In the opinion of the Directors, the Company's ultimate parent undertaking and controlling party is Richard Pieris & Company PLC, which is incorporated in Sri Lanka.

1.4 Date of Authorization for Issue

The Financial Statements of Maskeliya Plantations PLC for the year ended 31 March 2026 were authorized for issue in accordance with a resolution of the board of directors on 25 August 2026.

1.5 Responsibility for Financial Statements

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

2. BASIS OF PREPERATION

2.1 Statement of Compliance

The Financial Statements of Maskeliya Plantations PLC have been prepared in accordance with Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, which requires compliance with the Sri Lanka Accounting Standards (SLFRS/ LKAS) promulgated by the Institute of Chartered Accountants of Sri Lanka (CASL) and with the requirements of the Companies Act No. 07 of 2007.

2.2 Basis of Measurement

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

- Managed Consumable Biological Assets are measured at fair value.
- Harvestable Agricultural Produce growing on bearer Biological Assets.
- Defined Benefit Obligation is measured using projected unit credit method.

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

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

2.3 Functional and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees (LKR'000) which is the Company's functional and presentation currency.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

Notes to the Financial Statements

3.1 New and Amended Standards and Interpretation

The following amendments and improvements do not have a significant impact on the Company's Financial Statements during the year ended 31st March 2026.

- SLFRS 17 Insurance Contract.
- SLFRS 18 Presentation and Disclosure in Financial Statements
- SLFRS 19 Subsidiaries without public accountability: Disclosures
- Classification and Measurement of Financial Instruments - Amendments to SLFRS 9 and SLFRS 7

3.2 Materiality and Aggregation

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

3.3 Going Concern

The Financial Statements have been prepared on the assumption that the Company is a going concern. The Directors have made an assessment of the Company's ability to continue as a going concern in the foreseeable future, and they do not foresee a need for liquidation or cessation of trading, to justify adopting the going concern basis in preparing these Financial Statements.

3.4 Current Versus Non-Current Classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

  or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

  or

- It does not have a right at the reporting date to defer settlement of the liability by the transfer of cash or other assets for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.5 Fair Value Measurement

The Company measures financial instruments and non-financial assets at fair value at each statement of financial position date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

- Consumable Biological Assets - Note 14.2
- Produce on bearer biological asset - Note 14.3

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

  or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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

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

Notes to the Financial Statements

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

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as managed Biological Assets. Involvement of external valuers is decided upon annually by the Management Committee after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management Committee decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.6 Property, Plant & Equipment

The Company applies the requirements of LKAS 16 on 'Property, Plant and Equipment' in accounting for its owned assets which are held for and use in the provision of the services, for rental to other or for administration purpose and are expected to be used for more than one year.

3.6.1 Basis of Recognition

Property, Plant and Equipment is recognised if it is probable that future economic benefit associated with the assets will flow to the Company and cost of the asset can be reliably measured.

3.6.2 Measurement

Items of Property, Plant & Equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

3.6.3 Cost of Owned Assets

The cost of Property, Plant & Equipment includes expenditures that are directly attributable to the acquisition of the asset. Such costs include the cost of replacing part of the property, plant and equipment and borrowing costs for long terms construction projects if the recognition criteria are met. The cost of self-constructed assets includes the cost of materials and direct labour, any other cost directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalized as a part of that equipment.

When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognises such parts as individual assets (major components) with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Profit or Loss Statement as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

3.6.4 Leased Assets

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. The Company recognises lease liability to make lease payments and right to use of assets representing the right to use the underlying assets.

Notes to the Financial Statements

3.6.4.1 Right of Use Assets

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

Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Lease period of land acquired from JEDB/ SLSPC will be expired in year 2045. If ownership of the leased asset transferred to the Company at the end of the lease period or the cost reflect the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset as follow:

	No. of Years	Rate (%)
Building	Fully Depreciated	
Right of use Asset-Land	19 Years	5.26

(over the remaining lease period)

3.6.4.2 Lease Liabilities

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

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

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

The Company's lease liabilities are included in Note 26 to the Financial Statements.

3.6.5 Derecognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss when the asset is derecognized and gains are not classified as revenue.

3.6.6 Land Development Cost

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

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

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

3.6.7 Biological Assets

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

Biological Assets are classified in to Mature Biological Assets and Immature Biological Assets. Mature Biological Assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature Biological Assets are those that have not yet attained harvestable specifications. Tea plantation and nurseries are classified as Biological Assets.

Biological Assets are further classified as Bearer Biological Assets and Consumable Biological Assets. Bearer Biological Asset includes tea 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 includes managed timber trees those that are to be harvested as agricultural produce or sold as Biological Assets.

Notes to the Financial Statements

3.6.7.1 Bearer Biological Assets

The Bearer Biological Assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 – Property, Plant & Equipment.

The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, inter planting and fertilising, etc., incurred between the time of planting and harvesting (when the planted area attains maturity), are classified as immature plantations.

These immature plantations are shown at direct costs plus attributable overheads. The expenditure incurred on Bearer Biological Assets (Tea) which comes into bearing during the year, is transferred to mature plantations.

3.6.7.2 Infilling Cost on Bearer Biological Assets

The land development costs incurred in the form of infilling have been capitalized to the relevant mature field, if it increases the expected future benefits from that field, beyond its pre-infilling performance assessment. Infilling costs so capitalized are depreciated over the newly assessed remaining useful economic life of the relevant mature plantation, or the unexpired lease period, whichever is lower.

3.6.7.3 Produce on Bearer Biological Assets

In accordance with LKAS 41, Company recognise agricultural produce growing on bearer plants at fair value less cost to sell. Change in the fair value of such agricultural produce recognized in Profit or Loss at the end of each reporting period.

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

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

- Tea – Bought Leaf rate (current month) less cost of harvesting & transport

3.6.7.4 Borrowing Cost

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset, which takes a substantial period of time to get ready for its intended use or sale are capitalised as a part of the asset.

Borrowing costs that are not capitalised are recognised as expenses in the period in which they are incurred and charged to the Profit or Loss Statement.

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

Borrowing costs incurred in respect of specific 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.

Borrowing costs were not capitalised as the company has not obtained any long-term loans for investing in immature plantations -2025/2026

3.6.7.5 Consumable Biological Asset

Consumable Biological Assets include managed timber trees those that are to be harvested as agricultural produce or sold as Biological Assets. Expenditure incurred on Consumable Biological Assets (managed timber trees) is measured on initial recognition and at the end of each reporting period at its fair value less cost to sell in terms of LKAS 41. The cost is treated as approximation to fair value of young plants as the impact on biological transformation of such plants to price during this period is immaterial. The fair value of timber trees are measured using DCF method taking into consideration the current market prices of timber, applied to expected timber content of a tree at the maturity by an independent professional valuer. The valuer uses the "Direct Capital Comparison Method" which express that there are evidences of sale price of the assets as a whole. All other assumptions and sensitivity analysis are given in Note 14.2.

The gain or loss arising on initial recognition of Consumable Biological Assets at fair value less cost to sell and from a change in fair value less cost to sell of Consumable Biological Assets are included in Profit or Loss for the period in which it arises.

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

Consumable Biological Assets initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Profit or Loss Statement when the asset is derecognized.

3.6.7.6 Nursery Plants

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

Notes to the Financial Statements

3.6.8 Depreciation and Amortisation

(a) Depreciation

Depreciation is recognised in Statement of Profit or Loss on a straight-line basis over the estimated useful economic lives of each part of an item of Property, Plant & Equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Assets held under finance leases are depreciated over the shorter of the lease term and the useful lives of equivalent owned assets unless it is reasonably certain that the Company will have ownership by the end of the lease term. The estimated useful lives and depreciation rates are as follows:

Asset Categories	No. of Years	Rate (%)
Buildings & Roads	40	2.50
Plant & Machinery	13 1/3 to 23	7.50/4.35
Motor Vehicles	05	20.00
Equipment	08	12.50
Computer	04	25.00
Computer Software	03	33.33
Furniture & Fitting	10	10.00
Water Sanitations	20	5.00

Mature Plantations (Replanting and New Planting)

Category	No. of Years	Rate (%)
Mature Plantations -Tea	33 1/3	3.00

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date on which the asset is classified as held for sale or is derecognised. Depreciation methods, useful lives and residual values are re-assessed at the reporting date and adjusted prospectively, if appropriate. Mature plantations are depreciated over their useful lives or unexpired lease period, whichever is less.

No depreciation is provided for immature plantations.

(b) Amortisation

The leasehold rights of assets taken over from SLSPC are amortised in equal amounts over the useful lives as follows:

Asset Categories	No. of Years	Rate (%)
Improvements to Land	30	3.33
Mature Plantations (Tea)	30	3.33
Buildings	25	4.00
Machinery	15	6.67

3.7 Financial Instruments

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

3.7.1 Financial Assets

3.7.1.1 Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash & bank, trade and other receivable and amount due from related parties.

3.7.1.2 Subsequent Measurement

For the purpose of subsequent measurement, financial assets are classified in four categories. Their classification as described below:

(a) Financial Assets at Amortized Cost (Debt Instruments)

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual Cash Flows.

  and

Notes to the Financial Statements

- The contractual terms of the financial asset give rise on specified dates to Cash Flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in Profit or Loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade receivables and amounts due from related parties.

3.7.1.3 Derecognition

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

- The rights to receive Cash Flows from the asset have expired.

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

When the Company has transferred its rights to receive Cash Flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

3.7.1.4 Impairment of Financial Assets

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

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

3.7.2 Financial Liabilities

3.7.2.1 Initial Recognition & Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Profit or Loss. Loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of Loans and Borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities includes trade and other payables, amounts due to related parties, bank overdraft, loans and borrowings.

3.7.2.2 Subsequent Measurement

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

(a) Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through Profit or Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Profit or Loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

Gains or losses on liabilities held for trading are recognized in the income statement.

Notes to the Financial Statements

(b) Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Financial liabilities comprise interest bearing loans and borrowings, trade payables, other payables and amounts due to related parties.

3.7.2.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Profit or Loss.

3.7.3 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

3.8 Inventories

Agricultural Produce Harvested from Biological Assets

Agricultural produce harvested from Biological Assets are measured at their fair value less cost to sell at the point of harvest. The finished and semi-finished inventories from agricultural produce are valued by adding the cost of conversion to the fair value of agricultural produce.

Finished Goods Manufactured from Agricultural Produce of Biological Assets

These are valued at the lower of cost and estimated net realisable value, after making due allowance for obsolete and slow-moving items. Net realisable value is the estimated selling price at which stocks can be sold in the ordinary course of business after allowing for cost of realisation and/or cost of conversion from their existing state to saleable condition.

Input Material, Spares and Consumables

At actual cost on weighted average basis.

3.9 Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less cost of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future Cash Flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future Cash Flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit or Loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Notes to the Financial Statements

3.10 Trade and Other Receivables

Trade and other receivables are stated at their estimated realisable amounts inclusive of provisions for bad and doubtful debts.

3.11 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand form an integral part of the Company's cash management and are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

3.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Profit or Loss Statement net of any reimbursement.

3.13 Employees Benefits

(a) Defined Contribution Plans - Provident Funds and Trust Fund

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

The Company contributes 12% on consolidated salary of the employees to Ceylon Planters' Provident Society (CPPS)/Estate Staff Provident Society (ESPS)/ Employees' Provident Fund (EPF).

All the employees of the Company are members of the Employees' Trust Fund, to which the Company contributes 3% on the consolidated salary of such employees.

(b) Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognised in the Financial Statements in respect of defined benefit plan is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually using the "Projected Unit Credit" method. The present value of the defined benefit obligation is determined by discounting the estimated future Cash Flows using the interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in retained earnings through other comprehensive income and not reclassified to Profit or Loss. Past service costs are recognised immediately in the Statement of Profit or Loss.

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

The Liability is not externally funded.

The key assumptions used in determining the retirement benefit obligations are given in Note 23.

3.14 Capital Commitments and Contingencies

Capital commitments and contingent liabilities of the Company have been disclosed in the respective notes to the Financial Statements.

3.15 Events Occurring after the Date of Financial Position

All material post events occurring after the date of financial position have been considered where appropriate; either adjustments have been made or adequately disclosed in the Financial Statements.

3.16 Earnings per Share

The Company presents basic Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the Profit or Loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.17 Deferred Income

3.17.1 Grants and Subsidies

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

Notes to the Financial Statements

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

Grants related to Property, Plant & Equipment other than grants received for forestry are initially deferred and allocated to income on a systematic basis over the useful life of the related Property, Plant & Equipment as follows:

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

Buildings	40 Years

Grants received for forestry are initially deferred and credited to income once when the related blocks of trees are harvested.

3.18 Statement of Profit or Loss

For the purpose of presentation of Statement of Profit or Loss, the function of expenses method is adopted, as it represents fairly the elements of the Company's performance.

3.18.1 Revenue

Revenue from contracts with customers

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

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

Sale of Plantation produce

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

There is no element of financing present as the Company's sale of plantation produce are either on cash terms (Immediate payment or advance payment not exceeding 30 days) or on credit terms ranging from 7 to 15 days.

Revenue recognition criteria for the other revenue and income earned by the Company are as follows;

a) Rental Income

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

b) Interest Income

Interest income is recognized on an accrual basis, using the effective interest method.

3.18.2 Expenses

All expenditure incurred in the running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency is charged to revenue in arriving at the Profit or Loss for the period.

3.18.2.1 Finance Cost

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through Profit or Loss, and losses on hedging instruments that are recognised in Profit or Loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in Profit or Loss using the effective interest method.

The interest expense component of finance lease payments is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Notes to the Financial Statements

3.18.3 Taxes

3.18.3.1 Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit or Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.18.3.2 Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable Profit or Loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable Profit or Loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside Profit or Loss is recognised outside Profit or Loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

3.19 Statement of Cash Flows

The Statement of Cash Flow has been prepared using the 'Indirect Method'. Interest paid is classified as operating Cash Flows, interest and dividends received are classified as investing Cash Flows while dividends paid and Government grants received are classified as financing Cash Flows, for the purpose of presenting the Statement of Cash Flow.

3.20 Segment Reporting

Segmental information is provided for the different business segments of the Company Business segmentation has been determined based on the nature of goods provided by the Company after considering the risk and rewards of each type of product. The Company is primarily engaged in the production of tea, which is the single business segment.

The Company evaluates the performance of its geographical segments. Therefore, geographical segments have been presented.

The segments information is disclosed in the Note 06 to the Financial Statements.

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

Assets and liabilities directly attributable to each segment are allocated to the respective segments. Assets and liabilities, which are not directly attributable to a segment, are allocated on a reasonable basis wherever possible. Unallocated items comprise mainly interest-bearing loans, borrowings and expenses.

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

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Financial Statements in conformity with SLFRS/LKAS requires management to make judgments, estimates and assumptions that influence the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Judgments and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual experience and results may differ from these judgments and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period and any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following notes:

- Note 14.2 – Consumable Biological Assets
- Note 23 – Measurement of the Retirement Benefit Obligations
- Note 24 – Deferred Taxation

4.1 Taxation

Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

According to The Inland Revenue (Amended) Bill, to amend the Inland Revenue Act, No. 24 of 2022, Agro Farming is exempt from income tax for a period of 5 years effective from 01 April 2019 which expired in 31 March 2024.Upon the expiration of the concession period during the financial year, both agro farming and processing activities are once again subject to Taxation, with the combined income being taxed at a rate of 30%.

The details of deferred tax computation are given in Note 10

Deferred Tax

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. As per the Inland Revenue (Amended) bill issued on 18.03.2021.

4.2 Retirement Benefit Obligations

The present value of the retirement benefit obligation determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

In determining the appropriate discount rate, management considers the interest rates of Sri Lanka government bonds with maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future salary increases are based on expected future inflation rate and expected future salary increase rates of the Company.

Further details about Retirement benefit obligations are provided in Note 23

4.3 Fair Valuation of Consumable Biological Assets

The fair value of managed timber trees depends on a number of factors that are determined on a discounted method using various financial and non-financial assumptions. The growth of the trees is determined by various biological factors that are highly unpredictable. Any change to the assumptions will impact to the fair value of Biological Assets. Key assumptions and sensitivity analysis of the Biological Assets are given in the Note 14.2.

4.4 IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of LKAS 12 Income Taxes. The Company applies significant judgement in identifying uncertainties over income

Notes to the Financial Statements

tax treatments. Since the Company operates in a complex environment, it assessed whether the interpretation had an impact on its financial statements. The Company determined that it is probable that its tax treatments will be accepted by the taxation authorities. The Interpretation did not have an impact on the Financial Statements of the Company.

4.5 Leases - Estimating the Incremental Borrowing Rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates such as the Company's stand-alone credit rating.

5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

5.1 SLFRS 18 Presentation and Disclosure in Financial Statements

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

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

The potential impact of SLFRS 18 on the Financial Statements and the related notes is currently being identified and evaluated

5.2 SLFRS 19 Subsidiaries without Public Accountability: Disclosures

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

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

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

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

Notes to the Financial Statements

5.3 SLFRS 17 Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts, covering recognition, measurement, presentation, and disclosure. It replaces SLFRS 4 and applies to all types of insurance contracts, including life, non-life, direct insurance, reinsurance as well as certain guarantees and financial instruments with discretionary participation features:

The standard is built around the General Measurement Model, supported by two supplementary approaches:

- Variable Fee Approach (VFA): for contracts with direct participation features
- Premium Allocation Approach (PAA): a simplified model mainly for short duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required. Early adoption is allowed if the entity also applies SLFRS 9 Financial Instruments and SLFRS 15 Revenue from Contracts with Customers by the date SLFRS 17 is first applied.

SLFRS 17 does not have a material impact on the financial statements.

Notes to the Financial Statements

6. REVENUE

6.1 Summary

Year ended 31 March	2026 Rs. '000	2025 Rs. '000
Tea	7,066,112	6,717,886
Profit on Sale of Timber Trees	547	15,042
	7,066,659	6,732,928

6.2 Segment Information

Geographical Segment	Maskeliya		Upcot		Talawakelle		Bandarawela		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
Revenue	1,891,564	1,900,062	2,430,840	2,178,960	1,369,664	1,267,324	1,374,591	1,386,582	7,066,659	6,732,928
Cost of Sales	(1,522,714)	(1,261,233)	(1,957,721)	(1,559,125)	(967,379)	(809,080)	(1,154,538)	(1,020,925)	(5,602,352)	(4,650,363)
Depreciation /Amortization	(49,780)	(43,109)	(56,186)	(50,022)	(37,216)	(30,164)	(52,501)	(46,988)	(195,683)	(170,283)
Gratuity	(57,298)	(44,218)	(71,395)	(58,943)	(31,111)	(23,803)	(45,884)	(42,882)	(205,688)	(169,846)
Segment Results	261,772	551,502	345,538	510,870	333,958	404,277	121,668	275,787	1,062,936	1,742,436
Other Income									103,374	7,199
Gain on change in fair value of Biological Assets									108,447	136,996
Administrative Expenses									(98,528)	(124,153)
Management Fees									(110,431)	(227,897)
Finance Income									13,575	23,113
Finance Cost									(100,387)	(117,567)
Income Tax Expenses									(320,914)	(481,753)
Profit for the Year									658,072	958,374

Segment Assets	Maskeliya		Upcot		Talawakelle		Bandarawela		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
Cost	1,582,359	1,540,769	1,946,528	1,872,366	1,277,723	1,203,959	2,627,711	2,523,315	7,434,321	7,140,409
Accumulated Depreciation	(709,299)	(659,519)	(849,144)	(792,958)	(510,627)	(473,411)	(780,691)	(728,396)	(2,849,761)	(2,654,284)
Current Assets	438,336	400,293	721,003	646,351	298,871	327,248	534,837	490,381	1,993,047	1,864,273
	1,311,396	1,281,543	1,818,387	1,725,759	1,065,967	1,057,796	2,381,857	2,285,300	6,577,607	6,350,398
Unallocated Assets										
Cost									953,908	870,646
Accumulated Depreciation									(269,321)	(269,114)
Current Assets									(92,442)	40,566
Total Assets									7,169,752	6,992,496
Segment Liabilities										
Non Current Liabilities	499,283	461,807	683,632	619,231	260,857	251,521	361,363	381,153	1,805,135	1,713,712
Current Liabilities	163,790	123,958	283,025	222,481	130,743	131,651	131,508	135,730	709,066	613,820
	663,073	585,765	966,657	841,712	391,600	383,172	492,871	516,883	2,514,201	2,327,532
Unallocated Liabilities										
Non Current Liabilities									1,081,878	980,914
Current Liabilities									605,737	995,479
									1,687,615	1,976,393
									4,201,816	4,303,925
Capital Expenditure										
Field Development	6,361	9,637	18,547	18,109	2,045	5,441	38,126	70,090	65,079	103,277
Property, Plant & Equipment	30,165	20,436	41,821	20,048	37,827	34,096	4,424	34,078	114,237	108,658
	36,526	30,073	60,368	38,157	39,872	39,537	42,550	104,168	179,316	211,935
Field Development									-	-
Property, Plant & Equipment-Unallocated									108,368	52,492
Total Capital Expenditure									287,684	264,427

Notes to the Financial Statements

6.3

Segment Information Cashflow Segment	Maskeliya		Upcot		Talawakelle		Bandarawela		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	2026 Rs.'000	2025 Rs.'000
Net Profit / (Loss) before Taxation	262,050	406,410	336,759	466,065	189,747	271,072	190,430	296,580	-	-	978,986	1,440,127
Cashflows from Investing Activities	302,826	401,892	372,314	469,033	183,439	239,122	178,489	243,468	(168,644)	(317,177)	868,424	1,036,338
Cashflows from Financing Activities	(36,526)	(25,803)	(60,368)	(38,157)	(39,872)	(39,537)	(42,003)	(88,783)	(105,963)	(47,577)	(284,732)	(239,857)
Cashflows from Financing Activities	-	-	-	-	-	-	-	-	(470,725)	(578,893)	(470,725)	(578,893)
Net Increase/(Decrease) in Cash & Cash Equivalents	266,300	376,089	311,946	430,876	143,567	199,585	136,486	154,685	(745,332)	(943,647)	112,967	217,588
A. Cash & Cash Equivalents at the beginning of the Year											217	(217,371)
B. Cash & Cash Equivalents at the end of the Year											113,184	217
NOTE A												
Cash & Cash Equivalents at the beginning of the Year												
Cash & Bank Balances											231,424	156,583
Bank Overdrafts											(231,207)	(373,954)
											217	(217,371)
NOTE B												
Cash & Cash Equivalents at the end of the Year												
Cash & Bank Balances											113,184	231,424
Bank Overdrafts											-	(231,207)
											113,184	217

7. OTHER INCOME

	2026 Rs. '000	2025 Rs. '000
Amortization of Capital Grants	15,885	15,885
Other Sundry Income	(12,846)	(8,686)
Insurance Recovery - Produced Stock Damaged by Factory Fire	100,335	-
	103,374	7,199

8. FINANCE COST

	2026 Rs. '000	2025 Rs. '000
Interest on Lease Rental (JEDB/SLSPC)	81,034	78,921
Interest on other Leases	1,856	2,491
Overdraft Interest	6,592	5,932
Term Loan Interest	10,296	27,486
Stamp Duty & other Charges	609	2,737
	100,387	117,567

8.1 FINANCE INCOME

	2026 Rs. '000	2025 Rs. '000
Interest Income	13,575	23,113
	13,575	23,113

The following table demonstrates the sensitivity on interest rates on floating loans and borrowings with all other variables held constant

Year	Increase /Decrease in Interest Rate	Rs.'000
2025/2026	+ 1%	1,056
	- 1%	(1,056)
2024/2025	+ 1%	2,819
	- 1%	(2,819)

Notes to the Financial Statements

9. PROFIT BEFORE TAXATION IS STATED AFTER CHARGING

	2026 Rs. '000	2025 Rs. '000
Auditor's Remuneration	7,799	6,037
Directors' Remuneration	2,560	1,270
Depreciation/Amortization	195,683	170,283
Defined Benefit Plan Costs (Included Under Cost of Sales & Administration Expenses)	205,689	169,846
Defined Contributions Plan Costs - EPF & ETF	333,430	266,945
Others - Staff Costs (Including Estate Employees)	3,640,602	2,757,924

10. TAX EXPENSE

The major component of income tax expense for the year ended 31st March 2026 are as follows :

10.1 Statement of Profit or Loss

	2026 Rs.'000	2025 Rs.'000
Deferred Tax:		
Relating to (origination) and reversal of temporary differences (Note 24.1)	(58,934)	(192,737)
Amount originated due to the Income Tax Change (Note 24.2)	(261,980)	(289,016)
Income (Tax charge)/reversal reported in Income Statement	(320,914)	(481,753)

10.2 Statement of Comprehensive Income

Deferred tax relating to items (charges)/credited directly to OCI during the year:		
Net gain/(loss) on actuarial gains and losses on Defined Benefit Plans (Note 24.1)	69,812	83,115
Income Tax charge directly to Other Comprehensive Income	69,812	83,115

10.3 Reconciliation Between Tax Expenses and the Product of Accounting Profit

	2026 Rs.'000	2025 Rs.'000
Exempt business Income	-	-
Profit before Tax	978,986	1,440,127
Aggregate Disallowed Items	405,633	346,736
Aggregate Allowable Items	(511,352)	(546,502)
Taxable Profit	873,267	1,240,361
Brought forward Tax losses set off	-	(276,976)
Taxable Profit after Tax loss	873,267	963,385
Effective Tax Rate	30%	30%

Notes to the Financial Statements

11. BASIC EARNINGS PER SHARE

11.1 The calculation of the basic earnings per share is based on after tax profit/(loss) for the year divided by the weighted average number of ordinary shares outstanding during the period.

11.2 The following reflects the income and share data used in the basic earnings per share computation.

	2026 Rs.'000	2025 Rs.'000
Amounts used as the Numerator :		
Net Profit/(Loss) applicable to ordinary share holders for basic earnings per share	658,072	958,374
	658,072	958,374
Amounts used as the Denominator :		
Weighted average number of ordinary shares in issue applicable to basic earnings per share	53,953	53,953
	53,953	53,953
Basic Earnings Per Share -Rs.	12.20	17.76

11.3 Dividend Per Share

	2026 Rs.'000	2025 Rs.'000
Interim Dividend Paid	215,814	242,791
	215,814	242,791
Number of Ordinary Shares	53,953	53,953
Dividend Per Share	4.00	4.50

12. RIGHT OF USE ASSETS

	Notes	2026 Rs.'000	2025 Rs.'000
Right of Use Land	12.1	506,651	516,034
Right of Use Immovable Bearer Biological Assets	12.2	-	4,044
Right of Use Immovable Assets (other than right to use Land and Bearer Biological Assets)	12.3	317	333
Right of Use Asset - Other Assets	12.4	9,008	18,384
Carrying Amount		515,976	538,795

12.1. Right of Use Land

“Right of Use of Land on Lease” was previously accounted under Statement of Alternative Treatment (SoAT) issued by the Institute of Chartered Accountants of Sri Lanka dated 21 August 2013. However, SLFRS 16 was applicable with effect from 01 January 2019, and therefore, above "Right of Use of Land " is accounted in accordance with SLFRS 16 with effect from 01 April 2019.Agreement for "Right to Use assets - Land" have been executed for all estates for a period of 19 years.

|Notes to the Financial Statements

The effect to the Statement of Financial Position and amortization of the right to use of land up to 31 March 2026 are as follows:

	2026 Rs. '000	2025 Rs. '000
Capitalised Value		
At the beginning of the Year	621,235	530,818
Transition adjustment due to initial application of SLFRS 16	22,820	90,417
At the end of the Year	644,055	621,235
Amortization		
At the beginning of the Year	105,201	75,618
Transferred in due to initial application of SLFRS 16	-	-
Amortization charge for the year	32,203	29,583
At the end of the Year	137,404	105,201
Carrying Amount	506,651	516,034

12.2 Right of Use Immovable Bearer Biological Assets

In terms of the ruling of the UITF of the Institute of Chartered Accountants of Sri Lanka which prevailed at the time of privatisation of plantation estates, all immovable assets in these estates under finance leases have been taken into the books of the Company retroactive to 22nd June 1992. For this purpose, the Board decided at its meeting on 8th March, 1995, that these assets be stated at their book values as they appear in the books of the JEDB/SLSPC, on the day immediately preceding the date of formation of the Company. These assets were taken into the Statement of Financial Position as at 22nd June, 1992 and amortisation of immovable leased assets to 31 March 2026 are as follows.

MATURE PLANTATIONS - TEA	2026 Rs. '000	2025 Rs. '000
Capitalised Value		
as at 22nd june, 1992	230,859	230,859
Amortisation		
At the beginning of the Year	226,815	220,584
Amortisation for the year	4,044	6,231
At the end of the Year	230,859	226,815
Carrying amount	-	4,044

Investment in Immature Plantations at the time of handing over to the Company as at 22 June, 1992 by way of estate leases were shown under Immature Plantations. However, since then all such investments in Immature Plantations attributable to JEDB/SLSPC period have been transferred to Mature Plantations. These mature tea plantations were classified as bearer biological assets in terms of LKAS 16. The carrying value of the bearer biological assets leased from JEDB/SLSPC is recognised at cost less amortization. Further investments in such plantations to bring them to maturity are shown in Note 14.1.

Notes to the Financial Statements

12.3. Right of Use Immovable Assets (Other than Right of Use Land and Bearer Biological Assets)

	Improvement to Land Rs.'000	Other Vested Assets Rs.'000	Buildings Rs.'000	Plant & Machinery Rs.'000	2026 Rs.'000	2025 Rs.'000
Capitalised Value						
(22 June, 1992)	12,153	836	101,800	12,585	127,374	127,374
Amortization						
At the beginning of the Year	12,153	503	101,800	12,585	127,041	127,025
Amortization for the year	-	16	-	-	16	16
At the end of the Year	12,153	519	101,800	12,585	127,057	127,041
Carrying Amount	-	317	-	-	317	333

These Assets are being amortised in equal annual amounts over the following periods:

Mature plantations/improvement to land	30 Years
Buildings	25 Years
Machinery	15 Years

12.4 Right of Use Asset - Other Lease Assets

Maskeliya Plantations PLC (Head Office) occupies as a tenant, occupying a building which belongs to Richard Pieris & Company PLC (Ultimate Parent) and which was previously accounted as an operating lease under LKAS 17. Since, the SLFRS 16 supersedes LKAS 17 Leases, The Company adopted SLFRS 16 using the modified retrospective method of adoption to above lease arrangement.

The effect to the Statement of Financial Position and depreciation of building to 31 March 2026 are as follows:

Cost	2026 Rs.'000	2025 Rs.'000
At the beginning of the Year	41,588	37,616
Additions	-	3,972
At the end of the Year	41,588	41,588
Depreciation		
At the beginning of the Year	23,204	15,863
Depreciation during the Year	9,376	7,341
At the end of the Year	32,580	23,204
Written Down Value	9,008	18,384

Notes to the Financial Statements

MASKELIYA

view

13. FREEHOLD PROPERTY ,PLANT AND EQUIPMENT

Cost	Balance as at 01.04.2025 Rs.'000	Additions for the Year Rs.'000	Disposal during the Year Rs.'000	Balance as at 31.03.2026 Rs.'000
Land Improvements	91,943	-	-	91,943
Buildings	441,823	27,073	-	468,896
Motor Vehicles	251,302	168,299	-	419,601
Plant & Machinery	944,295	12,064	-	956,359
Furniture & Fittings	19,089	129	-	19,218
Equipment	171,501	13,773	-	185,274
Water Sanitation	46,101	-	-	46,101
Computers	35,055	3,744	-	38,799
Computer Software	1,465	-	-	1,465
	2,002,574	225,082	-	2,227,656

Accumulated Depreciation	Balance as at 01.04.2025 Rs.'000	Charge for the Year Rs.'000	Accumulated Depreciation on Disposal Rs.'000	Balance as at 31.03.2026 Rs.'000
Land Improvements	38,181	2,299	-	40,480
Buildings	167,821	11,593	-	179,414
Motor Vehicles	214,656	24,618	-	239,274
Plant & Machinery	720,700	25,426	-	746,126
Furniture & Fittings	13,050	720	-	13,770
Equipment	122,213	10,095	-	132,308
Water Sanitation	46,101	-	-	46,101
Computers	28,477	3,727	-	32,204
Computer Software	1,465	-	-	1,465
	1,352,664	78,478	-	1,431,142
Written Down Value	649,910			796,514

	Balance as at 01.04.2025 Rs.'000	Additions for the Year Rs.'000	Capitalised/ Disposed During the Year Rs.'000	Balance as at 31.03.2026 Rs.'000
Capital Work in Progress	140,440	42,742	(45,219)	137,963
	140,440	42,742	(45,219)	137,963
Total Written Down Value	790,350			934,477

Note : The assets shown above are those movable assets vested in the Company by Gazette Notification at the date of formation of the Company (22nd June 1992) and all investments in tangible assets by the Company since its formation.The assets taken over by way of estate leases are set out in Note 12.

Notes to the Financial Statements

Fully Depriciated Assets

Cost of Fully Depriciated Assets	2026 Rs.'000	2025 Rs.'000
Plant, Machinery, Tools & Electrical Installations	644,502	640,989
Furniture, Fixures & Fittings	7,889	7,889
Office & Other Equipments	87,229	87,069
Computers	15,013	13,705
Motor Vehicles	92,115	92,115
Others	45,160	45,160
	891,908	886,927

14. BEARER BIOLOGICAL ASSETS

14. 1 Bearer Bialogical Assets

Cost	Immature Plantations Rs.'000	Mature Plantations Rs.'000	Total 2026 Rs.'000	Total 2025 Rs.'000
At the beginning of the Year	848,014	2,385,533	3,233,547	3,130,270
Additions	65,079	-	65,079	103,277
Transfers	(186,726)	186,726	-	-
At the end of the Year	726,367	2,572,259	3,298,626	3,233,547
Depreciation				
At the beginning of the Year	-	893,514	893,514	821,948
Charge for the Year	-	71,566	71,566	71,566
At the end of the Year	-	965,080	965,080	893,514
Written Down Value	726,367	1,607,179	2,333,546	2,340,033

Note :
These are investments in immature/ mature plantations since the formation of the Company. The assets (including plantation assets) taken over by way of estate leases are set out in Notes 12 . Further investment in immature plantations taken over by way of these leases are shown in the above note. When such plantations become mature, the additional investments since take over to bring them to maturity, will be moved from immature to mature under this note.

The Company has elected to measure the bearer biological assets at cost using LKAS 16 - Property, Plant & Equipment.

Borrowing costs were not capitalized as the company has not obtained any long-term loans for investment in immature plantations

Notes to the Financial Statements

14. 2 Consumable Biological Assets - Timber Plantations

	2026 Rs.'000	2025 Rs.'000
At the beginning of the Year	1,370,553	1,244,536
Gain arising from changes in fair value less cost to sell	114,595	130,630
Decrease due to harvest/ transfer	-	(4,613)
At the end of the Year	1,485,148	1,370,553

Managed trees include commercial timber plantations cultivated on estates. The cost of immature trees is treated as approximate fair value particularly on the grounds that little biological transformation has taken place and impact of the biological transformation on price is not material.

The fair value of managed trees was ascertained in accodance with LKAS 41. The valuation was carried out by Mr W M Chandrasena FIV (SL) MRICS (UK) accredited Chartered Valuation Surveyor using Discounted Cash Flow (DCF) methods. In ascertaining the fair value of timber valuer has considered the different species, size, condition and location of timber trees. The future cash flows are determined by reference to current timber prices without considering the future increase of timber prices.

The valuations, as presented in the external valuation models based on net present values, take into account the long term exploitation of the timber plantations. Because of the inherent uncertainty associated with the valuation at fair value of the biological assets due to the volatility of the variables, their carrying value may differ from their realisable value. Hence, the sensitivity analysis regarding selling price and discount rate variations as included in this note allows an investor to reasonably challenge the financial impact of the assumptions used in the SLFRS 13 against his own assumptions.

14. 2.1 Information about Fair Value Measurements using Significant Unobservable Inputs (Level 3)

Non Financial Asset	Valuation Technique	Unobservable Inputs	Range of Unobservable Inputs (Probability weighted average)		Relationship of Unobservable Inputs to Fair Value
			2026	2025	
Consumable Managed Biological Assets	DCF	Discounting Rate	15%	16%	The higher the discount rate the lower the fair value.
		Optimum rotation (Maturity)	30 - 40 Years	30 - 40 Years	Lower the rotation period, the higher the fair value.
		Price per cu ft	Rs.300/= to Rs.900/=	Rs.300/= to Rs.900/=	The higher the price the higher the fair value.

Other key factors considered in valuation

1. The harvesting is approved by the Plantation Management Monitoring Division (PMMD) and Forest Department based on the forestry development plan.
2. The price adopted are net of expenditure
3. Though the replanting is a condition precedent for harvesting, yet the costs are not taken in to consideration.

Sensitivity Analysis

•Sensitivity variation sales price

Values as appearing in the Statement of Financial Position are very sensitive to price changes with regard to the average sales prices applied. Simulations made for timber show that a rise or decrease by 10% of the estimated future selling price has the following effect on the net present value of biological assets:

Notes to the Financial Statements

Managed Timber	-10%	+10%
As at 31 March 2026	(148,515)	148,515
As at 31 March 2025	(137,055)	137,055

•Sensitivity variation discount rate

Values as appearing in the Statement of Financial Position are very sensitive to changes of the discount rate applied. Simulations made for timber trees show that a rise or decrease by 1.5% of the discount rate has the following effect on the net present value of biological assets:

Managed Timber	-1.5%	+1.5%
As at 31 March 2026	47,130	(42,306)
As at 31 March 2025	50,120	(44,995)

14.3 Produce on Bearer Biological Assets

	2026 Rs.'000	2025 Rs.'000
At the beginning of the Year	25,776	19,409
Change in fair value less cost to sell	(6,148)	6,367
At the end of the Year	19,628	25,776

14.4 Gain /(Loss) on Fair Value of Biological Assets

	2026 Rs.'000	2025 Rs.'000
Consumable Biological Assets Gain/(Loss) arising from changes in fair value less cost to sell (Note No 14.2)	114,595	130,629
Produce on Bearer Biological Assets Gain/(Loss) arising from changes in fair value less cost to sell (Note No 14.3)	(6,148)	6,367
	108,447	136,996

14.5 Fair Value Hierarchy

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Non Financial Assets - Consumable Biological Assets

As at 31 March	Date of valuation	Level 1		Level 2		Level 3	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Assets measured at fair value							
Consumable Biological Assets - Timber	31 March	-	-	-		1,485,148	1,370,553
Produce on Bearer Biological Assets	31 March	-	-	19,628	25,776	-	-

Notes to the Financial Statements

In determining the fair value, highest and best use of timber, current condition of the trees and expected timber content at harvesting have been considered. Also, the valuers have made reference to market evidence of transaction prices of the company, and the market prices of timber corporation, with appropriate adjustments for size and location. The appraised fair values are rounded within the range of values.

15. INVENTORIES

	2026 Rs.'000	2025 Rs.'000
Input Materials	170,335	129,981
Growing Crop - Nurseries	35,436	31,943
Produce Stock	739,411	931,452
Consumables & Spares	33,830	28,621
	979,012	1,121,997

16. TRADE AND OTHER RECEIVABLES

	2026 Rs.'000	2025 Rs.'000
Produce Debtors	288,712	141,310
Advances & Prepayments	43,508	35,376
Festival Advances - Estates	85,001	86,878
Other Debtors	333,488	231,437
	750,709	495,001
Less: Provision for Doubtful Debt	(6,004)	(6,004)
	744,705	488,997

16.1. Trade Receivables

The aging analysis of trade receivables is as follows:

Past due but not impaired

Trade Receivables	Total	0-60 days	61-120 days	121-180 days	181-365 days	> 365 days
Produce Debtors - as at 31 March 2026	288,712	288,712	-	-	-	-

Produce debtors are realised within seven days from sales

17. AMOUNTS DUE FROM RELATED PARTIES

	Relationship	2026 Rs.'000	2025 Rs.'000
Maskeliya Tea Garden Ceylon (Pvt) Ltd	Related Company	31,695	27,812
Arpitech (Pvt) Ltd	Related Company	3,241	4,624
RPC Properties (Pvt) Ltd	Related Company	213	213
RPC Logistics (Pvt)LTD	Related Company	-	94
Kegalle Plantations PLC	Related Company	8,927	3,902
		44,076	36,645

Notes to the Financial Statements

18. CASH AND CASH EQUIVALENTS

		2026 Rs.'000	2025 Rs.'000
18.1	**Favourable Balances**		
	Cash at Bank and in Hand	113,184	231,424
		113,184	231,424
18.2	**Unfavourable Balances**		
	Bank Overdraft (Note 22)	-	(231,207)
	Total Cash and Cash Equivalents for the purpose of Cash Flow Statements	113,184	217

19. STATED CAPITAL

	2026 Rs.'000	2025 Rs.'000
Issued and Fully Paid Number of Shares		
Balance as at 01 of April	53,953	53,953
	53,953	53,953
Value of Issued and Fully Paid Shares		
Balance as at 01 of April	673,721	673,721
	673,721	673,721

20. GENERAL RESERVE

	2026 Rs.'000	2025 Rs.'000
Balance at the beginning of the Year	540,000	540,000
Balance at the end of the Year	540,000	540,000

General Reserves represents amounts set-a-side from time to time by the Directors of the Company for purpose of general application. These have been appropriated by the Board in compliance with the Articles, which provides for such amounts being set-a-side for future and utilized after appropriate Board Approvals.

21. TIMBER RESERVE

Timber reserve is a revenue reserve which relates to charge in fair value of managed trees on commercial timber plantations cultivated on estates.

Notes to the Financial Statements

22. INTEREST BEARING LOANS AND BORROWINGS

Loans & Borrowings	Balance as at 31.03.2025 Rs.'000	Loan obtained during the Year Rs.'000	Capital Re-paid during the Year Rs.'000	Balance as at 31.03.2026 Rs.'000
Commercial Bank	72,917	-	72,917	-
Bank Overdraft	231,207	-	231,207	-
	304,124	-	304,124	-

22.1 Long Term Loans

	Repayable within 1 Year Rs.'000	Repayable after 1 Year less than 5 Years Rs.'000	Total as at 31.03.2026 Rs.'000	Total as at 31.03.2025 Rs.'000	Rate of Interest	Terms of Re payments
Commercial Bank	-	-	-	72,917	9.75% Fixed	47 monthly instalments of Rs.14,583,333 and final instalment of Rs.14,583,349/- commencing from Sep 2021
	-	-	-	72,917		

22.2 Short Term Loan

	Repayable within 1 Year Rs.'000	Repayable after 1 Year less than 5 Years Rs.'000	Total as at 31.03.2026 Rs.'000	Total as at 31.03.2025 Rs.'000
Bank Overdraft	-	-	-	231,207
	-	-	-	231,207

Securities pledged in relation to these facilities are in note 30

22.3 Liquidity Risk

The Company does not concentrate on a single financial institution, thereby minimizing the exposure to liquidity risk through diversification of funding sources. The company aims to fund investment activities of the company by funding the long-term investment with long term financial sources and short term investment with short term financing. Where necessary the company consults the Treasury Department and Strategic Business Development Unit in Parent Company for scrutinizing the funding decisions.

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Notes to the Financial Statements

The table below summarizes the maturity profile of the Company financial liabilities based on contractual undiscounted payments

As at 31st March 2026	On Demand Rs.'000	Less than 3 Months Rs.'000	3 to 12 Months Rs.'000	2 to 5 Years Rs.'000	>5 Years Rs.'000	Total Rs.'000
Lease Liability	-	21,372	67,363	354,940	1,242,290	1,685,965
	-	21,372	67,363	354,940	1,242,290	1,685,965
As at 31st March 2025						
Interest bearing loans & borrowing	231,207	43,750	29,167	-	-	304,124
Lease Liability	-	21,371	64,115	341,946	1,282,297	1,709,729
	231,207	65,121	93,282	341,946	1,282,297	2,013,853

23. RETIRING BENEFIT OBLIGATIONS

	2026 Rs.'000	2025 Rs.'000
At the beginning of the Year	1,114,886	880,219
Interest Cost	133,786	114,428
Current Service Cost	71,902	55,417
Gratuity Payments for the Year	(228,215)	(212,229)
Actuarial (Gain)/Loss due to changes in Financial Assumptions	99,884	80,248
Actuarial (Gain)/Loss due to changes in Experience Adjustment	132,821	196,803
At the end of the Year	1,325,064	1,114,886

According to the actuarial valuation report issued by Messers Actuarial & Management Consultants (Pvt) Ltd as at 31 March 2026, the actuarial present value of promised retirement benefits amounted to Rs.1,325,064,042/-. If the Company had provided for gratuity on the basis of 14 days wages & half months salary for each completed year of service, the liability would have been Rs. 1,748,172,337 /-.

LKAS 19 requires the use of actuarial techniques to make a reliable estimate of the amount of retirement benefit that employees have earned in return for their service in the current and prior periods using the Projected Unit Credit Method and discount that benefit in order to determine the present value of the retirement benefit obligation and the current service cost. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates about demographic variables and financial variables that will influence the cost of the benefit. The following key assumptions were made in arriving at the above figure.

The following payments are expected from the defined benefit plan obligation is carried on annual basis.

	2026 Rs.'000	2025 Rs.'000
Within the next 12 months	110,717	113,038
Between 2 and 5 Years	412,767	354,668
Beyond 5 Years	801,580	647,180
	1,325,064	1,114,886

Notes to the Financial Statements

The weighted average duration of the defind benefit plan obligation at the end of the reporting period is 8 years and 9 Years for staff and workers respectively.

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

	2026	2025
(i) Rate of Discount	11% (per annum)	12% (per annum)
(ii) Retirement Age Workers	60 Years	60 Years
Staff - Head Office	60 Years	60 Years
- Estates	60 Years	60 Years

Sensitivity Analysis - Salary/ Wage Escalation Rate

Values appearing in the Financial Statements are very sensitive to the changes of financial and non financial assumptions used. The sensitivity was carried for both the rate of wage increment and the salary increment. Simulation made for retirement benefit obligation shows that an increase or decrease by 1% of the rate of wage and salary increase has the following effect on the retirement benefit obligations.

	Workers		Staff	
	Rs. '000	Rs. '000	Rs.'000	Rs.'000
	+1%	-1%	+1%	-1%
As at 31 March 2026	106,445	(94,954)	7,498	(6,693)
As at 31 March 2025	85,909	(76,716)	6,276	(5,621)

Sensitivity Analysis - Discount Rate

Values appearing in the financial statements are very sensitive to the changes of financial and non financial assumptions used. The sensitivity was carried for the discount rate. Simulation made for retirement benefit obligations shows that an increase or decrease by 1% of the discount rate has the following effect on the retirement benefit obligation.

	Workers		Staff	
	Rs. '000	Rs. '000	Rs.'000	Rs.'000
	+1%	-1%	+1%	-1%
As at 31 March 2026	(93,748)	106,757	(6,136)	6,963
As at 31 March 2025	(75,171)	85,410	(5,077)	5,739

Notes to the Financial Statements

24. DEFERRED TAX

	2026		2025	
	Temporary Difference Rs.'000	Tax Effect Rs.'000	Temporary Difference Rs.'000	Tax Effect Rs.'000
As at 1 April	2,806,619	841,986	2,441,214	732,364
Amount originating/(reversal) during the Year	(36,259)	(10,878)	365,405	109,622
As at 31 March	2,770,360	831,108	2,806,619	841,986
Deferred Tax Liability				
Temporary difference of Right of Use Asset	515,975	154,792	538,796	161,638
Temporary difference of Property, Plant and Equipment	493,935	148,181	407,035	122,111
Temporary difference of Mature and Immature Plantations	2,333,546	700,064	2,340,033	702,010
Temporary difference of Biological Assets	1,504,777	451,433	1,396,329	418,899
	4,848,233	1,454,470	4,682,193	1,404,658
Deferred Tax Assets				
Temporary difference of Lease Creditors	(626,532)	(187,960)	(620,931)	(186,279)
Temporary difference of Retirement Benefit Obligation	(1,325,064)	(397,519)	(1,114,886)	(334,466)
Temporary difference of Debtors Provision	(6,004)	(1,801)	(6,004)	(1,801)
Temporary difference of Deferred Grants	(120,273)	(36,082)	(133,753)	(40,126)
As at 31 March	(2,077,873)	(623,362)	(1,875,574)	(562,672)
As at 31 March	2,770,360	831,108	2,806,619	841,986

The tax rate used to calculate deferred tax liability for all the Temporary Differences as at 31 March, 2026 is 30% (2025-30%).

24.1 Reconciliation of Deferred Tax Charge / (Reversal)

	2026 Tax Effect Rs.'000	2025 Tax Effect Rs.'000
Amount recognized as at 1 April	841,986	732,364
Tax charge /(reversal) during the period recognised in Statement of Profit or Loss	58,934	192,737
Tax charge /(reversal) during the period recognised in Other Comprehensive Income	(69,812)	(83,115)
As at 31 March	831,108	841,986

24.2 Reconciliation of Income Tax Charge / (Reversal)

	2026 Rs.'000	2025 Rs.'000
Balance at the beginning of the Year	222,854	-
Tax Recoverable Last Year	(47,925)	-
Provision made during the Year	261,980	289,016
Payments made during the Year	(297,699)	(66,162)
Balance at the end of the Year	139,210	222,854

Notes to the Financial Statements

25. DEFERRED INCOME

Deferred Grants and Subsidies	2026 Rs.'000	2025 Rs.'000
Balance at the beginning of the Year	133,752	144,723
Add : Grants received during the Year	2,405	4,914
Less Grants refunded during the Year	-	-
Less : Amortisation for the Year	(15,885)	(15,885)
Balance at the end of the Year	120,272	133,752

The Company has received funding from the Plantation Housing and Social Welfare Trust and Asian Development Bank for the development of workers facilities such as re-roofing of line rooms, latrines, water supply, sanitation and roads etc. The amounts spent are included under the relevant classification of Property, Plant & Equipment and the grant component is reflected under Deferred Grants and Subsidies. Further this includes the C.T.C Machinery Subsidy which represents the fund received from Sri Lanka Tea Board in relation to C.T.C Project at Poonagalla Estate and also a rebate received from Ceyloan Electricity Board on acquisition of a Generator."Agriculture Sector Modernization Project" of the "State Ministry of Development of Minor Crops including Sugarcane, Maizem Cashew, Pepper, Cinnamon, Clove , Betel related industries and Export Promotion Under the Ministry of Plantations" for the Establishment of a Modern Greenhouse facility at a project site at Leangawella Estate, Bandarawela. Department of Export Aggriculture has provide grant for coffee planting in all estates of the company . Grants are amortised over the life of the assets for which they are being deployed.

26. LEASE LIABILITY

		2026 Rs.'000	2025 Rs.'000
Lease Liability on Right of use Asset - Land	26.1	615,640	600,521
Lease Liability on Right of use Asset - Other Assets	26.2	10,891	20,410
		626,531	620,931

26.1 Lease liability on right of use asset land

	2026 Rs.'000	2025 Rs.'000
At the beginning of the Year	600,521	516,669
Reassessment Adjustment	22,820	90,417
Accretion of Interest	81,034	78,921
Payments made during the Year	(88,735)	(85,486)
At the end of the Year	615,640	600,521

26.1.1 Liability to make Lease Payment

	2026 Rs.'000	2025 Rs.'000
Payable within one Year		
Gross Liability	88,735	85,486
Finance cost allocated to future periods	(80,033)	(78,068)
Net Liability transferred to current Liabilities	8,702	7,418
Payable within two to five Years		
Gross Liability	354,940	341,946
Finance cost allocated to future periods	(307,252)	(301,289)
Net Liability	47,688	40,657
Payable after five Years		
Gross Liability	1,242,290	1,282,297
Finance cost allocated to future periods	(683,038)	(729,851)
Net Liability	559,252	552,446
Net Liability payable after one Year	606,940	593,103

The base rental payable per Year Rs.88,734,928/-.

Notes to the Financial Statements

26.2 Lease Liability on Right of use Asset - Other Assets

	2026 Rs.'000	2025 Rs.'000
At the beginning of the Year	20,409	23,400
Accretion of Interest	1,857	2,491
Repayments during the Year	(11,375)	(9,453)
New lease obtained	-	3,972
At the end of the Year	10,891	20,410
Current Liability	7,260	9,510
Non Current Liability	3,631	10,900
Total Lease Liability as at 31 March	10,891	20,410

26.3 Current & Non Current Classification of Lease Liability

Current	15,962	16,929
Non Current	610,569	604,002

27. TRADE AND OTHER PAYABLES

	2026 Rs.'000	2025 Rs.'000
Trade Creditors	227,590	265,853
Accrued Expenses	444,010	300,894
Others	56,533	52,896
	728,133	619,643

28. AMOUNTS DUE TO RELATED PARTIES

	Relationship	2026 Rs.'000	2025 Rs.'000
RPC Management Services (Pvt) Ltd	Parent Company	190,824	372,375
RPC Plantation Management Services (Pvt) Ltd	Related Company	27	-
Richard Pieris and Company PLC	Ultimate Parent	863	21,777
Richard Pieris Distributors Ltd	Related Company	2,074	721
Namunukula Plantations PLC	Related Company	20,882	41,835
Richard Pieris Tyre Company Ltd	Related Company	1,014	686
		215,684	437,394

Notes to the Financial Statements

29. DIVIDEND PAYABLE

	2026 Rs.'000	2025 Rs.'000
Ordinary Dividend - Unclaimed	215,814	8,355
	215,814	8,355

30. SECURITIES PLEDGED

The following assets have been pledged as securities for liabilities.

Name of Bank	Loan Facility Rs.	Security	Nature of Liability	Carrying Amount Pledged	
				2026 Rs.'000	2025 Rs.'000
Sampath Bank PLC	100,000,000	Primary mortgage over leashold rights of Glentilt estate	Overdraft	167,444	154,420
HNB	175,000,000	Primary Floating Mortgage bond over leasehold rights of Glenugie Estate	Overdraft	123,954	123,533
NationsTrust Bank	150,000,000	Primary mortgage over stocks in trade	Overdraft/Money Market Loan	739,411	931,452
HNB Term Loan	350,000,000	Primary mortgage over leasehold rights of Ampittiakande, Craig Estates	Long term Loan	493,399	498,181
HNB Term Loan	120,000,000	Mortgage over leasehold rights of Ampittiakande, Craig Estates	Long term Loan	471,019	471,019
HNB Term Loan	130,000,000	Primary mortgage over leasehold rights of St Clair Estate	Long term Loan	127,961	109,952
HNB Term Loan	400,000,000	Mortgage over leasehold rights of Ampittiakande, Craig ,Glenugie & St clair Estates.	Long term Loan	749,322	718,085
HNB Term Loan	250,000,000	Mortgage over leasehold rights of Ampittiakande, Craig ,Glenugie & St clair Estates.	Long term Loan	749,322	718,085
Seylan Bank	250,000,000	Mortgage over leasehold rights of Moussakelle Estates	Long term Loan	93,024	96,133

31. CAPITAL COMMITMENTS

	2026 Rs.	2025 Rs.
Capital commitments as at the reported date		
Budgeted, but not provided for	84Mn	106Mn
Total	84Mn	106Mn

The budgeted field development programme of the Company for the next three years amounts to Rs.150 Mn.

32. CONTINGENCIES

No contingent liabilities exist as at the Statement of Financial Position date, to be disclosed.

Notes to the Financial Statements

33. EVENT AFTER REPORTING PERIOD

There have been no material events occurring after the reporting date that require adjustments or disclosure in the Financial Statements.

34 TRANSACTION WITH RELATED ENTITIES

GRI 2-15

34.1 Parent Company

	2026 Rs.'000	2025 Rs.'000
Amounts Payable	(190,824)	(372,375)
Management Fees	(110,431)	(227,897)

34.1.2 Management Fees

Management fees is payable at 15% on Earnings before interest and tax (EBIT) with minimum management fees per annum of Eighteen Million (Rs 18,000,000/-) per annum.

34.2 Group Companies

	2026 Rs.'000	2025 Rs.'000
Amounts Receivable as at 31 March	44,076	36,645
Amounts Payable as at 31 March	(24,860)	(65,019)
Rent	(2,655)	(2,655)
Purchase of Goods/Services	(14,373)	3,269
Sales of Goods/Services	764	603
Interest Paid	-	(809)
Interest Received	6,529	23,101
Salaries, Fuel , Maintenance, etc Received	23,205	12,233
Salaries, Fuel , Maintenance, etc Paid	(12,744)	(15,191)
Current A/C Settlement Paid	(358,048)	(598,536)
Current A/C Settlement Received	19,624	21,500
Short Term Loan Paid	-	(52,778)

34.3 Terms and Conditions

Transaction with related parties are carried out in the ordinary course of business at arms length transactions. Outstanding balances at the year end are unsecured and net settlement occurs in cash.

34.4 Transactions with the Key Management Personnel of the Company and Parent

The Company Key Management Personnel include members of the Board of Directors of Maskeliya Plantations PLC and members of Board of Directors of Richard Pieris and Company PLC.

Key Management Personnel Compensation,

	2026 Rs.'000	2025 Rs.'000
Short-term employee benefits	2,560	5,605
	2,560	5,605

Notes to the Financial Statements

35. RELATED PARTY TRANSACTIONS

There are no related party transactions other than those disclosed in Notes 09, 17, 28 and 34 to the Financial Statements

36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Sri Lanka Accounting Standard - LKAS 7 (Statement of Cash Flows), requires an entity to disclose information that enables users of Financial Statements to evaluate changes in liabilities arising from financing activities, including both changes arising from Cash Flows and non-cash changes. Accordingly, changes in liabilities arising from financing activities for the year ended 31 March 2026 are disclosed below.

The funds borrowed by the Company are given in Note 22.

	Company Interest-Bearing Borrowings
At the beginning of the Year	304,124
Net Cash flows from Financing Activities	(304,124)
Non Cash Changes	-
At the end of the Year	-

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company has loan and other receivables, trade and other receivables, and cash and cash equivalent that arise directly from its operations.

37.1 Financial Risk Management Framework

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's financial risk management framework which includes developing and monitoring the Company's financial risk management policies.

37.2 Credit Risk

Credit Risk is the risk of financial loss to the Company's if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arise principally from the Company's receivable from customers.

37.2.1 Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry and the country in which the customers operate, as these factors may have an influence on credit risk.

The Company reviews external ratings and bank references of the customer when available. Purchase limits are established for each customer, which are reviewed quarterly. In monitoring credit risk, customers are categorised according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale or retail customer, geographical location, industry, aging profile, maturity and existence of previous financial difficulties. Credit risk on trade are minimal since settlement is guaranteed within seven days. Any sales exceeding those limits require arrpoval from risk management commitee.

Notes to the Financial Statements

The Companies main customer (Brokers) have been transacting with the company more than 10 years and non of these customers balances have been written off or are credit- impaired at the reporting date. In monitoring customer risk, customers are grouped according to their credit characteristics , including whether they are individual or leagal entity, whether are a wholesale, retail or end -user customer, their geographic location, trading history with the company and exsistence of previous difficulties.

The maximum exposure to credit risk for trade and other receivables at the reporting date is Rs.744 Mn (2024/25 – Rs. 488 Mn).

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

the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security(if any held)

or

The financial assets is more than 21 days past due.

Trade & Other Receivables Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 365 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

The movement of in the allowance for the impairment for trade and other receivable during the Year was

	2026 Rs.'000	2025 Rs.'000
At the beginning of the Year	6,004	6,004
Charge for the Year	-	-
Write-off	-	-
Recoveries	-	-
At the end of the Year	6,004	6,004

37.2.2 Cash and Cash Equivalents

The Company held cash at bank and in hand of Rs. 113 Mn as at 31 March 2026 (2024/25 – Rs.231 Mn) which represents its maximum credit exposure on these assets.

37.3. Liquidity Risk

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

The details of liquidity risk is given in the Note 22.3.

37.4. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk & other price risk such as equity price risk. Financial instrument affected by market risk include loans & borrowings, deposits & derivative financial instruments.

37.4.1 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The details of interest rate risk is given in the Note 8.

|Shareholder and Investor Information

Stock Exchange Listing

The Issued Ordinary Shares of Maskeliya Plantations PLC are listed with the Colombo Stock Exchange of Sri Lanka. The Audited Accounts of the Company for the year ended 31 March, 2026 have been submitted to the Colombo Stock Exchange within three months of the Balance Sheet date.

Distribution of Shareholdings

No of Shares Held	No. of Shareholders	%	No. of Share	Holding %
1-1000	16,197	97.60	2,064,673	3.83
1001-5000	256	1.54	606,197	1.12
5001-10000	48	0.29	366,443	0.69
10001-50000	66	0.40	1,482,195	2.75
50001-100000	15	0.09	1,065,346	1.97
100001-500000	11	0.07	2,833,737	5.25
500001-1000000	1	0.01	536,502	0.99
1000001 & above	1	0.01	44,998,397	83.4
Total	**16,595**	**100.00**	**53,953,490**	**100.00**

Distribution of Shareholdings - Inter Companies & General Public

	No. of Shareholders	%	No. of Share	Holding %
Resident Shareholders	**16,578**	**99.90**	**53,530,207**	**99.21**
Non-Resident Shareholders	**17**	**0.10**	**423,283**	**0.79**
Total	**16,595**	**100.00**	**53,953,490**	**100.00**

Public Shareholding as at 31 March 2026 is 16.60%. (31.03.2025 - 16.60%). This represnts by 16,592 Shareholders (31.03.2025 - 16,508)

The company complies with option 02 of the listing rules 7.13.1 (b) - Less than Rs. 1 Bn. float adjusted market capitalization which requires 10% minimum Public Holding

		Year Ended 31-Mar-26	Year Ended 31-Mar-25
Market Capitalization	**Rs'000**	3,771,349	4,256,930
Price Earning Ratio	**Times**	5.73	4.44
Public Holding	**%**	16.60	16.60
Total no. of Shareholders representing the Public Holding	**Nos.**	16,592	16,508
Float adjusted Market Capitalization	**Rs'000**	626,044	706,650

	Value	Date
Market Value per Share	69.90	31/03/2026
The Highest Value Recorded	119.75	02/10/2025
The Lowest Value Recorded	63.00	23/03/2026

Market Value per share

Colombo Stock Market Activities During The Year	2025/26	2024/25
Number of Trades	241	236

Twenty Five Major Shareholders

	As at 31 March 2026		As at 31 March 2025	
	Number of Shares Held	% of the Holding	Number of Shares Held	% of the Holding
R.P.C Management Services (Pvt) Ltd	44,998,397	83.40	44,998,397	83.40
Seylan Bank PLC/Mohamed Mushtaq Fuad	536,502	0.99	142,671	0.26
Sampath Bank PLC/Senthilverl Holding (Pvt) Ltd	463,502	0.86	-	-
Mr.M. Muralidaran	460,565	0.85	99,000	0.18
Seylan Bank PLC/ R.A Rishard	350,000	0.65	1,057,041	1.96
Hatton National Bank PLC/Mushtaq Mohamed Fuad	269,527	0.50	77,800	0.14
Deutsche Bank AG - National Equity Fund	255,647	0.47	-	-
Sandwave Limited	230,000	0.43	-	-
Citizens Development Business Finance PLC/S	200,000	0.37	-	-
Amana Bank PLC	165,120	0.31	-	-
Mrs.F.F Haniffa	159,555	0.30	-	-
Seylan Bank PLC/Zaki Alif	150,000	0.28	-	-
Miss.O.U.K Jayasundara	129,821	0.24	-	-
Rockport Limited	90,000	0.17	90,000	0.17
Miss.A Radhakrishnan	86,867	0.16	86,867	0.16
Miss.M.P Radhakrishnan	86,866	0.16	86,866	0.16
Mr.M.Z Rasheed	85,197	0.16	271,400	0.50
Hatton National Bank PLC/Anjula Chamila	81,047	0.15	86,000	0.16
Seylan Bank PLC/ Mohamed Subair Fouzal Haqque	75,000	0.14	-	-
Peoples Leasing and Finance	74,110	0.14	-	-
Hatton National Bank PLC/Ravindra Erle	72,000	0.13	90,000	0.17
Senkadagala Finance PLC/M.S.F Haqque	69,752	0.13	-	-
Senkadagala Finance PLC/M.M. Fuad	61,367	0.11	-	-
Mr.R.E Rabukwelle	61,261	0.11	-	-
Seylan Bank PLC/Andaradeniya Estate(PVT)Ltd	59,541	0.11	77,897	0.14
	49,271,644	**91.32**	-	-
Balance held by 16,570 Shareholders (2024/25 - 16486)	4,681,846	8.68	5,231,789	9.70
Total no. of Shares	**53,953,490**	**100.00**	**53,953,490**	**100.00**

The Golden Shareholder

The Golden Share of Rs. 10/- is currently held by the Secretary to the Treasury and should be owned either directly by the Government of Sri Lanka or by a 100 Government owned Public Company. In addition to the rights of the normal ordinary shareholder, the Golden Shareholder has the following rights;

1) The concurrence of the Golden Shareholder will be required for the Company to sublease any of the estate land leased/ to be leased to the Company by the Janatha Estate Development Board/Sri Lanka State Plantations Corporation

2) The concurrence of the Golden Shareholder will be required to amend to amend any clause in the Articles of Association of the Company which grant specific rights to the Golden Shareholder

3) The Golden Shareholder, or his nominee will have the right to examine the books and accounts of the Company at any time

within two weeks of written notice

4) The Company should be required to submit detailed quartely accounts report to the Golden Shareholder in a specified format within 60 days of the end of each quarter. Additional information relating to the Company in a specified format must be submitted to the Golden Shareholder within 90 days of the end of each fiscal year

5) The Golden Shareholder can request the Board of Directors of the Company to meet with respective nominee, once in every quarter to discuss issues related to the Company's operation of interest to the Government

Ten Year Summary

Assets & Liabilities	25/26 Rs'000	24/25 Rs'000	23/24 Rs'000	22/23 Rs'000	21/22 Rs'000	20/21 Rs'000	19/20 Rs'000	18/19 Rs'000	17/18 Rs'000	16/17 Rs'000
Non Current Assets										
(Excluding Investment)	5,269,147	5,087,657	4,773,108	4,341,957	4,144,151	4,052,126	4,000,781	3,838,061	3,696,714	3,622,369
Current Assets	1,900,605	1,904,839	1,717,039	1,829,224	913,354	854,621	736,898	926,789	956,022	820,059
Current Liabilities	1,314,803	1,609,299	1,966,626	2,272,374	2,132,527	1,990,174	2,496,245	1,971,494	1,821,670	1,944,797
Working Capital	585,802	295,540	(249,587)	(443,151)	(1,219,173)	(1,135,553)	(1,759,347)	(1,044,705)	(865,648)	(1,124,738)
Long Term Debt	-	-	72,917	247,917	448,524	677,370	126,223	312,770	401,153	402,502
Provision for Terminal Benefits	1,325,064	1,114,886	880,219	910,501	904,839	1,003,931	1,208,307	1,110,362	1,005,741	897,881
Interest Paid/Received										
(Including /Borrowing Cost)	100,387	117,567	183,688	229,819	172,295	175,530	231,369	252,066	184,538	250,788
Share Capital & Reserves										
Stated Capital	673,721	673,721	673,721	673,721	673,721	673,721	673,721	673,721	673,721	673,721
General Reserve	540,000	540,000	540,000	540,000	540,000	540,000	540,000	540,000	540,000	540,000
Revenue Reserve	1,754,215	1,474,847	953,202	537,817	(204,354)	(500,164)	(840,476)	(187,797)	(152,852)	(331,011)
Total Shareholders' Fund	2,967,936	2,688,571	2,166,923	1,751,538	1,009,367	713,557	373,245	1,025,924	1,060,870	882,710
% Increase in Shareholders' Fund	10.39	24.07	23.72	73.53	41.46	91.18%	(63.62%)	(3.29%)	20.18%	(4.49%)
Capital Employed (Rs. Mn)	2,968	2,761	2,415	2,200	1,714	1,645	728	1,631	1,828	1,590
Financial Ratios										
Return on Capital employed %	26.48%	41.57%	27.53%	56.83%	19.77%	23.27%	-30.01%	13.70%	24.86%	8.72%
Current Ratio (Times)	1.45	1.18	0.87	0.80	0.43	0.43	0.30	0.47	0.52	0.42
Debt Equity Ratio (Times)	0%	0.11	0.29	0.55	1.23	2.07	3.92	1.31	1.19	1.63
Equity to Assets %	41%	38%	33%	28%	20%	15%	8%	22%	23%	20%
Interest Cover (Times)	10.75	13.25	5.55	6.99	2.22	1.60	-	1.03	3.21	-
Total Asset to Current Liabilities %	18%	23%	30%	37%	42%	41%	53%	41%	39%	44%
Debt to Total Assets %	0%	4%	10%	16%	25%	30%	31%	28%	27%	32%
Investor Ratios										
Annualized Earnings per Share (Rs.)	12.20	17.76	8.68	16.43	3.01	1.92	(10.68)	0.10	4.66	(1.72)
Price Earning Ratio (Times)	5.73	4.44	3.69	2.22	3.18	5.73	(0.58)	110	4.12	(4.48)
Dividend Rate (%)	40%	45%		-	-	-	-	-	-	-
Dividend per Share (Rs.)	4.00	4.50		-	-	-	-	-	-	-
Dividend Cover (Times)	3.05	3.95		-	-	-	-	-	-	-
Dividend Payout Ratio	33%	25%	-	-	-	-	-	-	-	-
Dividend Yield %	5.72	5.70		-	-	-	-	-	-	-
Market Price of a Share as at 31/03(Rs.)	69.90	78.90	32.00	36.50	9.60	11.00	6.20	10.80	19.20	7.70
Market Capitalization (Rs.Mn.)	3,771	4,257	1,727	1,969	518	593	335	583	1,036	415
Net Asset Value per Share (Rs.)	55.01	49.83	40.16	32.46	18.71	13.23	6.92	19.01	19.66	16.36
Net Sales Average per 1 kg Tea (Rs.)	1051.27	1069.75	974.49	1203.76	607.93	585.15	493.36	540.08	576.63	504.18
Capital Expenditure (Rs.000)	287,684	264,427	323,893	164,325	128,196	47,262	64,976	171,275	186,021	64,810

	25/26 Rs'000	24/25 Rs'000	23/24 Rs'000	22/23 Rs'000	21/22 Rs'000	20/21 Rs'000	19/20 Rs'000	18/19 Rs'000	17/18 Rs'000	16/17 Rs'000
Production Kg.'000										
Estate	6,209	6,091	5,812	4,614	5,950	6,351	6,690	7,323	7,446	6,497
Bought	208	255	356	319	320	291	303	213	178	254
Total	6,417	6,346	6,168	4,933	6,270	6,642	6,993	7,536	7,624	6,751
Financial Performance										
Revenue	7,066,659	6,732,928	6,328,771	6,169,527	4,005,924	3,974,895	3,716,295	4,167,216	4,517,365	3,455,462
Gross Profit/(Loss)	1,062,936	1,742,436	1,001,274	1,712,458	361,102	225,620	(359,988)	260,934	645,106	182,688
Operating Profit/(Loss) Before										
Management Fees & Interest	1,189,804	1,785,591	1,042,825	1,788,430	406,086	310,638	(336,419)	259,725	635,615	186,796
Profit before Interest & Similar Charges	1,079,373	1,557,694	927,921	1,576,847	375,609	275,900	(356,621)	238,603	556,937	159,699
Profit/(Loss) for the year before Tax	978,986	1,440,125	760,873	1,351,151	206,279	103,300	(578,720)	6,980	383,412	(83,580)
Profit & (Loss) after Tax	658,072	958,374	468,101	886,550	162,662	103,513	(576,111)	5,264	251,398	(92,707)
Retained Profits	1,754,215	1,474,847	953,202	537,817	(204,354)	(500,164)	(840,476)	(187,797)	(152,852)	(331,011)
Proposed Dividend	215,814	242,791		-	-	-	-	-	-	-
Operating Ratios										
Annual Turnover Growth %	5%	6%	3%	54%	1%	7%	-11%	-8%	31%	6%
Profit Growth %	(31%)	105%	(47%)	445%	57%	118%	(11045%)	(98%)	371%	80%
Turnover per Employee Rs.'000	1,195	1,350	1078	914	541	460	338	376	415	289
Fixed Assets to Turnover Ratio %	75%	76%	75.42%	70.38%	103.45%	101.94%	106.32%	90.95%	122.20%	95.39%

GRI Index

Statement of use Maskeliya Plantations PLC has reported in accordance with the GRI Standards for the period 01 April 2025 to 31 March 2026

GRI 1 used GRI 1: Foundation 2021

Applicable GRI Sector Standard(s) GRI 13 Agriculture Aquaculture and Fishing Sectors 2022

GRI Standard/ Other Source	Disclosure	Location	Omission			GRi Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
General Disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	273				
	2-2 Entities included in the organization's sustainability reporting	9				
	2-3 Reporting period, frequency and contact point	4,5,201,202				
	2-4 Restatements of information		Yes	Not Applicable	No restatements to disclose	
	2-5 External assurance	4,68,82				
	2-6 Activities, value chain and other business relationships	30,31,32,33				
	2-7 Employees	101,102,103				
	2-8 Workers who are not employees		Yes	Not Applicable	All Workers are occupied as employees	
	2-9 Governance structure and composition	23,162,171 172,173				
	2-10 Nomination and selection of the highest governance body	163,173,196, 197				

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
	2-11 Chair of the highest governance body	162				
	2-12 Role of the highest governance body in overseeing the management of impacts	56,57,162, 173				
	2-13 Delegation of responsibility for managing impacts	56,57,162, 174,175				
	2-14 Role of the highest governance body in sustainability reporting	56,57,175				
	2-15 Conflicts of interest	163,175,176, 194,245				
	2-16 Communication of critical concerns	164,176				
	2-17 Collective knowledge of the highest governance body		Yes	Not Applicable	Due to confidentiality concerns, the company does not wish to disclose this information.	
	2-18 Evaluation of the performance of the highest Governance body		Yes	Not Applicable	Due to confidentiality concerns, the company does not wish to disclose this information.	
	2-19 Remuneration policies		Yes	Not Applicable	Due to confidentiality concerns, the company does not wish to disclose this information.	

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
	2-20 Process to determine remuneration		Yes	Not Applicable	Due to confidentiality concerns, the company does not wish to disclose this information.	
	2-21 Annual total compensation ratio		Yes	Not Applicable	Due to confidentiality concerns, the company does not wish to disclose this information.	
	2-22 Statement on sustainable development strategy	56				
	2-23 Policy commitments	101,165	Yes	Information Unavailable	Information Unavailable	
	2-24 Embedding policy commitments	101	Yes	Information Unavailable	Information Unavailable	
	2-25 Processes to remediate negative impacts	106				
	2-26 Mechanisms for seeking advice and raising concerns	106				
	2-27 Compliance with laws and regulations	164,176				
	2-28 Membership associations	129				

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
	2-29 Approach to stakeholder engagement	34				
	2-30 Collective bargaining agreements	106				
Material Topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	37,38,39				
	3-2 List of material topics	40,41,42,43, 44				
	3-3 Management of material topics	40,41,42,43, 44				
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics	42				13.3.1
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss		Yes	Information unavailable	Insufficient data were collected	13.3.2
	101-2 Management of biodiversity impacts		Yes	Information unavailable	Insufficient data were collected	13.3.3
	101-3 Access and benefit-sharing	137				13.3.4

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
	101-4 Identification of biodiversity impacts		Yes	Information unavailable	Insufficient Date Ware Collected	13.3.5
	101-5 Locations with biodiversity impacts	138				13.3.6
	101-6 Direct drivers of biodiversity loss		Yes	Information unavailable	Insufficient Date Ware Collected	13.3.7
	101-7 Changes to the state of biodiversity		Yes	Information unavailable	Insufficient Date Ware Collected	13.3.8
	101-8 Ecosystem services		Yes	Information unavailable	Insufficient Date Ware Collected	13.3.9
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	41				13.1.11
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	151,152				13.1.5
	305-2 Energy indirect (Scope 2) GHG emissions	152,153				13.1.6
	305-3 Other indirect (Scope 3) GHG emissions		Yes	Not Applicable	Not disclosing in this reporting period	13.1.7
	305-4 GHG emissions intensity	153				13.1.8

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
	305-5 Reduction of GHG emissions		Yes	Not Applicable	Not disclosing in this reporting period	13.1.4
	305-6 Emissions of ozone-depleting substances (ODS)		Yes	Not Applicable	Not disclosing in this reporting period	13.1.11
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air Emissions		Yes	Not Applicable	Not disclosing in this reporting period	13.1.12
Economic Performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	40				13.22.1
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	87,88				13.22.2
	201-2 Financial implications and other risks and opportunities due to climate change	57,140,141				13.2.2
	201-3 Defined benefit plan obligations and other retirement plan	111				13.2.3
	201-4 Financial assistance received from government	88				13.2.4
Market Presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	40				
GRI 202: Indirect Market Presence 2016	202-1 Ratios of standard entry-level wage by gender compared to local minimum wage	108				

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
	202-2 Proportion of senior management hired from the local community	103				
Indirect Economic Impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	40				13.22.1
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	97,98				13.22.3
	203-2 Significant indirect economic impacts	88,89				13.22.4
Procurement Practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	40				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	90				
Anti- Corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	40				13.2.1
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	134				13.26.2
	205-2 Communication and training about anti-corruption policies and procedures	134,135				13.26.3

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
	205-3 Confirmed incidents of corruption and actions taken	135				13.26.4
Anti-Competitive Behavior						
GRI 3: Material Topics 2021	3-3 Management of material topics					13.25.1
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti trust, and monopoly practices		Yes	Not Applicable	No Incidents were Reported	13.25.2
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	41				
GRI 207: Tax 2019	207-1 Approach to tax	130,131				
	207-2 Tax governance, control, and risk management	130,131				
	207-3 Stakeholder engagement and management of concerns related to tax	130,131				
	207-4 Country-by-country reporting		Yes	Not Applicable	The company operate only in Sri Lanka	
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	42				

MASKELIYA

view

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	141				
	301-2 Recycled input materials used	142	Yes	Information Unavaiable	Insufficient Data	
	301-3 Reclaimed products and their packaging materials	143	Yes	Information Unavaiable	Insufficient Data	
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	41				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	143,144,145				
	302-2 Energy consumption outside of the organization		Yes	Information Unavaiable	Insufficient Data	
	302-3 Energy intensity	145,146,147				
	302-4 Reduction of energy consumption		Yes	Not Applicable	No values and base year	
	302-5 Reductions in energy requirements of products		Yes	Not Applicable	No values and base year	
Water and Effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	41				13.7.1

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	148				13.7.2
	303-2 Management of water discharge-related impacts	149				13.7.3
	303-3 Water withdrawal	150				13.7.4
	303-4 Water discharge	149	Yes	Information Unavaiable	Insufficient Data	13.7.5
	303-5 Water consumption	150				13.7.6
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	41				13.8.1
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	154				13.8.2
	306-2 Management of significant waste-related impacts	154				13.8.3
	306-3 Waste generated		Yes	Information Unavaiable	Insufficient data	13.8.4
	306-4 Waste diverted from disposal		Yes	Not Applicable	Insufficient data	13.8.5

MASKELIYA

view

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
	306-5 Waste directed to disposal		Yes	Not Applicable	Insufficient data	13.8.6
Supplier Environmental Assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	44				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	155				
	308-2 Negative environmental impacts in the supply chain and actions taken	156				
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	42				
GRI 401:Employment 2016	401-1 New employee hires and employee turnover	104,105				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	109,110				
	401-3 Parental leave	110,111				
Labor/ Management Relations						
GRI 3: Material Topics 2021	3-3 Management of material topics					

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes		Yes	Not Applicable	Insufficient data	
Occupational Health and Safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	42				13.19.1
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	111				13.19.2
	403-2 Hazard identification, risk assessment, and incident investigation	112				13.19.3
	403-3 Occupational health services	112				13.19.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	112				13.19.5
	403-5 Worker training on occupational health and safety	113				13.19.6
	403-6 Promotion of worker health	113,114				13.19.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	114,115,116				13.19.8
	403-8 Workers covered by an occupational health and safety management system	114				13.19.9

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
	403-9 Work-related injuries	116,117				13.19.10
	403-10 Work-related ill health		Yes	Not Applicable	Work-related ill health is not identified within the Company's operations	13.19.11
Training and Education						
GRI 3: Material Topics 2021	3-3 Management of material topics	42				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	117,118,119 120				
	404-2 Programs for upgrading employee skills and transition assistance programs	117,118,119 120				
	404-3 Percentage of employees receiving regular performance and career development reviews	120,121				
Diversity and Equal Opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	43				13.15.1
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	101,102,103, 162,171				13.15.2
	405-2 Ratio of basic salary and remuneration of women to men	109				13.15.3

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
Non discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	43				13.15.4
GRI 406: Non discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	107				13.15.4
Freedom of Association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	43				13.18.1
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	106				13.18.2
Child Labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	43				13.17.1
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	121,122				13.17.2
Forced or Compulsory Labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	43				13.16.1
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	122				13.16.2

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
Security Practices						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures		Yes	Not Applicable	Insufficient Data	
Rights of Indigenous Peoples						
GRI 3: Material Topics 2021	3-3 Management of material topics					13.14.1
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	131,132				13.14.2
Local Communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	44				13.12.1
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	123,134,125, 126,127,128				13.12.2
	413-2 Operations with significant actual and potential negative impacts on local communities	129				13.12.3
Supplier Social Assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	44				

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	132				
	414-2 Negative social impacts in the supply chain and actions taken	132				
Public Policy						
GRI 3: Material Topics 2021	3-3 Management of material topics					13.24.1
GRI 415: Public Policy 2016	415-1 Political contributions		Yes	Not Applicable	The company did not make any political contribution during the financial year	13.24.2
Customer Health and Safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	44				13.10.1
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	133				13.10.2
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	133,134				13.10.3
Marketing and Labeling						
GRI 3: Material Topics 2021	3-3 Management of material topics	44				

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	134				
	417-2 Incidents of non-compliance concerning product and service information and labeling	134				
	417-3 Incidents of non-compliance concerning marketing communications	134				
Customer Privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		Yes	Not Applicable	As a B2B tea manufacture the company's operations don't involve handling of individual customer personal data	

Glossary

ACT	Advance Company Tax
Bio Tea	The finished product of organically produced green leaf of Tea
Borrowing Costs	Interest and other costs incurred by an enterprise in connection with the borrowing of funds
Cash Equivalents	Liquid Investments with original maturities of three months or less
CIS	Commonwealth of Independent States
Contingent Liabilities	Condition or situations at the Balance Sheet date, the financial effects of which are to be determined by future events, which may or may not occur
COP	Average cost to produce a kg of Made Tea. It is computed for all the Grades collectively
Current Ratio	Current assets divided by current liabilities
Dividend Cover	Profit attributable to shareholders divided by gross dividend
Debt equity	Long term loan /(equity plus term loan)
Dividend Per Share	Dividend attributable to ordinary shareholders divided by the number of Ordinary Shares in issue
Earnings Per Share	Profit attributed to ordinary shareholders divided by the number of Ordinary Shares in issue and ranking for dividend
Enterprise Value	Market capitalization plus net debt
Gearing	Long Term Interest bearing Borrowings/ Liabilities as a percentage to Total Capital (Shareholders' Funds Plus Long Term Interest bearing Borrowings/Liabilities)
General Reserve	Reserve available for distribution and investments
GSA	Gross Sales Average
HACCP	Hazard Analysis Critical Control Point System
Interest Cover	Profit before tax plus interest charges divided by interest charges
ISO	International Organisation for Standards
Market Capitalisation	Number of Shares in issue, multiplied by the market value of each Share at the year-end
Negative Goodwill	The excess of the fair value of assets acquitted by way of finance lease over the net liability to the lessor
Net Assets	Sum of Fixed Assets and Current Assets less total liabilities
Net Assets Per Share	Net Assets at the end of the period divided by the number of Ordinary Shares in issue
NSA	Net Sales Average is the average price realised per kg of Made Tea at an Auction or an average price realised over a period. It can be worked for each grade separately and for all the grades individually
PBIT	Profit Before Interest and Tax
Price Earnings Ratio	Market price of a share divided by earnings per share.
Related Parties	Parties who could control or significantly influence the financial and operating policies of the Company
Return on Capital Employed (ROCE)	Profit after tax plus Interest on Borrowings as a percentage of Average Capital Employed. (Shareholders' Funds Plus Long Term Interest bearing Borrowings/Liabilities)
Return on Equity	Profit after tax as a percentage of average shareholder's funds
Shareholder's Funds	Funds attributable to Shareholders and comprises of Share Capital, Reserves and Retained Profit
SLAS	Sri Lanka Accounting Standards
Turnover per Employee	Consolidated turnover of the Company for the year divided by the number of employees at the year-end
UITF	Urgent Issues Task Force of the Institute of Chartered Accountants of Sri Lanka
Value Addition	The Quantum of wealth generated by the activities of the Company and its application
VAT	Value Added Tax
Yield (YPH)	Average yearly output of produce from a hectare of mature plantation

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Thirty –Third (33rd) Annual General Meeting of Maskeliya Plantations PLC will be held at the Auditorium of the Registered Office, 310, High Level Road, Nawinna, Maharagama on Friday, 25th September, 2026 at 11.30 a.m. and the business to be brought before the meeting will be as follows;

1. To consider the Report of the Directors and the Statement of Accounts for the year ended 31st March 2026 with the Report of the Auditors thereon.
2. To approve the appointment of Dr. Sena Yaddehige as a Director

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

   "That Dr. Sena Yaddehige of Le Neuf ,Chemin, St. Saviours, Guernsey, United Kingdom who is 80 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act no. 07 of 2007 shall not apply to the said Dr. Sena Yaddehige "
3. To approve the appointment of Dr. Sarath Samaraweera as a Director

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

   "That Dr. Sarath Samaraweera of 1F20, Mattegoda Scheme, Mattegoda who is 78 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act no. 07 of 2007 shall not apply to the said Dr. Sarath Samaraweera "
4. To re- elect Mr. Lasantha Wickremasinghe who retires by rotation in terms of Article 92 at the Annual General Meeting, a Director
5. To elect Mr. Sudheera Epitakumbura who retires in terms of Article 98 at the Annual General Meeting, a Director
6. To re -appoint M/s. Ernst & Young, Chartered Accountants as Auditors of the Company and to authorize the Directors to determine their remuneration
7. To authorize the Directors to determine contributions to charities .
8. To consider any other business of which due notice has been given

By Order of the Board

(Sgd.)

Richard Pieris Group Services (Private) Limited

Secretaries

No. 310, High Level Road, Nawinna, Maharagama

25th August 2026

Note:

a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her.

b) A proxy need not be a member of the Company. The form of proxy will be found inserted in the Annual Report

The completed form of proxy should be deposited at the registered office of the Company No. 310, High Level Road, Nawinna, Maharagama., not less than 48 hours before the time appointed for the holding of the meeting.

Form of Proxy

I/We* (in block letters) .... of ....

being a member / members of the MASKELIYA PLANTATIONS PLC , hereby appoint ....

.... of ....

whom failing DR. SENA YADDEHIGE whom failing SHAMINDA YADDEHIGE whom failing Dr. SARATH SAMARAWEERA whom failing LASANTHA WICKREMASINGHE whom failing ADRIAN PERERA whom failing SUDHEERA EPITAKUMBURA * as my/our proxy to represent me/us and to vote on my/our behalf at the 33RD ANNUAL GENERAL MEETING of the Company to be held on Friday 25th September, 2026 and any adjournment thereof, and at every poll which may be taken in consequence thereof to vote:-

		In favour	Against
1.	To consider the Report of the Directors and the Statement of Accounts for the year ended 31st March 2026 with the Report of the Auditors thereon		
2.	To approve under and in terms of Section 211 of the Companies Act No. 07 of 2007, the appointment of Dr. Sena Yaddehige at this Annual General Meeting, a Director		
3.	To approve under and in terms of Section 211 of the Companies Act No. 07 of 2007, the appointment of Dr. Sarath Samaraweera at this Annual General Meeting, a Director		
4.	To re elect Mr. Lasantha Wickremasinghe, who retires by rotation in terms of Article 92 at the Annual General Meeting, a Director		
5.	To elect Mr. Sudheera Epitakumbura who retires in terms of Article 98 at the Annual General Meeting, a Director		
6.	To re-appoint M/s Ernst & Young, Chartered Accountants as Auditors of the Company and to authorise the Directors to determine their remuneration		
7.	To authorize the Directors to determine contributions to charities		
8.	To consider any other business of which due notice has been given		

Dated this .... day of .... 2026...

....

Signature of shareholder

Notes:
(i) Please delete the inappropriate words
(ii) A proxy need not be a member of the Company.
(iii) Instruction as to completion appear on the reverse of this form.

INSTRUCTIONS AS TO COMPLETION OF PROXY FORM

To be valid, this Form of Proxy must be deposited at the Registered Office of the Company No. 310, High Level Road, Nawinna, Maharagama., not later than 11.30 a.m. on Wednesday, 23rd September 2026. In perfecting the Form of Proxy, please ensure that all details are legible

In the case of a Company/Corporation, the proxy must be under its Common Seal, which should be affixed and attested in the manner prescribed by its Articles of Association.

Please indicate with an 'X' in the space provided how your proxy is to vote on each resolution. If no indication is given the proxy at his/her discretion will vote as he/she thinks fit

This Form of Proxy shall in the case of an individual be signed by the appointor or his/her Attorney. Where the Form of Proxy is signed under a Power of Attorney, which has not been registered with the Company, the original Power of Attorney together with a photocopy of same or a copy certified by a Notary Public must be lodged with the Company, along with the Form of Proxy.

Corporate Information
GRI 2-1

Name of Company	:	Maskeliya Plantations PLC
Legal Form	:	A Quoted Public Company with Limited Liability Incorporated in Sri Lanka
Date of Incorporation	:	22 June 1992
Company Registration No	:	P Q 134
Registered Office	:	310, High Level Road, Nawinna, Maharagama
Business Address	:	310, High Level Road, Nawinna, Maharagama
E-Mail address	:	mpl.rpk@arpico.com
Holding Company & Management	:	RPC Management Services (Pvt) Ltd
Ultimate Parent Enterprise	:	Richard Pieris & Company PLC 310, High Level Road, Nawinna, Maharagama
Business Activity	:	Tea Plantations
Stated Capital	:	Rs. 673,720,950/- Represented by 53,953,490 Shares
Group Holding	:	83.40%
Directors	:	Dr. Sena Yaddehige Chairman Mr. Shaminda Yaddehige Director Dr. D S A Samaraweera Director Mr. L L S Wickremasinghe Director Mr. W A A Perera Director Mr. E M S Epitakumbura Director (appointed w.e.f 15/10/2025)
Stock Exchange Listing	:	The Ordinary Shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka
Management	:	Mr. V Pusselle - Chief Executive Officer Mr. Y D Laksiri - Sector Financial Controller Mr. I A A D Weerakoon - Deputy Chief Operating Officer Mr. T N B Herath - Deputy General Manager Mr. M M K Bandara - Deputy General Manager-Compliance and Quality systems Development Mr. A Samuel - Deputy General Manager Mr. H K Caldera - Finance Manager Mr. H M B M Jayathilake - Senior Accountant Mr. R M S S Herath - Manager Information Systems Mr. L P Thennakoon - Manager Plantations Mr. M D C A Gunathilake - Manager Marketing
Secretaries	:	Richard Pieris Group Services (Private) Limited 310, High Level Road, Nawinna, Maharagama Telephone : 011 - 4310564
Auditors	:	Messrs, Ernst & Young Chartered Accountants Rotunda Towers, No. 109, Galle Road, Colombo 03
Bankers	:	Sampath Bank PLC - Nawam Mawatha Branch Bank of Ceylon - Corporate Branch & Regional Branch Seylan Bank PLC - Colombo Hatton National Bank PLC - City Office Branch National Development Bank PLC Nations Trust Bank PLC Commercial Bank of Ceylon PLC

Maskeliya Plantations PLC
No. 310, High Level Road, Nawinna, Maharagama, Sri Lanka.
Telephone: +(94) 11 4310500, Fax: +(94) 11 2801400
Web: www.arpico.com, E-mail: mpl.rpk@arpico.com