

Experts in Our Craft



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At John Keells PLC, our commitment to excellence and sustainability defines who we are and shapes the value we deliver to our stakeholders year after year. Over decades, we have built a deep reservoir of expertise; continuously replenished through innovation and disciplined processes that enable us to perform at the highest standards.

This report reflects an industry entering a new era; one that honours its rich heritage while embracing technology-enabled practices that enhance capability, improve efficiency and reinforce long-term relevance across the value chain.

Today, our expertise continues to shape the longstanding heritage that JK PLC is renowned for. Tradition is strengthened by technology, precision refines our craft and transparency enhances value from plantation to cup. As the industries we operate in evolve, so will our experience, innovation and commitment to excellence.

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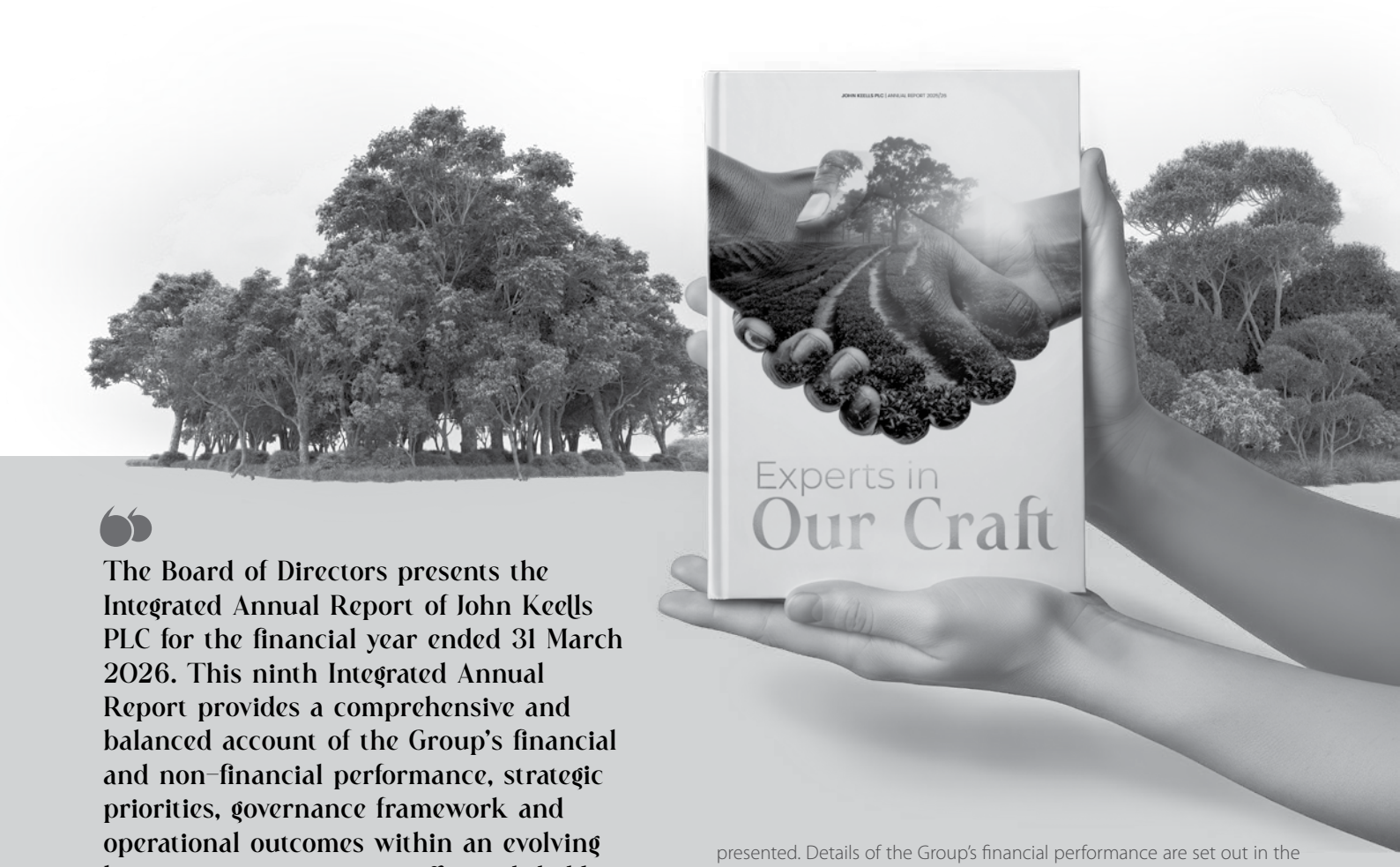
OUR APPROACH TO REPORTING



The Board of Directors presents the Integrated Annual Report of John Keells PLC for the financial year ended 31 March 2026. This ninth Integrated Annual Report provides a comprehensive and balanced account of the Group's financial and non-financial performance, strategic priorities, governance framework and operational outcomes within an evolving business environment. It offers stakeholders clear and relevant insights into how the Group has prudently allocated its resources to create sustainable value over the short, medium and long term, while balancing the expectations of its diverse stakeholder base.

The report outlines the key actions undertaken to advance the Group's strategic vision, alongside the opportunities and risks encountered during the year. Our previous Integrated Annual Reports, including the most recent report for FY 2025/26, are available for viewing and download on the Company's corporate website at johnkeellstea.com.

REPORTING SCOPE AND BOUNDARY

This Report presents the operations and performance of John Keells PLC (JKPLC) and its subsidiaries John Keells Warehousing (Pvt) Ltd (JKW) and John Keells Stockbrokers (Pvt) Ltd (JKSB), collectively referred to as the "Group" for the financial year from 1 April 2025 to 31 March 2026.

Any material events occurring subsequent to the reporting period, up to the date of approval by the Board of Directors on 25 May 2026, have been appropriately disclosed in Note 37 to the Financial Statements to ensure the continued accuracy and relevance of the information presented. Details of the Group's financial performance are set out in the Consolidated Financial Statements on pages 160 to 166, together with a comprehensive Management Discussion and Analysis on page 07.

The Report further outlines the key risks, opportunities and outcomes that may have a material impact on the Group's ability to create and sustain value over time. During the year under review, there were no significant changes to the Group's supply chain, ownership structure, scale, or organisational framework, nor were there any material restatements or revisions to the information disclosed in the previous reporting period.

CORPORATE GOVERNANCE

Effective corporate governance is central to sustaining stakeholder trust and supporting long-term value creation across the Group. The Company is committed to maintaining high standards of governance, which are consistently applied and embedded throughout all levels of the organisation.

The Corporate Governance section of this Report outlines the governance philosophy, structures, policies and processes adopted by the Company and its subsidiaries to ensure transparency, accountability and ethical conduct in all business activities. It also provides an overview of the Company's adherence to the principles of the Code of Best Practice on Corporate Governance jointly issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka (SEC), including both mandatory and voluntary compliance, reflecting the Company's commitment to continuous improvement in governance practices.

STANDARDS, PRINCIPLES AND FRAMEWORKS

- Sri Lanka Accounting Standards issued by CA Sri Lanka
- Companies Act No. 7 of 2007
- Framework of the International Integrated Reporting Council
- Listing Rules of the Colombo Stock Exchange and subsequent revisions to date
- Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021 including directions and circulars
- Code of Best Practice on Corporate Governance issued by Securities and Exchange Commission of Sri Lanka (2023)
- Code of Best Practices on Related Party Transactions (2017) advocated by SEC

FORWARD LOOKING STATEMENT

This Annual Report contains forward-looking statements relating to the Group's anticipated financial position, results of operations, performance and future plans. These statements are based on management's current expectations, estimates, assumptions and beliefs at the date of this Report and are subject to known and unknown risks and uncertainties.

Given the dynamic nature of the business and macroeconomic environment in which the Group operates, actual results and outcomes may differ materially from those expressed or implied in such forward-looking statements. Accordingly, readers are cautioned not to place undue reliance on these statements.

John Keells PLC does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or other developments after the date of this Report. There have been no restatements or revisions to previously published Annual Reports of the Company.

BOARD RESPONSIBILITY AND ASSURANCE

The Board of Directors acknowledges its responsibility for ensuring the integrity and completeness of this Annual Report and is of the opinion that the Report addresses all material matters that have a bearing on the Group's ability to create value over the short, medium and long term.

The information contained in this Report has been reviewed, as appropriate, by the Board of Directors, the Audit Committee of the Company and the Management Committee. In addition, the accuracy of the annual financial statements has been independently verified by the external auditors.

THE SIX CAPITALS

The Group's value creation process is founded on the effective utilisation and stewardship of a range of resources and relationships, collectively referred to as the six capitals. These capitals form the basis through which the Group creates, preserves and enhances value over the short, medium and long term. They underpin strategic planning, operational execution and decision-making and are managed in an integrated manner to support sustainable business outcomes.

In accordance with the principles of integrated reporting, this Report identifies and uses symbols to represent each of the six capitals, illustrating how they are deployed, transformed and interconnected across the Group's activities and performance disclosures.

SIX CAPITALS


Financial Capital


Manufactured Capital


Intellectual Capital


Human Capital


Social and Relationship Capital


Natural Capital

FEEDBACK

Integrated Reporting is recognised as an evolving framework and a continuous journey of improvement. In line with the Company's commitment to achieving reporting excellence, John Keells PLC welcomes comments, suggestions and queries from stakeholders regarding this Integrated Annual Report.

All such feedback should be directed to the contact details provided below.

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About us

John Keells PLC is shaped by a legacy extending over 150 years, during which it has built a strong reputation for quality, brand leadership, innovation and ethical governance. This depth of experience, anchored in enduring values, has enabled the Group to sustain a long-term strategic focus while adapting to the realities of a complex and evolving business environment.

Building on this foundation, the Group has progressively strengthened its operating model to respond effectively to change, manage emerging challenges and remain competitive across its diversified businesses. Generations of market insight, combined with disciplined execution and robust governance practices, have reinforced resilience as a defining strength, supporting stability and confidence in periods of economic uncertainty.

This Annual Report presents a balanced view of the strategies, capabilities and performance outcomes that reflect this journey of measured progress. It demonstrates how experience, adaptability and sound judgement continue to underpin sustainable value creation and support long-term growth.

OUR VISION

To be internationally recognised as the best Produce Broker in the world.

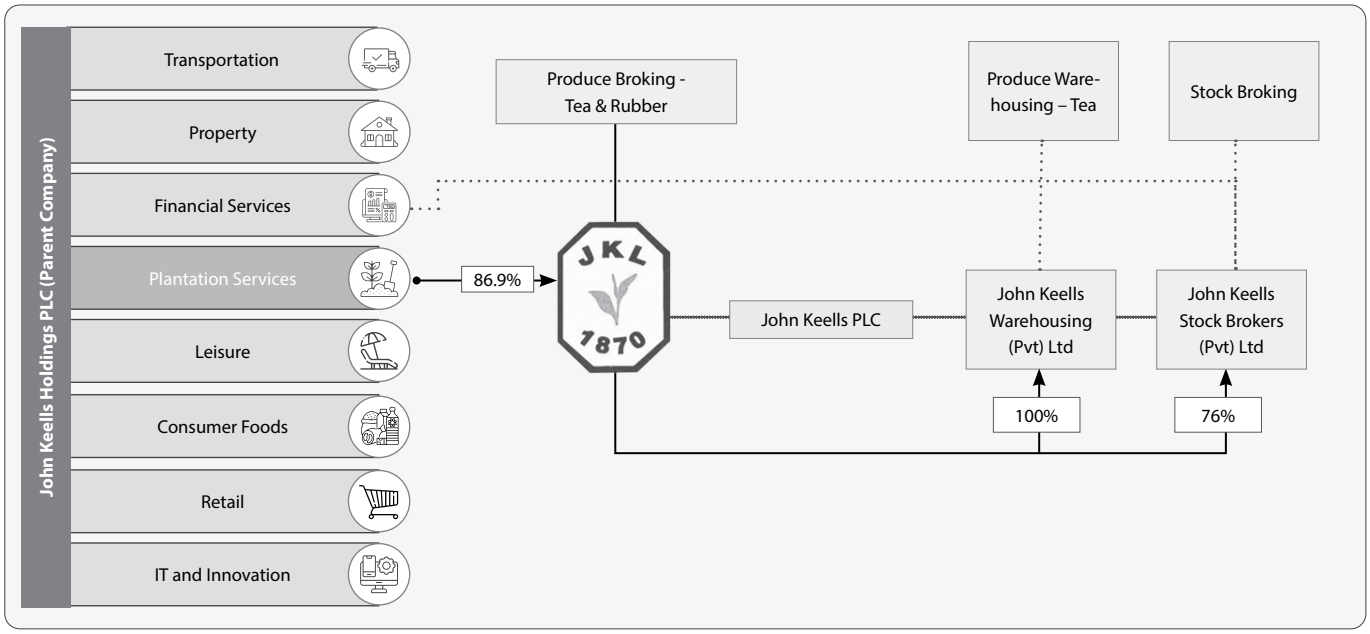
OUR MISSION

To retain the pre-eminent position as Sri Lanka's leading Tea and Rubber broker; To uphold the traditions and ethics of the Tea and Rubber trades; To ensure superior customer service through a dedicated and motivated workforce.

OUR VALUES

We are committed to the highest level of integrity and ethical conduct in all our business activities. We will look towards exceeding shareholder and customer expectations by achieving excellence in all areas of operations. We recognise the right of every individual to be treated with fairness, dignity and respect and assist our employees to improve their skills and reward their accomplishments. We will focus on corporate social responsibility and look to protect and safeguard the environment.

Group Structure



SENIOR MANAGEMENT TEAM

John Keells PLC

- Hishantha De Mel – Chief Executive Officer / Vice President John Keells Holdings PLC
- Ravin Vannitamby – Head of Operations / Senior Assistant Vice President John Keells Holdings PLC
- Rochelle Perera – Senior Manager Human Resources
- Janith De Silva – Senior Manager Tea
- Duran De Alwis – Manager Tea
- Milinda Samarakoon – Manager Tea
- Thilini Thilakarathne – Manager Finance
- Rajkumar Nagaratnam – Head of Business Processes & Solutions / Senior Assistant Vice President John Keells Holdings PLC

John Keells Warehousing (Pvt) Ltd

Suranga Edirisinghe – Manager Warehousing

John Keells Stock Brokers (Pvt) Ltd

- Nithila Talgaswatte – Chief Executive Officer / Vice President John Keells Holdings PLC
- Akmal Mashoor – Head of Sales / Assistant Vice President John Keells Holdings PLC
- Navin Ratnayake – Head of Research / Assistant Vice President John Keells Holdings PLC
- Chiranthaka Suraweera – Senior Manager Research
- Stefan De Silva – Manager Reasearch
- Sasanka Gangani – Manager Finance
- Vanitha Saravana – Head of Documentation
- Hifni Nazeer – Head of IT
- Ruckshani Weerasekara – Compliance Officer
- Sherin Cader – Chief Financial Officer, Financial Services Sector / Executive Vice President, John Keells Holdings PLC
- Harsha Senanayake – Head of Business Systems Financial Services Sector / Senior Vice President John Keells Holdings PLC

Milestone

1870

Edwin John came to Ceylon, as the Island was then called, to join his brother George. Together, they established themselves as Produce and Exchange Brokers.



1876

A partnership styled "John Brothers and Company" was formed with offices situated in Colombo and Kandy.

1878

This partnership was dissolved and Edwin John started an establishment of his own titled "E. John" and carried on the business of produce and exchange broking. The first decade of business of E. John was one of low activity. Villers records this period thus, "Business in those days was very limited. Coffee had all but gone out, Tea had not expanded sufficiently and the little business in Chinchona was not enough to go around." During this period, Reginald, son of Edwin John, joined his father in Ceylon.

1890

The prospects began to improve rapidly with the approaching tea business.

1966

The initial step towards diversification of the activities of the Company was taken with the acquisition of Ceylon Mineral Waters Ltd.

1970

M. C. Bostock was elected Chairperson of the Company.

1971

John Keells Limited moved its offices to Glennie Street, Slave Island.

1976

John Keells Limited became a People's Company.

1986

John Keells Holdings PLC acquired the controlling interest of John Keells Limited M.C. Bostock retired and D. J. M. Blackler took over as the Chairperson of the Company.

2011

The Board of Directors at a meeting held on 11th May 2011 resolved to increase the number of shares by way of a share sub-division based on a ratio of one (1) share for every (1) one share held. Consequently, the number of shares after the sub–division increased to 60.80 million shares from the previous 30.40 million shares.

2013

The Company disposed of its land at 130, Glennie Street Colombo 2.

2015

To ensure compliance with the new Securities Exchange Commission directive, which was to come into effect from 1st January 2016, the shares of the Company, which were listed on the Main Board, were transferred to the Diri Savi Board of the Colombo Stock Exchange.

2016

In compliance with the Capital Adequacy Requirement implemented by The Colombo Stock Exchange on stock broking firms, JKPLC increased its investment in its subsidiary John Keells Stock Brokers (Pvt) Ltd by accepting the rights for 0.57 million shares

1895

Reginald John was taken into the partnership of E. John and Co. By this time, business was growing quite rapidly in tea, shares, oil and exchange.

1948

Edwin John and Company amalgamated with two London Tea Broking firms, William Jas and Hy Thompson and Co. and Geo White and Co. The firm was then incorporated as a private limited liability company and the name was changed to E. John, Thompson, White and Co. Ltd.

1960

E. John, Thompson, White and Co. Ltd., amalgamated with Keells and Waldock Ltd. The name was changed to John Keells Thompson White Ltd. This Company had its office in the National Mutual Insurance Company building in Chatham Street. The first Chairperson of the Company was Douglas Armitage and, on his retirement, he was succeeded by A.G.R. Willis. The Company acquired its Glennie Street premises from Dodwell and Company which were initially used as a warehouse.

1962

The firm moved to the sixth floor of the then newly constructed Ceylinco House.

2003

The state of the art warehouse of John Keells Warehousing (Pvt) Ltd. which is the largest hi-tech tea warehouse in this part of the region was commissioned for storing pre-auctioned produce.



2005

V. Lintotawela retired as Chairperson on 31st December 2005 and S. Ratnayake took over as Chairperson on 01st January 2006.

2007

The name of the Company was changed to John Keells PLC which is a new requirement of the Companies Act No. 7 of 2007.

2010

The Board of Directors at a meeting held on 20th July 2010 resolved to increase the number of shares by way of share sub–division based on a ratio of one (1) share for every (1) one share held. Consequently, the number of shares after the sub–division increased to 30.40 million shares from 15.20 million shares.

2018

Mr. K. N. J. Balendra and Mr. J. G. A. Cooray appointed as the new directors of John Keells PLC (w.e.f. 01st January 2018) with the retirement of Mr. A. D. Gunewardene and Mr. J. R. F. Peiris

2019

Mr. K. N. J. Balendra was appointed as the new Chairperson (w.e.f. 01st January 2019) with the retirement of Mr. S. Ratnayake.

2020

John Keells PLC Celebrates 150 years of association with Ceylon Tea.

2021

The first online tea auction was conducted on Saturday,April 04th, 2021.

The Colombo tea Auction e-platform service provider migrated from CICRA to OKLO in September.

2024

Colombo international Tea Convention held in July under the theme "Tea - A lifestyle and a livelihood" along with a charity auction of award-winning teas.

Performance Highlight

Year ended 31st March		2025/26	2024/25	2023/24
RESULTS OF THE YEAR				
Group revenue	Rs. 000's	**1,233,194**	1,009,382	941,974
Group profit before interest and tax (EBIT)	Rs. 000's	**306,729**	274,724	249,235
Group profit before tax	Rs. 000's	**301,104**	256,644	220,875
Group profit after tax	Rs. 000's	**160,394**	173,488	144,001
Group profit attributable to shareholders	Rs. 000's	**126,778**	170,510	151,063
Earnings per share	Rs.	**2.09**	2.80	2.48
Interest cover	No. of times	**54.53**	15.2	8.79
Return on equity	%	**3.65**	3.95	3.48
Return on capital employed	%	**7.50**	5.81	5.78
FINANCIAL POSITION AT THE YEAR END				
Total assets	Rs. 000's	**6,965,403**	6,537,394	6,021,094
Total debt	Rs. 000's	**64,997**	69,115	201,520
Number of shares in issue	000's	**60,800**	60,800	60,800
Total shareholder funds	Rs. 000's	**4,058,837**	4,723,845	4,056,924
Net assets per share	Rs.	**66.76**	77.69	66.73
Net debt	Rs. 000's	**(1,604,910)**	(681,871)	(238,999)
Debt/Equity	%	**1.60**	1.45	4.90
Debt/Total assets	%	**0.93**	1.05	3.35
MARKET / SHAREHOLDER INFORMATION				
Market price per share as at 31st March	Rs.	**81.20**	74.00	64.80
Market capitalisation	Rs. 000's	**4,936,960**	4,499,200	3,939,840
Enterprise value	Rs. 000's	**6,541,871**	5,213,871	4,178,838
Price earning ratio	No. of times	**38.94**	26.42	26.13
Dividend paid	Rs. 000's	**179.316**	60,800	176,320
Dividend per share	Rs.	**2.95**	1.00	2.90
Dividend pay-out ratio	%	**141.15**	35.71	116.94
Dividend yield	%	**3.63**	1.35	4.48
FINANCIAL CAPITAL				
Economic Value added	Rs. 000's	**1,334,450**	1,122,164	1,046,632
Proportion of purchases from local suppliers within Sri Lanka	%	**100**	100	100
MANUFACTUERD CAPITAL				
Total Property Plant and Equipment	Rs. 000's	**919,949**	890,517	871,016

Year ended 31st March		2025/26	2024/25	2023/24
NATURAL CAPITAL				
Total carbon foot print	MT	**130**	121	95
Water withdrawal	(m3)	**5,782**	6,587	5,714
Water withdrawal (m3) per Rs. million revenue	No. of times	**1.34**	1.29	1.01
Significant environment fines*	Rs.	**Nil**	Nil	Nil
HUMAN CAPITAL				
Turnover per employee	Rs. 000's	**8,684**	7,108	6,541
Total employees	Number	**142**	142	144
Number of injuries during the work	Number	**Nil**	Nil	Nil
Number of lost days	Number	**Nil**	Nil	Nil
Number of employees receiving performance review	%	**100**	100	100
SOCIAL AND RELATIONSHIP CAPITAL				
Proportion of business analysed for risk of corruption	%	**100**	100	100
Significant fines for violation of laws/regulations*	Rs.	**Nil**	Nil	Nil
Significant fines for product/service issues*	Rs.	**Nil**	Nil	Nil
INTELLECTUAL CAPITAL				
Investments in Software	Rs. 000's	**14,514**	2,659	4,887
Investments in Computer Equipment	Rs. 000's	**4,029**	4,926	3,491

Chairperson's Message

> Sustainability remains firmly embedded within our long-term strategy and operational philosophy. At JKPLC, we view sustainability as more than a corporate obligation; it is a fundamental pillar of our operational foundation and a strategic imperative which underpins our long-term resilience—a commitment deeply rooted in the John Keells Holdings Group.

Dear Shareholders,

On behalf of the Board of Directors of John Keells PLC (JKPLC), it is with pleasure that I present our Integrated Annual Report and Audited Financial Statements for the financial year ended 31 March 2026.

The financial year 2025/26 was a period that tested the resilience, adaptability and strength of JKPLC and the industries in which we operate. Despite a challenging global and domestic operating environment shaped by geopolitical uncertainty, climatic disruptions, evolving regulatory requirements and supply chain pressures, the Company remained focused on maintaining operational continuity, supporting stakeholders and strengthening its long-term strategic positioning.

Throughout the year, our businesses demonstrated resilience and agility in responding to rapidly changing market conditions. The tea and rubber industries, together with the broader export sector, continued to navigate volatile freight costs, market disruptions in key export destinations and operational constraints arising from adverse weather conditions. Nevertheless, through disciplined execution, proactive stakeholder engagement and the dedication of our employees, the Company sustained operations and continued to deliver value to stakeholders.

MACROECONOMIC LANDSCAPE

According to the Central Bank of Sri Lanka (CBSL) Annual Economic Review 2025, the national economy transitioned from a phase of stabilisation to one of sustained recovery, achieving real GDP growth of 5 percent in 2025. This expansion was broad-based, driven primarily by the industrial and agricultural sectors, which demonstrated notable resilience despite disruptions caused by extreme weather and global trade volatility. The labour market responded positively to this momentum, with a visible decline in the unemployment rate as domestic activity normalised. Fiscal consolidation remained a priority, resulting in a primary balance surplus for the third consecutive year, supported by robust revenue collection from value-added and income taxes.

The monetary environment was characterised by an accommodative stance as the CBSL sought to foster growth while maintaining price stability. Following a period of deflation, headline inflation (CCPI) returned to positive territory in the second half of the year, ending at 2.1 percent. Lower interest rates and improved liquidity conditions supported a significant expansion in private sector credit, which reached record highs. In the external sector, the current account recorded its third successive annual surplus, supported by a 20 percent increase in tourism earnings and strong worker remittances. Gross official reserves strengthened to approximately USD 6.8 billion, enhancing external sector buffers amid continued external debt servicing obligations. Meanwhile, the complete removal of vehicle import restrictions in early 2025 led to a higher merchandise import and a modest depreciation of the Rupee. Overall, the economic outlook remains optimistic, albeit contingent on navigating geopolitical tensions in the Middle East and the evolving challenges of climate change.

OUR OPERATING ENVIRONMENT

The operating landscape during the year under review was characterised by significant external challenges. One of the most notable events was the impact of Cyclone Ditwah, which disrupted transportation networks and logistics infrastructure across several regions. While the direct impact on tea plantations was relatively limited, widespread disruptions to road access and commuting arrangements affected the movement of produce, auction-related activities and warehousing operations across the industry.

The situation intensified after the floodgates of the reservoirs were opened, causing flooding in several low-lying commercial areas. A number of tea exporters and warehouse operators were affected, with industry estimates indicating that approximately 1.4 million kilogrammes of tea stocks were damaged or destroyed. These disruptions placed considerable pressure on supply chains, warehousing capacity and auction scheduling.

Despite these challenges, the industry demonstrated commendable resilience. In collaboration with industry stakeholders, the Company supported efforts to minimise disruption to producers and buyers by facilitating logistical support, additional warehousing capacity and operational coordination during a particularly difficult period. An additional tea auction was also conducted following the Christmas period to support producer cash flows and ensure the continuity of trade activities.

Towards the latter part of the year, escalating tensions in the Gulf region created further uncertainty for the tea export sector. Shipping delays, rising freight and insurance costs and disruptions across certain Middle Eastern markets affected trading activity and contributed to higher unsold volumes within some lower-grade tea segments. However, premium and high-quality teas continued to see stable demand, providing some support to the market overall.

SEGMENTAL PERFORMANCE REVIEW

Tea Industry Overview

The Sri Lankan tea industry experienced a period of fragile yet noteworthy recovery in 2025, with total production reaching 264.12 million kilograms, reflecting a modest year-on-year increase of 0.75 percent. This growth was primarily supported by the mid-grown and low-grown elevations, which saw outputs rise by 3.49 percent and 0.32 percent, respectively. Conversely, production of the high-grown elevation declined by 0.28 percent as operations were hampered by adverse weather, including record rainfall and an unusually high number of wet days. Whilst this represents the highest total production achieved in four years, the sector continues to operate well below the strategic national target of 400 million kilograms envisioned for 2030, highlighting the long-term productivity challenges that remain.

A significant highlight of the year was the achievement of record export earnings, which climbed to approximately USD 1.51 billion. This growth was underpinned by a 4.74 percent rise in export volumes and an increasing demand for packaged and value-added products, which command higher margins in the global market.

However, the pricing environment remained complex; tea prices were largely stagnant throughout the year and lacked their historical seasonal peaks, the market maintained a fair average price for premium and high-quality grades. Furthermore, although the Sri Lankan Rupee experienced a modest depreciation of 5.6 percent over the year, driven by surging merchandise imports, export margins remained compressed due to escalating operational overheads and an equal cost-sharing split with end customers on rising shipping freights.

During the first quarter of 2026, the industry experienced softer production and export volumes due to adverse weather conditions and evolving demand patterns across key export markets. Nevertheless, export earnings remained relatively resilient, supported by improved FOB prices and continued growth in value-added tea categories. The period also highlighted shifting market dynamics, where a stronger demand from select global markets such as Turkey partly offsetting weaker demand from several traditional destinations.

JKPLC Tea Segment Performance

The tea segment remained the Company's primary contributor during the year under review. Despite operational and logistical disruptions, the segment demonstrated resilience supported by relatively healthy demand for quality teas and continued engagement with producers and buyers across the value chain.

Accordingly, JKPLC increased its market share to an estimated 13.1 percent, up from 12.9 percent in the previous year. This growth was supported by the expansion of the Company's private client portfolio, which accounted for 44 percent of total volumes during the financial year under review. As a result, volumes sold increased by 4.6 percent reaching 34.92 million kilograms, compared to the 33.39 million kilograms recorded in the previous year. Total segmental revenue decreased by 4.1 percent during the year, primarily due to a 62.7 percent decline in sellers' interest income, reflecting lower lending rates and reduced volumes of stock advances extended. In line with the decline in revenue, the segment's profit before tax (PBT) declined by 19.1 percent, to Rs. 126.98 million, compared to Rs. 156.95 million recorded in the previous financial year.

JKPLC Rubber Segment Performance

The rubber segment remained relatively stable during the year, although industry conditions continued to be characterised by fluctuating prices, subdued trading activity and inconsistent supply volumes. Market activity remained constrained as several producers continued to engage in direct shipments, limiting volumes flowing through the traditional broking channel.

The Company's rubber segment mirrored broader industry trends, with sales volumes declining by 14.8 percent to 0.9 million kilograms for the financial year 2025/26, compared with 1.06 million kilograms in the previous year. The segment recorded a marginal 0.8 percent increase in revenue, reaching Rs. 7.91 million from Rs. 7.85 million in the previous financial year. Consequently, the segment's Profit Before Tax (PBT) decreased by 66.7 percent to Rs. 1.14 million, from Rs. 3.42 million in 2024/25.

JKPLC Warehousing Segment Performance

Strategic optimisation was a key theme for JKPLC's warehousing operations during the financial year under review. We successfully transitioned 50 percent of our warehouse space to John Keells Logistics, enabling the tea-specific portion of the facility to operate at full capacity. This initiative is designed to increase segmental revenues while reducing overheads related to staff and maintenance.

During the financial year 2025/26, tea-specific warehousing operations were maintained at full capacity. However, total volumes stored declined marginally to 42.08 million kilogrammes, compared to 43.08 million kilogrammes in the previous year. Despite this, segmental revenue increased to Rs. 186.60 million from Rs. 161.43 million in the previous year. Although the facility operated at full capacity for the tea-specific portion, the segment managed the challenge of "clogged" storage as shipping delays and geopolitical disruptions slowed the pace of cargo clearance by buyers. To offset rising cost pressures, JKPLC implemented an annual 5 percent upward revision to warehousing rates to ensure long-term commercial viability.

JKPLC Stock Broking Segment Performance

During FY2026, the Colombo Stock Exchange continued its post-crisis recovery, with the All-Share Price Index rising from 15,814 at end-March 2025 to 21,066 by 31 March 2026. Against this improving market backdrop, John Keells Stock Brokers recorded strong year-on-year revenue growth of 64% reaching Rs.565 million. This performance contributed to a Commendable increase in PBT, supported by a research driven approach to client acquisition and portfolio advisory, alongside continued operational efficiencies achieved through digitisation initiatives.

The market rally was supported by Sri Lanka's improving macroeconomic environment, policy consistency and continued progress under the IMF-supported reform programme. Increased liquidity in the financial system, with lower interest-rate expectations, stronger corporate earnings and renewed investor confidence further supported market activity, driving higher participation across both retail and high net worth segments.

Although positive momentum continued into early 2026, the market became more volatile toward the latter part of the financial year amid evolving global and domestic uncertainties. Nevertheless, the CSE's FY2026 performance reflected a broad re-rating of Sri Lankan equities,

supported by macroeconomic stabilisation, improved corporate earnings and confidence in country's reform agenda. While external risks relating to global trade uncertainty, inflationary pressures, energy prices and external sector dynamics remained, the business will maintain a disciplined and agile approach to navigating market volatility.

FINANCIAL PERFORMANCE OVERVIEW

The Group achieved a 22.2 percent increase in consolidated revenue, rising to Rs. 1,233.19 million from Rs. 1,009.38 million recorded in the previous financial year. This growth was driven by the strategic and operational improvements discussed across our core segments.

From a segmental perspective, the produce broking segments contribution accounted for 40 percent of the Group's consolidated revenue. The Stockbroking Segment contributed 46 percent, while the Warehousing Segment accounted for 14 percent of total revenue during the financial year under review.

Group EBITDA reached Rs. 358.32 million, compared to Rs. 321.06 million in 2024/25. Profit After Tax (PAT) recorded a decline of 8 percent to Rs. 160.39 million, down from the Rs. 173.49 million reported in the previous financial year. The decline in profitability was mainly driven by a bad debt provision of Rs. 110 Mn in respect of advances extended to three tea factories that ceased operations during the period. The Group continues to closely monitor EBITDA as a key measure of underlying operational performance.

ADVANCING OUR ESG COMMITMENT

Sustainability remains firmly embedded within our long-term strategy and operational philosophy. At JKPLC, we view sustainability as more than a corporate obligation; it is a fundamental pillar of our operational foundation and a strategic imperative which underpins our long-term resilience a commitment deeply rooted in the John Keells Holdings Group.

During the year, the Company continued to strengthen its environmental, social and governance practices while advancing initiatives to improve operational sustainability and stakeholder impact.

To reflect this commitment, we have made significant strides in evolving our sustainability reporting and governance practices to align with emerging global disclosure frameworks. We are currently aligning our disclosures with the SLFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and S2 (Climate-related Disclosures) standards. This rigorous approach has enabled us to systematically identify Climate-Related Risks and Opportunities (CRROs) and Sustainability-Related Risks and Opportunities (SRROs) across our entire value chain, ensuring that our stakeholders have a transparent, forward-looking view of how we manage environmental and social impacts.

Our dedication is further evidenced by tangible actions on the ground. We have successfully completed the installation of solar power infrastructure at our warehousing facilities, a critical step in reducing our carbon footprint and transitioning toward renewable energy. Furthermore, we are actively engaging in reforestation and tree-planting projects in collaboration with our Regional Plantation Company (RPC) partners. By embedding these environmental, social and governance (ESG) principles into our daily operations, we ensure that JKPLC remains a responsible steward of the industries we serve while creating enduring value for our shareholders and the communities in which we operate.

STRENGTHENING OVERSIGHT AND ACCOUNTABILITY

Sound governance and ethical leadership remain the cornerstones of our corporate philosophy. I am pleased to report that during the financial year 2025/26, there were no reported violations of the John Keells Group Code of Conduct or our Code of Business Conduct and Ethics. Our framework remains strictly aligned with the principles of the Code of Best Practice on Corporate Governance 2023, issued by the Institute of Chartered Accountants of Sri Lanka.

While JKPLC continues to comply with the broader policies of the John Keells Group, we have reached a significant milestone in our governance maturity. In alignment with the revised CSE Listing Rules, the Company has established dedicated Board sub-committees to sharpen oversight and enhance governance effectiveness. This transition from a centralised model to an entity-specific approach ensures more focused, subsidiary-level scrutiny while maintaining absolute alignment with the Group's core principles of transparency and accountability. The Parent Company's Board Committees continue to provide a secondary layer of oversight to ensure Group-wide consistency.

Driven by a zero-tolerance policy toward misconduct, we continue to strengthen our internal controls by focusing on data integrity and process efficiency. A landmark achievement during the year under review was the successful "Go-Live" of Project Pulse, which upgraded our SAP platform. This upgrade reduces system complexity, enhances reporting through Power BI dashboards and aligns with the Group's Zero Trust security policy by utilising a web-based, device-independent login.

STRENGTHENING STAKEHOLDER RELATIONSHIPS

The Company continued to prioritise proactive engagement with stakeholders across the value chain, recognising that strong relationships remain essential to long-term success and industry sustainability.

Throughout the year, the Company maintained close engagement with producers, exporters, buyers, regulators and industry bodies to support operational continuity during periods of disruption. Frequent factory visits, review meetings and collaborative discussions were conducted to share market insights, improve quality standards and support operational decision making within the producer community.

The Company also worked closely with buyers and financial institutions to facilitate deferred payment arrangements during periods of market stress, helping to maintain trade continuity and support broader industry stability.

OUTLOOK FOR 2026/27 AND BEYOND

Looking ahead to the new financial year, JKPLC intends to pursue an ambitious growth agenda, supported by targeted strategies to expand markets and increase volumes across our core business segments. The strategic focus will remain on strengthening market presence, deepening customer relationships and capitalising on emerging opportunities to drive sustainable business growth.

A critical focal point for the upcoming year will be navigating the systemic disruptions arising from the escalation of the Middle East conflict, which has heavily affected a region that traditionally accounts for over half of Sri Lanka's tea exports. Heightened hostilities in the Gulf region have led major shipping lines to suspend or severely curtail their direct routes, forcing vessels to divert around Africa's Cape of Good Hope. This has resulted in substantial container shortages, extended transit timelines and driven up ocean freight costs by as much as USD 1,800 to USD 3,000 per container. Concurrently, severe constraints on marine war risk insurance and disrupted trade channels have triggered severe cash flow pressures among regional buyers, a drop in direct Middle Eastern orders and a temporary buildup of unsold tea stock in domestic warehouses.

Sustainability will continue to be an integral part of the Group's operational strategy. Planned initiatives include expanding environmentally responsible business practices across warehouse operations and broader Group activities, as well as strengthening community engagement programmes. The Group aims to collaborate with stakeholders and community partners on initiatives such as health camps, environmental conservation efforts and tree-planting projects, reinforcing its commitment to creating positive social and environmental impact.

In parallel, the Group will continue to explore opportunities to improve operational eco-efficiency and embed environmentally conscious practices into day-to-day business operations. Efforts will focus on enhancing resource efficiency, reducing environmental impact and promoting long-term sustainability across the value chain.

Human capital development will remain a strategic priority. Building on the Group's people-centric approach, initiatives will focus on four key pillars: recruitment, capability building, employee development and retention, alongside strengthening succession planning frameworks to ensure leadership continuity and organisational resilience. The Group also aims to further enhance employee engagement and create a supportive environment that fosters professional growth and long-term career development.

Digital transformation and technology adoption will play an increasingly important role in supporting future operations. We plan to expand the use of advanced analytics, artificial intelligence and data-driven decision-making tools to improve operational efficiency and market responsiveness. Planned initiatives include developing enhanced dashboard reporting capabilities, greater utilisation of Power BI solutions and exploring AI-driven market intelligence tools to support pricing analysis and business insights.

Additionally, JKPLC will continue evaluating alternative operational and back-office solutions to further streamline processes, improve efficiency and strengthen overall service delivery capabilities.

COMMITMENT TO TRANSPARENT AND INTEGRATED REPORTING

The Board of Directors accepts responsibility for the accuracy, completeness and integrity of this Annual Report, which has been prepared in accordance with the International <IR> Framework (2021) issued by the IFRS Foundation. Through this Report, the Company remains committed to transparent and balanced disclosure, providing stakeholders with a comprehensive understanding of its strategy, performance, governance and long-term value-creation approach.

To the best of our knowledge, the information presented herein is reliable, fair and materially accurate. The Report has also been subjected to independent assurance, reaffirming the Company's commitment to accountability, transparency and high standards of corporate reporting.

ACKNOWLEDGEMENTS AND APPRECIATION

I extend my sincere gratitude to the Board of Directors for their continued guidance and support throughout the year under review. I also wish to thank our management team and employees for their dedication, resilience and tireless efforts in navigating operational challenges and meeting critical deadlines during a demanding year.

My heartfelt appreciation also goes to our producers, buyers, business partners and other stakeholders for their continued trust, collaboration and confidence as we navigated complex global market conditions together. Their ongoing support remains invaluable to the Company's continued progress and success.

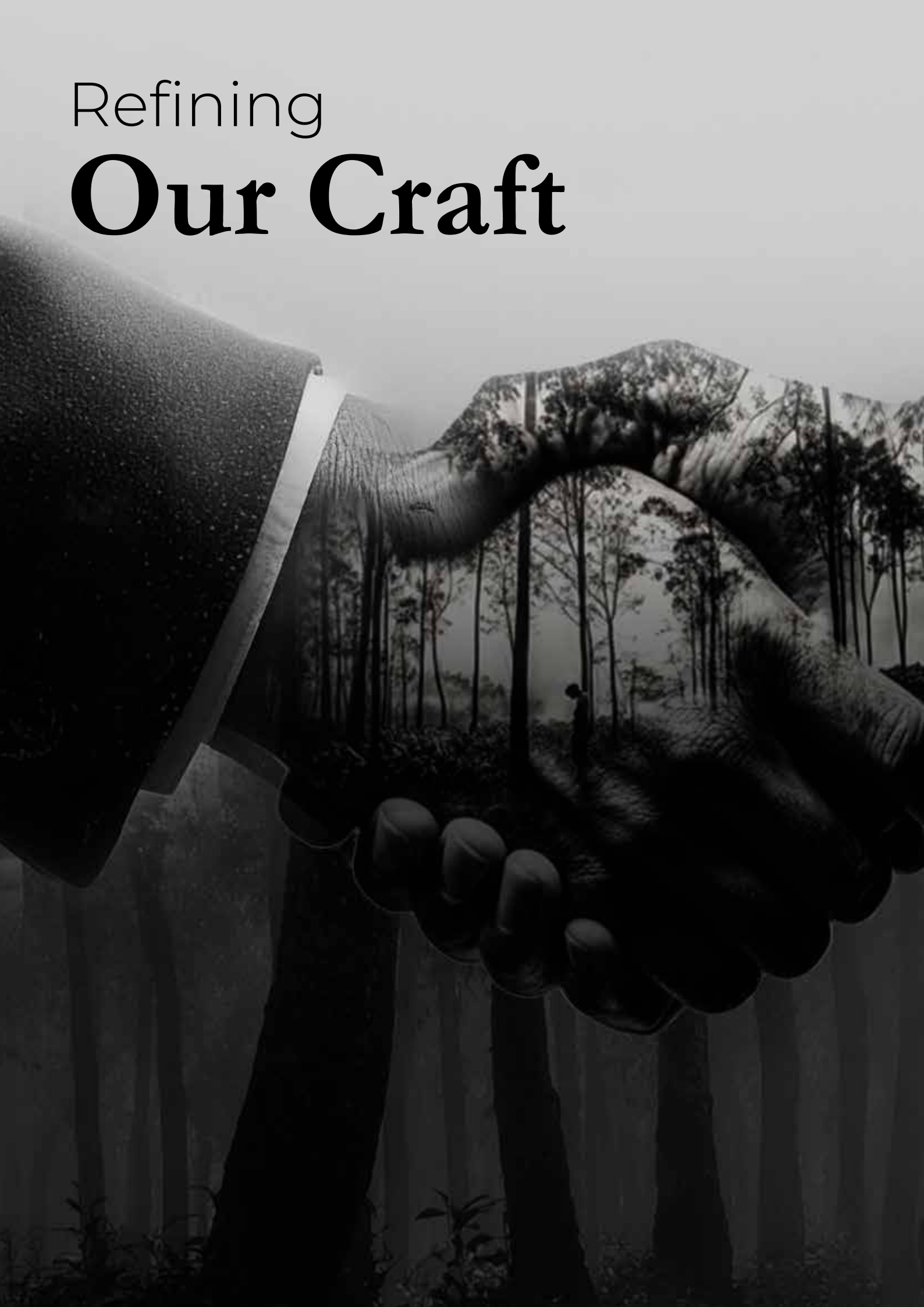


K N J BALENDRA
Chairperson

25th May 2026

Refining

Our Craft





MANAGEMENT DISCUSSION & ANALYSIS

As the landscape of the industries we operate in evolves, at JK PLC, we continuously refine our approach to enhance performance, optimise processes, and embrace innovation to remain competitive. Over decades, our disciplined strategy and informed decision-making has enabled us to strengthen our capabilities and drive meaningful progress.

Our Value Creation Model

Our value creation model illustrates how we strategically utilise key resources, stakeholder relationships and our capital inputs and transform them through our service driven operations to deliver high quality outputs and long-term stakeholder outcomes. As a service oriented business, value is primarily created through people, processes, and technology, supported by strong customer relationships and trusted brand equity. This ongoing transformation is anchored in robust corporate governance and effective risk management, ensuring resilience and sustainability. The journey is visually depicted below.

VALUE TRANSFORMATION PROCESS

CAPITAL INPUTS

Financial Capital

- Shareholder funds
- Cash flow from operations
- Short term debts

Natural Capital

- Energy
- Water
- Other natural resources

Human Capital

- Recruitment of a diversified workforce
- Experienced and efficient workforce
- Skills and competencies
- Training and development

Social and Relationship Capital

- Dedicated CSR team
- Community development
- Stakeholder engagement
- Health and safety initiatives

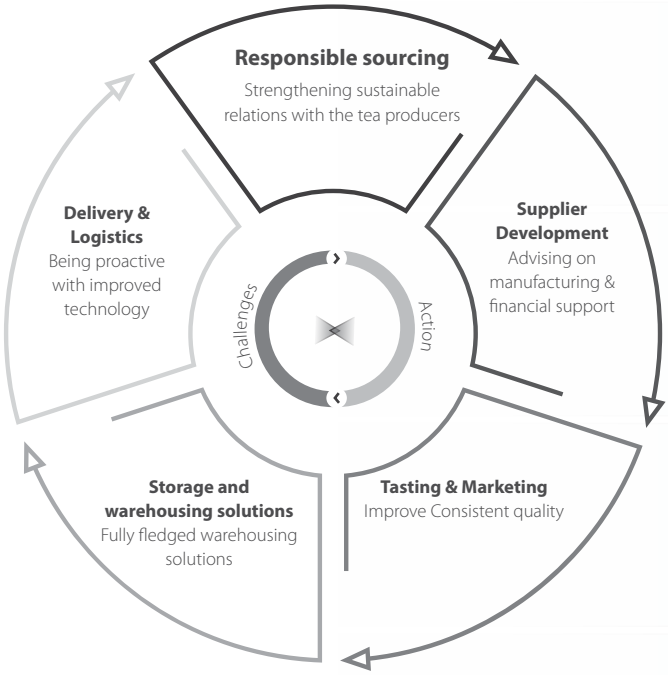
Intellectual Capital

- Brand development
- Technological expertise

Manufactured Capital

- Capital expenditure on property, plant and equipment
- Insurance / Maintenance plan cost

Produce Broking and Warehousing



Stock Brokering

To facilitate and advise on the trading of listed Sri Lanka equities

STRATEGIC PRIORITIES

- Sustainable Growth
- Accountability
- Innovation & Service
- Strengthen Long Term Business Relationships
- Empowered Team

Corporate Governance | Risk Management Framework | ESG Focus

Operating Environment → Macroeconomic Developments → Supply Chain Implications

AND ENGAGEMENT

Activities	OUTCOMES	Managing positive and negative out comes
• Effective and responsible investment of shareholder funds • Business growth initiatives • Cost reduction initiatives	• Shareholder returns and dividends • Payments to other stakeholders • Share price appreciation	• Financial stability • Financial growth • Creation of wealth
• Adoption of Global Goals • Environmental impact mitigation • Carbon and energy initiatives • Enhanced water and waste management	• Disposal of all effluent and waste efficiently • Reduction of carbon footprint • Reduced resource consumption through better monitoring	• Pursue further renewable sources of energy • Optimizing the use of plastic • Maximising energy and water usage
• Leveraging employee expertise for growth • Training and development programmes • Performance management and appraisals • Employee survey initiatives • Structured career progression initiatives	• Staff motivation • Talented and efficient workforce • Job satisfaction • Career progression • Safe and equitable environment	• Alignment of workforce with Group vision • Improved productivity and efficiency
• Community and livelihood development initiatives • Ongoing engagement with investors and stakeholders • Social impact assessments • Identification of key stakeholders and material issues	• Community skills development • Well-informed and sound investment decisions • Better supplier/distributor and stakeholder relations	• Brand visibility and reputation • Strengthened supply chain
• Experienced and skilled workforce contributing industry knowledge and service excellence • Continuous learning and knowledge management initiatives to retain and build institutional knowledge	• Intellectual assets • Sound judgments/Goodwill	• Evolving businesses to suit the ever-changing, dynamic consumer • An organisation better prepared to face challenges
• Development of systems and processes for greater efficiency • Fostering a culture of innovation	• Total assets purchases Insurance claims recoveries • Cost savings on efficient usage of assets • Durability of assets	• Efficient usage of assets and innovative solutions to reduce service cost

Changing Customer Preferences → Climate Related Risks → Government Regulations

Stakeholder Relationship

OUR APPROACH TO STAKEHOLDER RELATIONSHIPS

At John Keells PLC (JKPLC), we recognise that sustainable value creation is inherently collaborative. We do not treat our stakeholders as merely external observers but as fundamental partners whose resources, trust and insights directly enrich our sustainable business operations. In line with the International <IR> Framework, we view stakeholder relationships as dynamic and believe they must be nurtured systematically to support long-term business resilience and shared prosperity.

DECENTRALISED ENGAGEMENT GOVERNANCE MODEL

Rather than treating stakeholder management as a standalone corporate function, JKPLC embeds engagement into our day-to-day operations. This decentralised model is built on three core principles that strengthen accountability, consistency and responsiveness across the organization.

Decentralised Accountability

Each operational business unit and division is directly accountable for building, sustaining and managing transparent relationships with the stakeholder groups they influence and are influenced by.

Methodological Standardisation

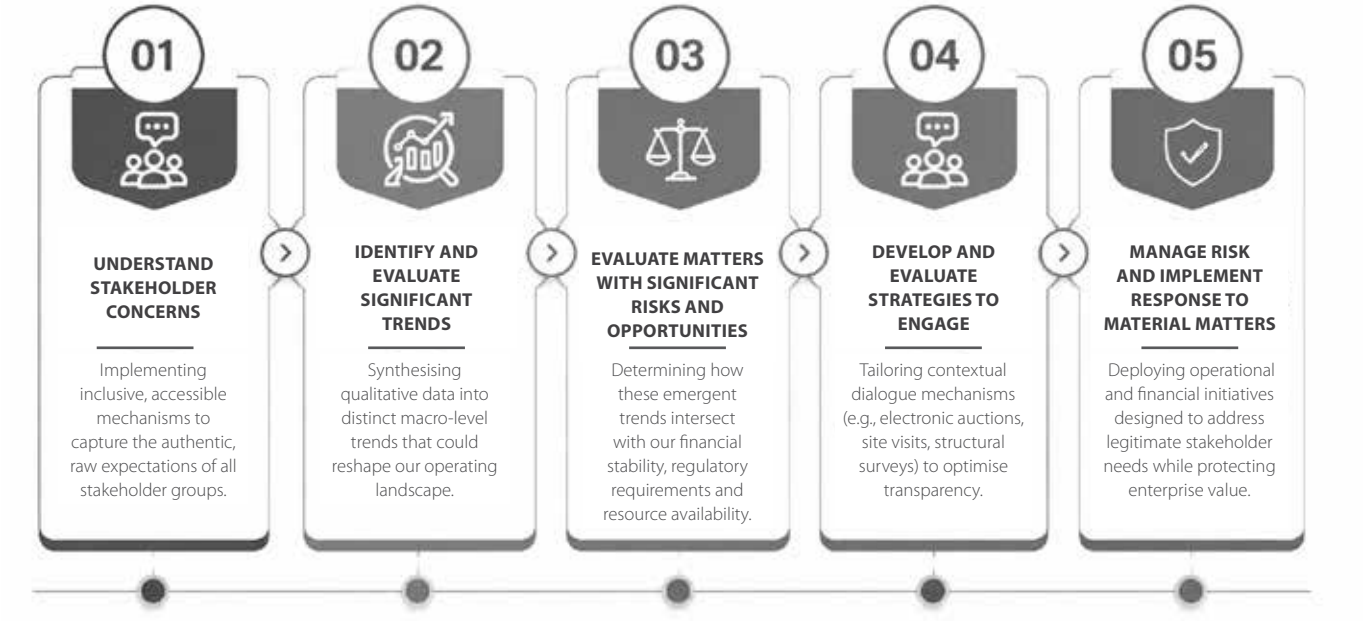
While execution is decentralised, all divisions operate under an overarching stakeholder engagement framework established by the Company. This requires thorough documentation of engagement processes and strict compliance with our internal communication and risk-mitigation protocols

Proactive Synthesis

This structure enables a multi-directional flow of insights, ensuring that real-time shifts in stakeholder expectations are immediately visible to divisional managers and synthesised during quarterly executive reviews.

THE FIVE IDEOLOGIES OF OUR ENGAGEMENT PROCESS

Our engagement methodology moves systematically away from reactive public relations towards proactive strategic integration. It is driven by five core operational ideologies.



STAKEHOLDER ENGAGEMENT MATRIX

The following matrix summarises JKPLC's engagement with its primary stakeholder groups during the year under review, their key expectations and concerns and our strategic responses.

Stakeholder Group	Methods of Engagement	Frequency	Core Expectations & Concerns	Strategic Response & Value Created
Customers 	• Face-to-face meetings & client visits • Regular estate & factory visits • Continuous two-way communication channels	• Ongoing • Case-by-case	• Superior service quality & value for money • Enhanced product responsibility • Timely market intelligence and performance trend data • Bridging of producer capability with global export dynamics	• Continuous improvement of auction advisory systems • Delivery of granular market insights to optimise seller pricing • Rigorous compliance verification on product standards and origin tracking
Employees 	• Formal Performance Management System (PMS) • Open-door policy forums • Ongoing training & development programmes • Welfare & engagement events	• Continuous • Annual reviews	• Transparent, merit-based career progression • Competitive remuneration & structural alignment • Workplace health, safety and holistic job security • Diversity, equity and inclusion (DEI)	• Structured review of salary and organisational configurations • Performance-driven reward mechanisms • Implementation of comprehensive occupational health protocols and proactive DEI policies
Shareholders & Capital Providers 	• Annual General Meeting (AGM) • Publication of Annual Report & Quarterly Financial Statements • Dedicated investor relations portal	• Periodic (Quarterly / Annual)	• Sustainable financial growth & long-term business continuity • Strong risk management and crisis insulation • Robust corporate governance, ethical conduct and credible disclosure • Capital appreciation and consistent dividend distributions	• Strict adherence to the Code of Best Practice on Corporate Governance • Execution of data-driven market strategies to protect share price value • Prudent capital allocation models prioritizing risk mitigation and steady growth in shareholder funds
Suppliers 	• Regular on-site visits to/from supplier premises • Structured one-on-one issue-resolution dialogues • Distribution of comprehensive product quality reports	• Ongoing • Weekly cycles	• Predictable, long-term business partnerships • Fair pricing mechanisms and transparent communication • Efficient, prompt payment processing • Knowledge transfer for product and process improvements	• Provision of technical feedback loops via regular quality reports • Optimisation of working capital timelines to guarantee punctual settlement terms • Cultivation of collaborative, trust-centric procurement frameworks

Stakeholder Relationship

MATERIALITY ANALYSIS

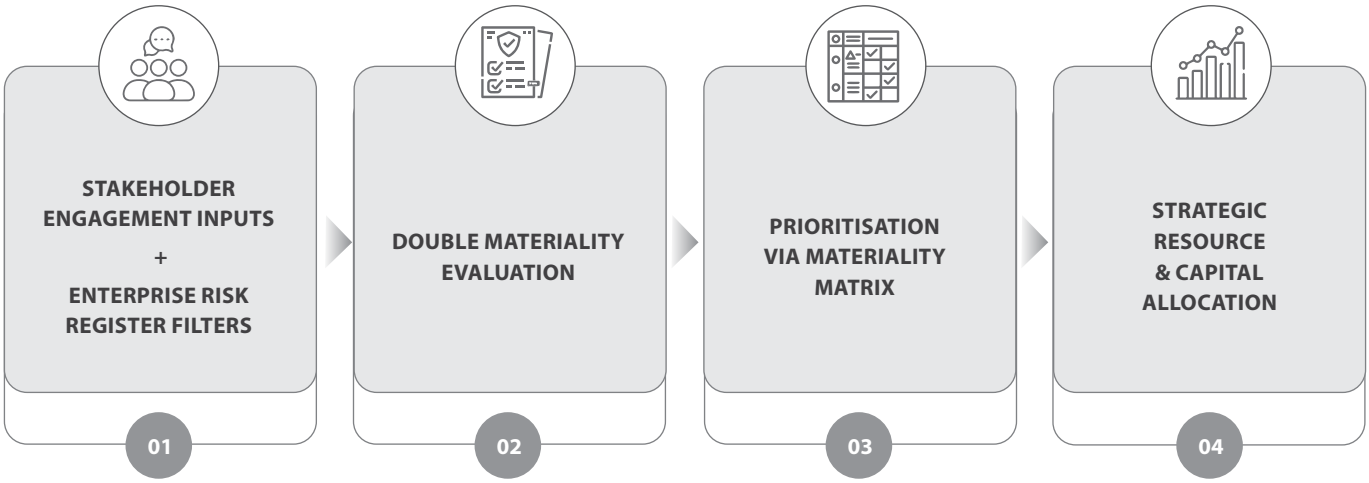
Materiality is central to JKPLC's approach to sustainable value creation and long-term business resilience. Through continuous stakeholder engagement and strategic evaluation, the Company identifies the environmental, social, governance, and economic matters that most influence stakeholder decisions and business performance. This process enables JKPLC to prioritise key issues, strengthen risk management, and align its strategic direction with evolving stakeholder expectations and the broader operating environment.

DETERMINING MATERIAL ASPECTS THROUGH STAKEHOLDER ENGAGEMENT

Insights derived from stakeholder engagement form the foundation of the Company's materiality determination process. A dual-lens assessment approach is applied to evaluate each aspect based on its significance to stakeholders and its potential impact on the Company's operations, strategy, and long-term value creation.

The identified aspects are subsequently mapped on a materiality matrix and categorised according to their relative priority as High, Medium, or Low. Issues classified as "High" are considered critical, reflecting substantial importance to both stakeholders and the Company. "Medium" priority aspects indicate a moderate level of influence, while "Low" priority aspects are considered to have limited impact on business performance and stakeholder decision-making.

This structured materiality assessment process provides a robust foundation for strategic planning, risk management, sustainability integration and informed decision-making across the organisation.



INTEGRATION WITH THE ENTERPRISE RISK MANAGEMENT (ERM) REGISTER

To bridge the gap between financial stability and broader sustainability impacts, our materiality assessment actively integrates inputs from the JKPLC Business Unit Risk Register. Key operational vulnerabilities identified in the financial year 2025/26 cycle have been mapped directly to the corresponding GRI Material Topics.

SYSTEMIC DISRUPTION RISKS

Power failures during critical E-Auctions and dependence on outsourced IT vendors map directly to GRI 201 (Economic Performance), reinforcing that tech resilience is vital to maintaining operational market presence.

MARKET CONCENTRATION & GEOPOLITICAL RISKS

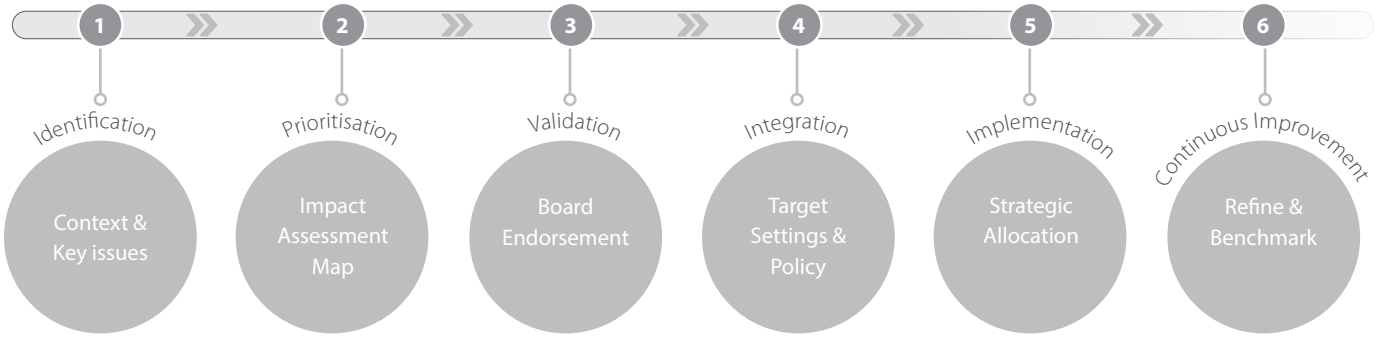
Structural threats like management changes, competitive poaching, and currency/macroeconomic shifts in importing countries require proactive management under GRI 201 and GRI 204 (Procurement Practices).

COMPLIANCE, INTEGRITY & HUMAN RIGHTS RISKS

Emerging operational risks, ranging from fraudulent documentation and forgery of bank details to workplace sexual harassment, underscore our rigorous focus on GRI 205 (Anti-corruption) and GRI 406 (Non-discrimination).

MATERIALITY ANALYSIS PROCESS

During the year under review, JKPLC conducted a comprehensive materiality analysis to ensure that our strategic focus aligns with the expectations of our stakeholders while addressing key business risks and opportunities. We follow a structured, multi-stage governance process to identify, evaluate and institutionalise the management of our material topics.



Stage 01: Identification of Key Material Issues

The process begins by establishing our baseline operating context. We review internal and external landscapes including global macro-trends, legislative updates, industry benchmarks, and the JKPLC Business Unit Risk Register. By synthesising these insights with direct feedback from our decentralised stakeholder engagement channels, we compile a comprehensive universe of potential material issues that could affect our value-creation process.

Stage 02: Prioritisation and Impact Assessment Matrix

The identified issues are subjected to a rigorous dual-lens assessment to gauge their impact. Each topic is evaluated based on:

1. The significance of its economic, environmental, and social impact on external stakeholders (Impact to Community/Environment).
2. Its potential to influence JKPLC's operational and financial resilience (Strategic Relevance to the Company).

These topics are then formally plotted on our Materiality Matrix and categorised into High, Medium, or Low priority thresholds to guide resource allocation.

Stage 03: Validation and Endorsement by the Board

To ensure robust corporate governance, the prioritised list of material topics and the resulting matrix are submitted to the Executive Management and the Board of Directors for formal review. The Board scrutinises the findings to ensure they accurately reflect JKPLC's long-term risk profile, risk appetite, and strategic vision before granting official validation.

Stage 04: Integration into Management Approach and Policies

Once endorsed, these validated material topics are embedded directly into our corporate governance structure. We assign executive accountability, formulate or update internal policies (for e.g., DEI frameworks, anti-fraud controls, health and safety protocols), and establish clear, measurable performance targets. This ensures that sustainability considerations are systematically woven into our daily corporate fabric.

Stage 05: Strategic Allocation and Implementation

With management frameworks established, we transition to execution. Resources, capital, and operational budgets are aligned specifically to address high-priority material issues. Action plans are rolled out across business units to mitigate identified risks (such as E-Auction stability and cybersecurity) and capitalise on sustainable opportunities.

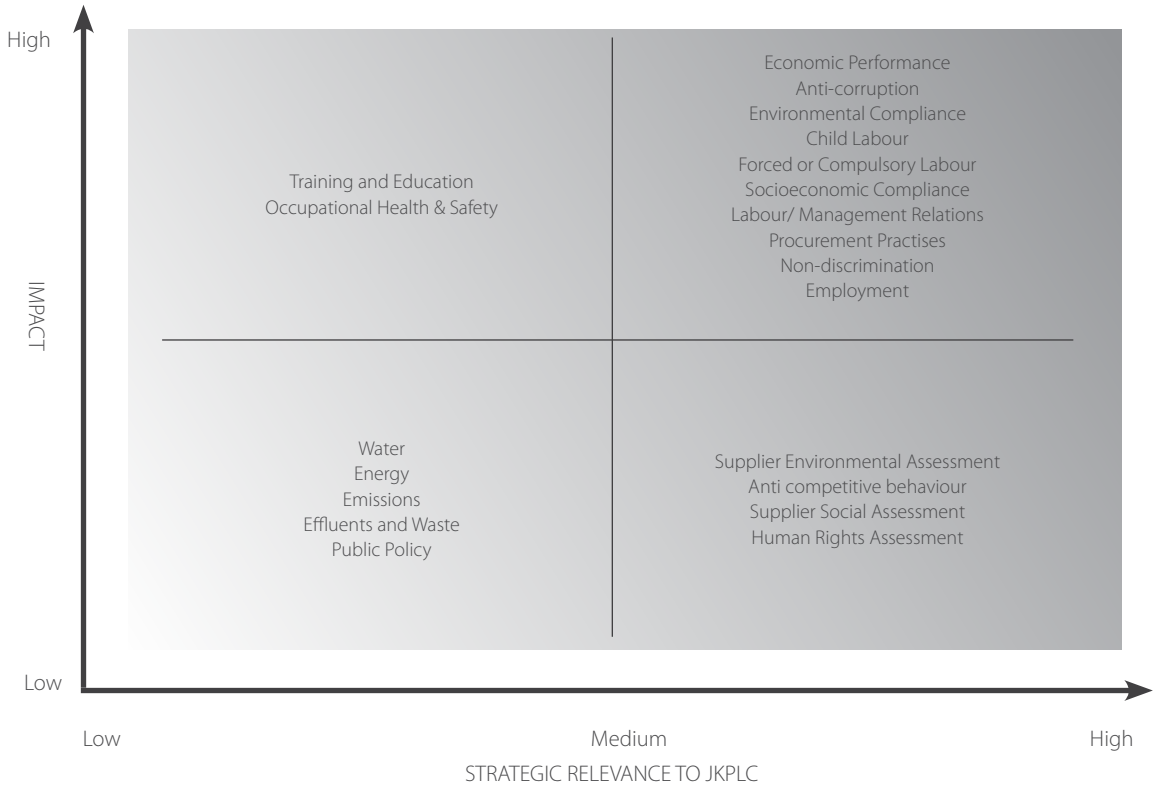
Stage 06: Continuous Improvement and Reporting

Materiality is not a static exercise. We continuously monitor our performance against set targets and benchmark our outcomes against international standards and peer disclosures. This feedback loop ensures that our materiality process remains agile, dynamic, and responsive to emerging shifts in the socio-economic and regulatory landscapes, which feeds directly back into the identification stage for the next reporting cycle.

Stakeholder Relationship

MATERIALITY MATRIX

The prioritisation profile below categorises issues based on their combined strategic relevance to JKPLC and the significance of their impact on stakeholders.



STRATEGIC MANAGEMENT APPROACH

For all "High" priority issues, JKPLC deploys specific oversight. Management approaches are governed by formal corporate policies, evaluated via internal audit methodologies, and verified by external combined assurance providers. Progress on these targets is reviewed directly by the Board of Directors quarterly to align corporate strategy with sustainability performance.

COMPREHENSIVE GRI MATERIAL TOPIC BOUNDARY AND IMPACT MAP

The following index identifies the boundaries, localised impact parameters, and strategic risk mitigations for JKPLC's verified material topics.

GRI Standard	Defined Material Topic	Reporting Boundary	Impact to Company	Impact on Stakeholders
GRI 201	Economic Performance	Internal & External	**High:** Revenue protection, business continuity, and preservation of shareholder funds.	**High**: Economic stability of smallholders, producers, and the wider trade supply chain.
GRI 204	Procurement Practices	Internal & Supply Chain	**High:** Operational stability, secure sourcing, and broker relationship preservation.	**Medium:** Safeguarding fair price discovery and sustainable trade practices for local tea/rubber estates.
GRI 205	Anti-corruption	Internal	**High:** Safeguarding corporate reputation, legal compliance, and transactional credibility.	**High:** Preserving absolute institutional trust within national commodity auctions.
GRI 206	Anti-competitive Behaviour	Internal	**Medium:** Risk of severe regulatory penalties and loss of trading licenses.	**High:** Disruptive distortion of auction dynamics and unfair marketplace mechanics.

GRI Standard	Defined Material Topic	Reporting Boundary	Impact to Company	Impact on Stakeholders
GRI 302	Energy	Internal	**Medium**: Operational costs associated with physical offices and warehousing.	**Medium:** Contribution to aggregate national grid demand and emissions.
GRI 303	Water	Internal	**Low:** Low operational rel-ance within pure brokerage frameworks.	**Medium:** Downstream consumption patterns in adminis-trative urban zones.
GRI 305	Emissions	Internal & Supply Chain	**Medium:** Exposure to future carbon taxation or mandatory supply chain carbon foot-prints.	**Medium:** Long-term ambient air impacts via logistics and distribution lines.
GRI 306	Effluents and Waste	External (Environment)	**Low:** Administrative waste profiles within central office operations.	**Medium:** Urban landfill and recycling eco-system impacts.
GRI 307	Environmental Compliance	External (Environment)	**High:** Prevention of statutory legal liability or catastrophic operational suspensions.	**High:** Ecological insulation against industrial neglect or localised degradation.
GRI 308	Supplier Environmental Assessment	External (Suppliers)	**Medium:** Supply chain disruptions triggered by non-compliant producer networks.	**High:** Proactive preservation of national biodiversity and sustainable agricultural land use.
GRI 401	Employment	Internal	**High:** Capability retention, institutional knowledge security, and reduction of recruitment costs.	**Medium:** Localised job security, livelihoods, and household financial stability.
GRI 402	Labour/ Management Relations	Internal	**High:** Maintenance of work-place productivity and preservation of union harmony.	**Medium:** Wider setting of re-gional industry-standard benchmarks for collective bar gaining agreements.
GRI 403	Occupational Health & Safety	Internal	**High:** Protection against op-erational downtime, liability claims, and productivity loss.	**Medium:** Direct impacts on public healthcare systems and household well-being.
GRI 404	Training and Education	Internal	**High:** Continuous upskilling to operate digital auction spaces and predictive analytical tools.	**Medium:** Broadening the national professional talent pool and workforce marketability.
GRI 406	Non-discrimination	Internal	**High:** Cultivation of a resilient, inclusive culture; insulation against legal litigation.	**High:** Universal alignment with fundamental human rights principles and social equity.
GRI 408	Child Labour	Internal & Supply Chain	**High:** Absolute regulatory/ legal enforcement; protection against severe brand damage.	**Critical:** Elimination of human rights abuses across systemic agricultural supply lines.
GRI 409	Forced or Compulsory Labour	Internal & Supply Chain	**High:** Enforcement of legal thresholds; preservation of global trade access status.	**Critical:** Eradication of exploitative labour setups in vulnerable producer pockets.
GRI 412	Human Rights Assessment	Internal	**Medium:** Legal compliance and maintenance of a strong social license to operate.	**High:** Promoting ethical workplace environments in developing markets.
GRI 414	Supplier Social Assessment	External (Suppliers)	**Medium:** Strategic avoidance of associative reputational fallout via poorly managed value chains.	**High:** Upward elevation of standard working conditions for regional plantation sectors.
GRI 415	Public Policy	Internal & Government	**Low:** Compliance with lobbying laws and maintenance of ethical neutral ground.	**Medium:** Prevention of political distortions or policy capture by private corporate interests.
GRI 419	Socioeconomic Compliance	Internal & Community	**High:** Prevention of fines, operating license bans and public reputational damage.	**High:** Sustained health of the national socio economic infrastructure, tax collection and rule of law.

Tea Brokering Segment Review

The Tea Brokering segment of JKPLC acts as a vital intermediary within the tea value chain, connecting producers with a diverse array of global buyers. Beyond its fundamental role in facilitating transactions through the Colombo Tea Auction, the segment provides support to producers, including manufacturing consultancy, financial assistance for field development and factory modernisation and comprehensive market intelligence. As the industry moves towards value-addition, our brokering services have evolved to include sophisticated grading and valuation, ensuring that our clients' produce achieves its maximum potential in a competitive global marketplace.



13.1%

MARKET SHARE

RS. 481.96 MN

REVENUE

34.74 MN KGS

TOTAL QUANTITY SOLD

RS. 1,122.78 PER KG

AVERAGE PRICE

GLOBAL TEA INDUSTRY OVERVIEW

The global tea industry reached an estimated value of USD 56.26 billion in 2025 and continued its transition from a traditional commodity market into a more premiumised and value-driven industry. The market is projected to reach USD 59.08 billion by the end of 2026, reflecting a compound annual growth rate (CAGR) of 5%. While black tea remained the dominant volume contributor globally, growth was increasingly concentrated within specialty and value-added segments, including single-origin orthodox teas, artisanal blends, organic teas and wellness-focused products.

The global market demonstrated a bifurcated growth pattern, with mass-market commodity teas facing margin pressure due to rising production costs and shifting consumer preferences, while premium tea categories generated stronger revenue growth. Functional and wellness teas infused with herbal and nutritional ingredients gained popularity as health-conscious consumers increasingly sought

beverages that support immunity, relaxation and overall well-being. Demand continued to shift towards packaged, branded and value-added teas, while digitalisation and direct-to-consumer business models gained momentum globally. Online retail channels expanded rapidly, enabling producers and exporters to reach premium consumers more effectively.

KEY GLOBAL TRENDS AND CHALLENGES

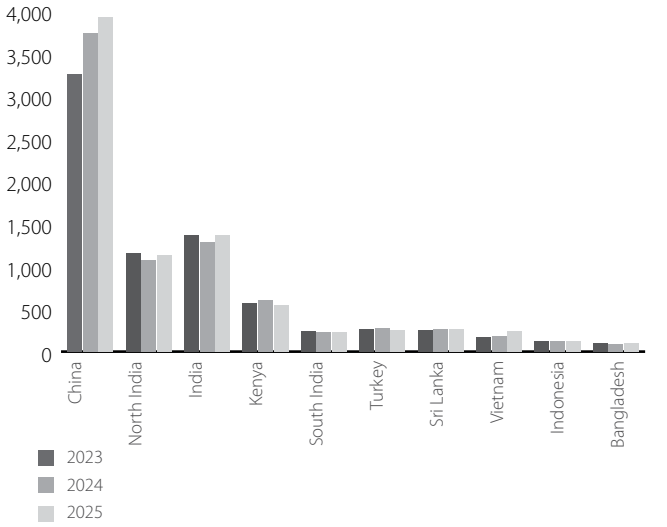
The industry is currently shaped by several transformative trends:

- Premiumisation and Speciality Growth: There is a surge in demand for single-origin, artisanal "orthodox" teas and "farm-to-cup" products, often sold via direct-to-consumer (DTC) digital channels.
- The Wellness Pivot: Functional tea products infused with turmeric, ashwagandha and probiotics are revitalising revenue streams as immunity and stress management become consumer priorities.
- Digitalisation: AI-driven selective plucking and drone-based precision fertilisation are being adopted in major hubs to offset rising labour costs.

While the industry shows signs of evolution, these opportunities remain tempered by systemic challenges, including labour shortages, escalating production costs and escalating tariff barriers. Climate change persists as a primary threat, with projected yield decreases of up to 14% in Sri Lanka and 25% in Kenya by 2050 if current trends continue. Furthermore, geopolitical upheavals and payment settlement complexities in key export destinations have necessitated a strategic shift from "just-in-time" efficiency to "just-in-case" resilience. As exporters navigate circuitous payment routes and trade barriers to maintain market access, these developments underscore the critical importance of supply chain diversification and technological innovation across the global tea ecosystem.

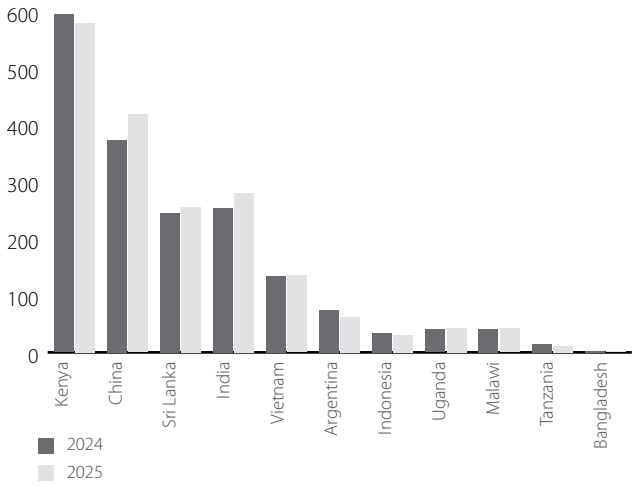
As reported by the International Tea Committee (ITC), global tea production increased by 2.53 percent to 7.27 million kilograms in 2025, compared to the previous year. Production remains geographically concentrated in Asia and Africa, which together control 98.88 percent of the world's supply, with Asia accounting for nearly 89 percent of total output. China retained its position as the world's largest producer, followed by India and Kenya. Sri Lanka emerged as the fourth-largest global tea producer during the year, surpassing Turkey despite ongoing domestic operational challenges.

CROP FIGURES OF MAJOR PRODUCING & EXPORTING COUNTRIES



The export market remained highly competitive, with total global tea exports exceeding 2,000 million kilograms in 2025, up from 1,967.92 million kilograms recorded in 2024, according to the ITC Report. Much of this gain was due to increased Asian production, which rose to 1,190.32 million kilograms in 2025 from 1,100 million kilograms in 2024. Asia accounts for over 59% of the world's total tea exports. While Kenya remains the world's leading exporter by volume, China and India have solidified their positions as top suppliers, followed closely by Sri Lanka.

EXPORTS OF MAJOR PRODUCING COUNTRIES

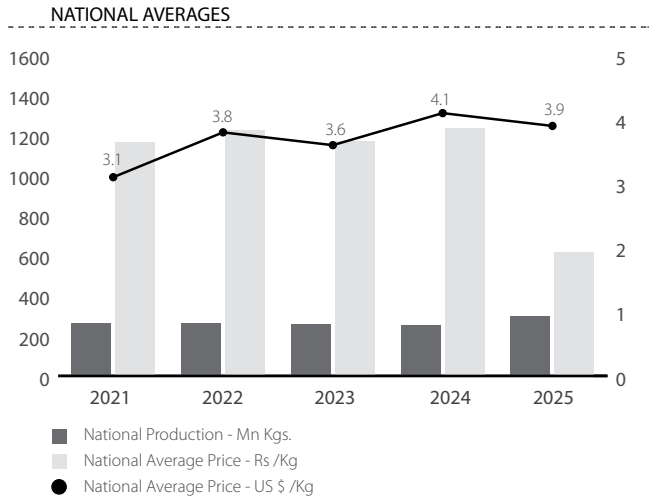


While global tea production remains dominated by black and green tea varieties, export trends increasingly reflect the industry's shift towards premiumisation, with producing nations such as China and Taiwan expanding exports of high-value speciality teas to cater to evolving consumer preferences for artisanal, single-origin and premium tea experiences.

Segmental Analysis
Tea Brokering Segment Review

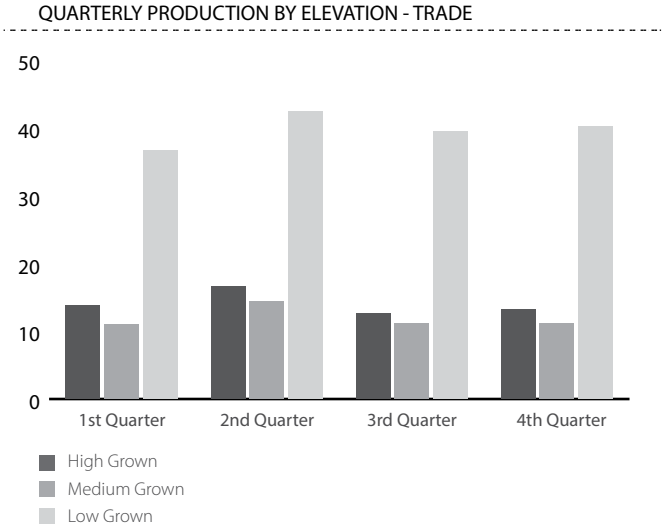
SRI LANKAN TEA INDUSTRY OVERVIEW

For the Sri Lankan tea industry, 2025 was a year of marginal recovery amidst a complex landscape of economic restructuring and climatic volatility. Total production reached 264.12 million kilograms, reflecting a slight increase of 0.75 percent from 262.15 million kilograms in 2024. While this marks the highest output in four years, it remains significantly below the national strategic target of 400 million kilograms by 2030.



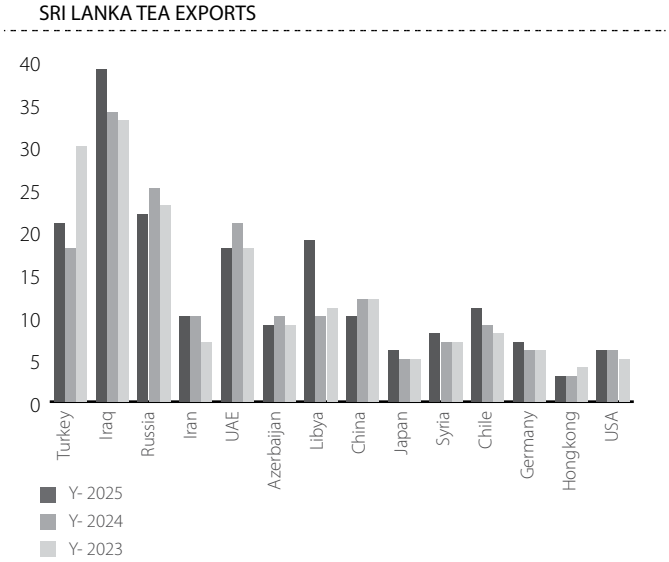
In terms of manufacturing styles, Orthodox tea continues to dominate the market, though CTC (Crush, Tear, Curl) teas showed more robust growth of 4.34 percent. Green tea also showed positive growth, increasing by 3.19 percent, in line with global wellness trends.

Performance across different growing regions varied throughout the year. Low-grown teas remained the largest contributor at 60 percent of national output, growing slightly to 158.83 million kilograms in 2025. Medium-grown teas recorded the highest growth rate at 3.49 percent, reaching 47.71 million kilograms, while high-grown teas experienced a slight contraction of 0.28 percent, primarily due to adverse weather and the disruptions caused by Cyclone Ditwah in late 2025.



The industry continued to operate under challenging conditions throughout the year. Adverse weather patterns, including prolonged rainfall and Cyclone Ditwah, disrupted harvesting and affected crop quality across several growing regions. Rising labour costs, elevated fertiliser prices, increased fuel and energy costs and the removal of energy subsidies further intensified pressure on producer margins.

Despite production challenges, export earnings reached a record high of USD 1.51 billion (approximately LKR 453.3 billion). This growth was underpinned by a 4.74 percent increase in export volume and a strategic turn toward value-added products, such as packaged black tea and tea bags, which now account for 45 percent of total exports. The average Free on Board (FOB) value remained strong at USD 5.85 per kilogram, maintaining the premium status of "Ceylon Tea" despite a decline in the national auction average.



The industry's reliance on a narrow customer base remains a strategic vulnerability. Iraq remained the primary importer, followed by Russia and Turkey. Notable highlights included an 84 percent volume surge in Libya and 29 percent growth in the Chilean market, signalling successful diversification into the South American premium segment. However, trade barriers, such as a 30 percent tariff imposed by the United States, have constrained access to lucrative speciality markets, forcing continued dependence on price-sensitive regions.

In addition, the abolition of the Simplified Value Added Tax (SVAT) scheme created liquidity constraints across the export sector, while geopolitical tensions in key export markets contributed to weaker demand and pricing volatility. Despite these challenges, the industry demonstrated resilience through continued growth in value-added exports and market diversification efforts.

The Colombo Tea Auction continued to hold its position as one of the world's most significant trading hubs for orthodox teas in 2025, demonstrating signs of volume stabilisation following several years of market volatility. Total auction volumes amounted to 242.84 million kilograms in 2025, compared to 245.78 million kilograms in 2024. Supported by the strong global reputation of the "Ceylon Tea" brand, auction prices remained comparatively competitive despite prevailing

pressure on global commodity tea prices. However, the average auction price in 2025 declined to USD 3.88 per kilogram from USD 4.14 per kilogram in 2024.

Looking ahead, the industry's viability depends on its ability to mitigate a persistent "margin squeeze" driven by rising labour costs, high utility overheads and volatility in imported inputs. The focus remains on sustainable reinvestment in field development and factory modernisation to safeguard the future of the "Ceylon Tea" brand.

SEGMENTAL PERFORMANCE FY 2025/26

Against a challenging operating backdrop, the Tea Brokering Segment delivered a resilient performance during the year under review by strengthening its market position and expanding its portfolio across multiple tea elevations and client categories. The Company's market share improved from 12.9 percent as of 31st March 2025 to 13.1 percent as of 31st March 2026, reinforcing its position as a leading tea broker in Sri Lanka. Sold quantities increased by 4.1 percent to 34.74 million kilograms during the financial year 2025/26, outpacing the industry growth rate of 3 percent and reflecting the effectiveness of the Segment's client acquisition and business development initiatives.

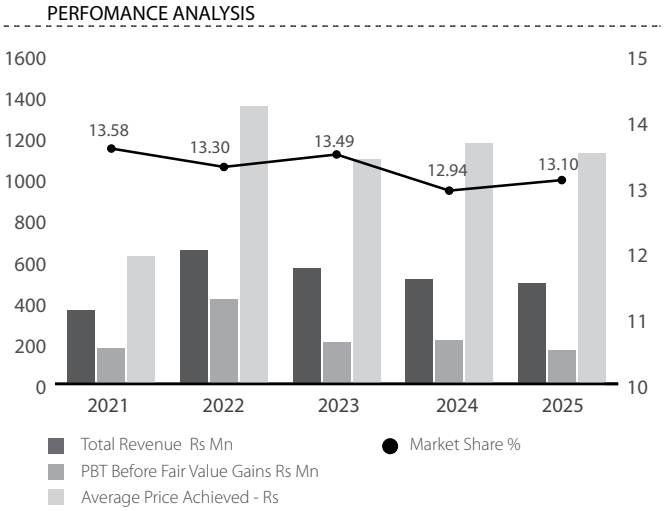
The Segment recorded positive momentum across both high-grown and low-grown tea categories and successfully introduced 17 new tea marks during the year. Quantities handled increased by approximately 995,938 kilograms, supported by strengthened relationships with producers and an expanded private client portfolio.

Market share gains were recorded across elevations, with high-grown teas improving from 25 percent to 26 percent, low-grown teas from 8.3 percent to 8.4 percent while there was a slight decline in medium-grown teas from 14.4 percent to 14.1 percent. These improvements demonstrate the Segment's growing penetration across diverse producing regions and product categories.

The Segment further strengthened its business development capabilities by introducing an incentive-based commission scheme for auctioneers, which contributed to the acquisition of new business volume and marks during the year. The private client portfolio increased to 44%, supporting improved revenue stability and stronger long-term client relationships. Auction prices ranged between Rs. 1,090.19 and Rs. 1,233.85 per kilogram during the financial year under review.

The Company's Segmental revenue decreased to Rs. 481.96 million during the year under review, compared to Rs. 502.79 million recorded in the previous financial year. Profitability and pricing conditions remained under pressure as a result of the average tea prices declining to LKR 1,122.78 per kilogram during the year under review, compared to LKR 1,171.80 per kilogram recorded in the previous financial year. This was mainly due to subdued market conditions, weaker demand in several export markets and a relatively stable US Dollar exchange rate. As a result, the Segment's profitability declined by 19.1 percent to Rs. 126.98 million as at 31 March 2026 compared to Rs. 156.95 million recorded in the previous financial year.

Brokerage income decreased by 0.29 percent to Rs. 391.03 million, compared to Rs. 392.18 million recorded in the previous financial year. The income generated from advances to sellers declined by 38.54 percent, falling to Rs. 43 million from Rs. 69.96 million recorded in the previous financial year.



Operationally, the Segment prioritised strengthening producer engagement and quality enhancement initiatives. Approximately 90 percent of planned factory visits were completed during the year, enabling closer collaboration with manufacturers and improving quality consistency across the portfolio. The engagement of external manufacturing consultants also contributed to portfolio expansion, including a significant increase in business volumes from key plantation clients.

The operating environment was further affected by adverse weather and logistical disruptions caused by Cyclone Ditwah, which impacted fertiliser application, harvesting schedules, crop quality and overall operational efficiency. Geopolitical tensions involving Iran and the Gulf region, along with broader global trade disruptions, also weighed on demand across key export destinations, particularly in traditional Middle Eastern markets.

Additionally, the abolition of the SVAT scheme significantly increased working capital requirements due to the need for upfront VAT settlements, placing additional pressure on cash flow management across the industry.

During the year, the Segment also continued to advance its digital transformation agenda. Strategic initiatives included plans to integrate AI-enabled solutions, such as pekoe.ai, to enhance tea grading, valuation accuracy and auction analytics, as well as to develop Power BI dashboards to improve operational intelligence and decision-making.

FUTURE OUTLOOK

The outlook for the Tea Brokering Segment remains cautiously optimistic despite continued global and domestic uncertainties. The gradual recovery in Sri Lankan tea production, coupled with sustained global demand for premium orthodox and value-added teas, is expected to create growth opportunities over the medium term.

The Segment remains focused on strengthening its competitive position through market diversification, portfolio expansion, technological integration and enhanced producer engagement. Strategic efforts are underway to expand market presence in emerging destinations such as Taiwan, China and Chile, while advocacy efforts continue to address stringent Maximum Residue Level (MRL) requirements in key export markets, including the European Union and Japan.

Over the next five years, the Segment aims to increase its market share through targeted business development initiatives, the recruitment of experienced tea auctioneers and the continued upskilling of manufacturing advisors and operational personnel.

Operational priorities for the financial year 2026/27 include establishing a dedicated New Business Development team, strengthening client funding support for machinery modernisation and further enhancing relationships with producers to improve quality consistency and supply reliability.

The Segment also intends to accelerate digital transformation initiatives by adopting AI-driven grading and analytics platforms, which are expected to enhance efficiency, improve valuation accuracy and support data-driven decision-making in an increasingly competitive market.

While climate volatility, geopolitical instability, rising production costs and global trade disruptions are expected to remain key industry risks, the Company believes its strong producer network, expanding client portfolio, operational expertise and strategic focus on value-added growth will position the Tea Brokering Segment for sustainable long-term growth.

Rubber Brokering Segment Review

As a leading rubber broker, JKPLC facilitates seamless connections between suppliers and buyers across the nation. Our experienced team ensures smooth and efficient operations from start to finish, powered by market-leading expertise and innovative solutions. We prioritise reliability and resilience across the supply chain, which enables our customers to focus on their core business operations while we manage the intricacies of the brokering process.



RS. 7.92MN

MARKET SHARE

0.90 MN KGS

REVENUE

RS. 764.32PER KG

TOTAL QUANTITY SOLD

GLOBAL RUBBER INDUSTRY OVERVIEW

The global rubber industry in 2025 operated within a complex environment shaped by slowing industrial demand, geopolitical uncertainty, climate-related supply disruptions and the ongoing transformation of the automotive sector. Despite short-term volatility, the industry remained strategically important due to its essential role in tyre manufacturing, transportation, healthcare products, industrial applications and consumer goods.

The global rubber market was estimated at approximately USD 50.8 billion in 2025, with Asia-Pacific remaining the dominant production and consumption hub, accounting for over one-third of the global market share. Synthetic rubber continued to hold the larger market share; however, natural rubber remained indispensable for tyre manufacturing due to its superior elasticity, durability and fatigue resistance. Automotive applications continued to account for the largest share of rubber demand globally.

The increasing adoption of electric vehicles (EVs), growth in replacement tyre demand and expansion of industrial manufacturing supported medium- to long-term demand growth. The industry also witnessed rising investment in specialty elastomers and high-performance rubber compounds to meet evolving requirements in EVs, electronics, medical products and industrial engineering applications.

Segmental Analysis

According to the International Rubber Study Group (IRSG), global rubber demand in 2025 was projected to exceed 32 million tonnes, while natural rubber demand was expected to reach approximately 15.7 million tonnes. However, the market continued to face structural supply tightness. Production growth remained constrained by ageing plantations, limited replanting activity, labour shortages, climate-related disruptions and competition from alternative crops such as palm oil.

The Association of Natural Rubber Producing Countries (ANRPC) reported that global natural rubber production increased modestly during 2025, although consumption growth weakened due to weaker downstream demand in China, Europe and parts of the automotive sector. Global natural rubber consumption was affected by slower economic recovery, trade tensions and weaker manufacturing activity in several key markets.

Climate change emerged as a major challenge for the industry during the year. Extreme weather events, including floods in Thailand and adverse rainfall patterns across Southeast Asia, disrupted tapping operations and constrained supply. These events contributed to price volatility and reinforced concerns regarding the long-term sustainability of global natural rubber supply chains.

At the same time, sustainability and traceability became increasingly important strategic priorities. Manufacturers and global buyers intensified focus on environmentally responsible sourcing, deforestation-free supply chains, carbon footprint reduction and compliance with emerging sustainability regulations, particularly in European markets. This accelerated investment in sustainable plantation management, circular economy practices and recycled rubber technologies.

Overall, while the global rubber industry experienced slower growth momentum in 2025, long-term fundamentals remain positive, supported by expanding mobility demand, infrastructure development, industrialisation in emerging economies and the continued growth of global transportation networks.

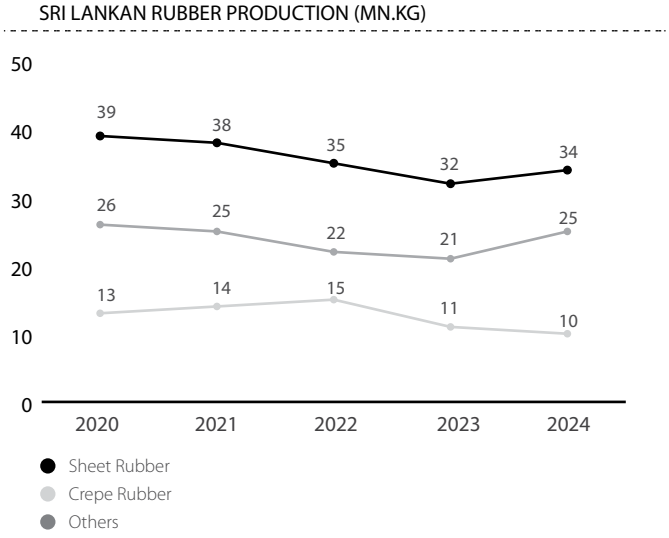
SRI LANKAN RUBBER INDUSTRY OVERVIEW

In 2025, the Sri Lankan rubber industry continued to play an important role in the country's export economy, manufacturing sector and plantation industry, although it faced significant operational and market-related challenges. Sri Lanka remained internationally recognised for its high-quality natural rubber, value-added rubber products, industrial gloves and specialised tyre-related manufacturing.

The industry operated amid a gradually recovering domestic economy, supported by macroeconomic stabilisation and IMF-backed economic reforms. However, external market uncertainties, rising production costs, labour shortages, unpredictable weather patterns, climate change factors and weakening global demand continued to exert pressure on the sector.

Sri Lanka's rubber industry is characterised by a strong value-added manufacturing base rather than large-scale raw rubber production. The country has developed competitive strengths in industrial solid tyres, medical and industrial gloves, engineered rubber products and specialised rubber-based exports serving international markets in North America, Europe and Asia.

During 2025, export performance remained relatively subdued due to weaker global demand and trade-related uncertainties affecting downstream manufacturing industries. Industry reports indicated that rubber export earnings declined compared to the previous year, reflecting slower demand in tyre manufacturing and industrial rubber products. The United States remained one of Sri Lanka's key export destinations for rubber-based products, making the sector vulnerable to changes in global trade policies and tariffs.



Rubber plantation operations also faced structural challenges. Rising labour costs, shortages of skilled tappers, ageing rubber plantations and insufficient replanting activity constrained productivity growth. Climate-related disruptions and disease outbreaks further affected yields and operational efficiency in certain plantation regions.

Despite these challenges, Sri Lanka retained several strategic advantages within the global rubber value chain. The country's reputation for premium-quality latex-based products, advanced manufacturing capabilities and strong compliance standards continued to support export competitiveness in specialised market segments. Sri Lankan manufacturers are increasingly focused on higher-margin value-added products rather than competing solely on commodity-based raw rubber exports.

Sustainability and ESG integration also gained increasing prominence within the sector. Plantation companies and manufacturers expanded initiatives related to sustainable cultivation practices, environmental stewardship, responsible labour practices, renewable energy adoption and traceable supply chains in response to evolving international buyer expectations and regulatory requirements.

Looking ahead, the long-term outlook for Sri Lanka's rubber industry remains cautiously optimistic. Future growth is expected to depend on increased productivity, technological modernisation, plantation rejuvenation, expansion into high-value niche products and stronger integration into sustainable global supply chains. Continued recovery in global demand for automotive and industrial manufacturing may also provide opportunities for export growth over the medium term.

SEGMENTAL PERFORMANCE FY 2025/26

JKPLC's rubber broking segment experienced another challenging financial year, reflecting a broader market downturn and stagnant volumes. Total volumes sold declined during the period under review to 0.90 million kilograms, compared with 1.06 million kilograms in the previous financial year. This reduction in volume is largely attributed to changing trade dynamics, with very little volume currently entering the traditional rubber trade as producers increasingly handle their own shipments. Additionally, forward contracts with overseas buyers limited the quantities available for auction sales, which directly impacted broking firms.

Revenue and profitability were further pressured by these volume declines and stagnant market prices. Segmental revenue increased to Rs. 7.92 million from Rs. 7.85 million in the previous financial year. Profit before tax declined to Rs. 1.14 million from Rs. 3.42 million in the previous financial year. Despite these pressures, the average price for the year remained relatively stable, averaging Rs. 764.32 per kilogram, compared with Rs. 654.16 per kilogram in the previous financial year.

Notwithstanding this subdued performance, the Company remains steadfast in its commitment to the rubber broking segment, supported by targeted strategic initiatives.

FUTURE OUTLOOK

Looking ahead, the Company is focused on revitalising the rubber broking segment through targeted strategic initiatives designed to unlock new avenues for growth. Key to this strategy is enhancing stakeholder engagement to encourage greater participation at auctions and investigating measures to stabilise the flow of rubber directed to these auctions.

We are also exploring opportunities to diversify our sales channels by establishing direct relationships with international importers, a move designed to reduce dependence on auctions and provide the flexibility needed to navigate evolving trade dynamics. We will also continue to focus on operational efficiency and competitive excellence. Through these efforts, we aim to strengthen the segment's resilience and ensure sustained global competitiveness.

Warehousing Segmental Review

The warehousing segment remains a fundamental part of JKPLC's operations, serving as the critical link that ensures the secure and efficient transfer of products from origin to consumer. Beyond mere storage, the segment is committed to innovative systems and meticulous attention to detail. This is particularly evident in our tea warehousing, where processes are designed to safeguard the leaf's delicate aroma and rich tradition, ensuring every brew reflects our dedication to quality.



RS. 186.60 MN

REVENUE

42.08 %

QUANTITY OF TEA STORED

RS. 47.44 MN

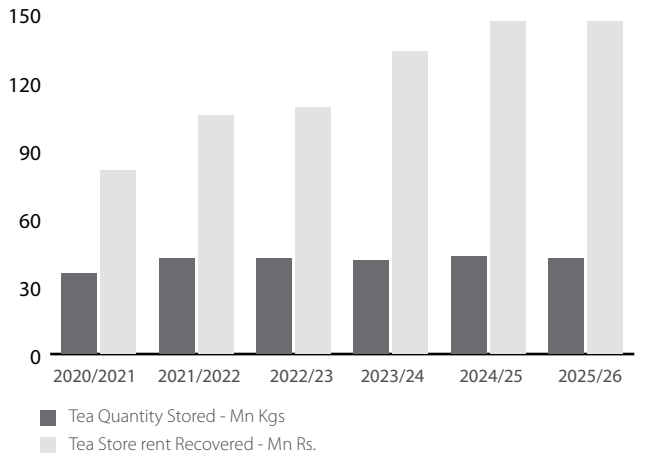
PROFIT BEFORE TAX

SEGMENTAL PERFORMANCE FY2025/26

The financial year under review was defined by a strategic turn towards asset optimisation and rigorous financial discipline in response to evolving economic conditions. While the segment continued to navigate challenges within the Sri Lankan tea industry, it underwent a transformative shift in its business model to enhance long-term viability.

A key management development was the transition of John Keells Warehousing (JKW) to a dual-purpose model, with 50% of the facility now allocated to John Keells Logistics (JKLL). This strategic realignment allows the tea warehousing section to operate at full capacity while significantly streamlining overheads related to staffing, maintenance and machinery. As a result of this transition, the tea section maintained full capacity throughout the year, ensuring maximum resource utilisation. Consequently, the total quantity of tea stored decreased by 2 percent to 42.08 million kilograms, compared to the 43.08 million kilograms recorded in the previous financial year.

WAREHOUSING OPERATIONS - QUANTITY HANDLED / VALUE



The warehouse maintained its steadfast commitment to high-quality service delivery, upholding stringent environmental controls to preserve the delicate aroma and nuanced flavour inherent in every leaf. Operational processes were further streamlined to manage peak volumes effectively without compromising the segment's rigorous service standards. However, warehousing operations were notably impacted by "clogged" facilities during the year, as buyers did not clear cargo at the standard pace. This logistical bottleneck was driven by broader global disruptions, including delayed shipments and rising freight costs. Despite these external pressures, the segment's ability to adapt to the evolving storage demands of the tea industry underscores its operational resilience and its strategic significance within the wider business value chain.

To mitigate rising overheads, such as the minimum wage increase effective January 2026, the handling fee charged on stored teas was increased by 5 percent at the beginning of January. Accordingly, the segment recorded revenue growth of 16 percent. Revenue goes to Rs. 186.60 million for the year under review, compared to the Rs. 161.43 million achieved in the previous financial year.

JKW, in strategic collaboration with JKLL, has successfully secured a 10-year lease covering 52% of the warehouse's total pallet capacity. This long-term agreement guarantees a predictable revenue stream over the next decade, enhancing financial stability and optimizing asset utilization. The partnership underscores a commitment to operational efficiency and positions both companies for sustained growth in the logistics and warehousing sector.

MANAGING OPERATIONAL COSTS

Managing escalating cost pressures remained a central focus for the warehousing segment amidst challenging market conditions and rising inflation towards the latter part of the financial year. The segment faced significant headwinds from rising fixed costs, most notably the implementation of the minimum wage increases to LKR 30,000 effective January 2026. Despite proactive measures to optimise operational efficiencies and streamline processes, total operational costs increased by 1 percent to Rs. 110.36 million, compared to Rs. 107.92 million in the previous year. This increase was primarily driven by higher labour wages and maintenance costs for essential machinery.

SOLAR PROJECT STATUS

While the installation of the two-megawatt solar panel system on the warehouse rooftop is complete, it remains uncommissioned. This delay is due to a CEB policy change in March that restricts the connection of solar systems that exceed the site's contract demand, currently 200 kilowatts.

AUTOMATION INITIATIVES

Although a study on automating bag unloading was discontinued because it did not meet the required savings threshold, the segment remains committed to digital transformation. Integration efforts between tbBOSS and SAP to automate advance payments and receipting processes are underway.

SUSTAINABILITY AND ENVIRONMENTAL STEWARDSHIP

JKPLC continues to integrate sustainable practices into core warehousing operations to reduce its carbon footprint.

The segment's JKW road renovation project is set to utilise approximately 850 kg of recycled plastic for plastic asphalt. While the physical renovation was deferred to FY2026/27, it remains a key component of our environmental strategy.

Following the completion of the two-megawatt solar power project on the warehouse rooftop, the Company is now looking toward the future of transport. A plan has been established to replace three existing vehicles with electric vehicles over the next three years to further lower emissions.

FUTURE OUTLOOK

The Segment remains optimistic regarding the recovery of tea production levels, which is expected to drive higher utilisation of facilities and increased demand for storage services. The partnership with JKLL is also expected to increase revenue and full capacity utilisation in the coming year.

A critical strategic priority for the segment is to maintain a robust focus on enhancing operational efficiency while proactively identifying new market opportunities. Effective cost and expenditure management remains essential for sustaining long-term profitability and financial stability. To drive these improvements, the segment will leverage advancements in automation and smart technologies to streamline core processes and increase overall efficiency.

We believe that by leveraging advancements in automation and strategically investing in infrastructure, the Warehousing Segment is well-positioned to meet rising demand while upholding the highest standards of service delivery in the coming years.

Segmental Analysis

Stock Brokering Segment

During the financial year 2025/26, the All-Share Price Index (ASPI) of the Colombo Stock Exchange (CSE) surged by 33 percent. This was primarily driven by Sri Lanka's post-crisis recovery, IMF programme continuity, lower interest-rate expectations, stronger corporate earnings and improved domestic liquidity.



RS. 565.52 MN

REVENUE

RS. 51.71 MN

INVESTMENT INCOME

In April 2025, Sri Lanka reached a staff-level agreement with the IMF on the fourth EFF review, with access to approximately USD 350mn subject to Board approval. However, US tariff uncertainty created risks for export sectors such as apparel

The IMF Board completed the fourth review in July 2025, unlocking approximately USD 350mn and reinforcing confidence that reforms, debt restructuring and macro stabilisation remained on track, supporting a strong equity rally through 2025.

The market also benefited from improving macro fundamentals. Sri Lanka recorded 5.0% real GDP growth in 2025, with industry expanding 7.8% and services growing 3.3%. The recovery was helped by lower interest rates, a mostly stable exchange rate, revival in construction/manufacturing and the lifting of vehicle import restrictions, which improved sentiment across financial services, insurance, trading and consumer-related counters.

Momentum continued into early 2026, with the ASPI recording fresh historic highs. However, toward the end of the fiscal year, sentiment became more cautious due to Middle East-linked energy price risks and inflation concerns.

The CSE recorded an average daily turnover of Rs. 5,512 million for financial year 2025/26 , while market capitalization of the CSE rose to Rs. 7,522 billion from Rs. 5,606 billion the previous year.

John Keells Stock Brokers delivered strong year-on-year revenue growth of 32%, reaching Rs. 565 million. This performance led to a commendable increase in PBT, underpinned by a research-led approach to client acquisition and portfolio advisory, along with sustained operational efficiencies achieved through ongoing digitisation initiatives.

Capital Management

FINANCIAL CAPITAL



At JKPLC, financial capital serves as the economic and strategic foundation of our operations, encompassing the liquid resources, investments and capital frameworks required to drive sustainable growth across our tea broking, warehousing and stockbroking businesses. We view our financial resources as more than static numbers on a balance sheet; they are dynamic enablers of operational agility, supply chain resilience and long-term stakeholder value creation.

Rs. 1,233.19 MN
Revenue

Rs. 358.32 MN
EBITDA

MANAGEMENT APPROACH

The Group's management framework is focused on sustaining operational continuity, ensuring compliance with the Companies Act No. 7 of 2007 and delivering long-term stakeholder value. This approach is underpinned by strong internal controls, disciplined working capital management and strategic investments in equity instruments and investment properties to support earnings stability. Management remains committed to maintaining adequate liquidity while meeting obligations to producers in a timely and reliable manner.

During the financial year ended 31st March 2026, JKPLC strengthened its macroeconomic resilience through prudent capital allocation, proactive risk management and disciplined governance practices. Amid evolving market dynamics and changing cost structures, the Group safeguarded its capital base, enhanced liquidity management and contained financing costs. By balancing short-term cash flow optimisation with long-term investment priorities, the Group continued to maximise Economic Value Generated and Distributed across its stakeholder base.

Financial Capital

Our approach to managing financial capital is anchored on three central pillars designed to maintain market leadership and capture shifting commercial dynamics.

Operational Growth and Infrastructure Excellence	Financial Resilience and Capital Flow Optimisation	Performance Monitoring & Financial Controls
The Group focuses on expanding the throughput capacity of its primary core segments: Produce Broking, Warehousing and Stock Broking. Continuous optimisation of warehousing infrastructure ensures the preservation and efficient handling of agricultural produce, enabling JKPLC to safely scale up its service volume.	Maximising operating cash flow remains critical to insulation against market cycles. The Group actively manages short-term investments and maintains flexible banking lines to support rapid payments to producers, minimising dependence on costly external long-term debt facilities.	At the core of this pillar is a comprehensive suite of financial KPIs and performance trackers evaluated on real-time and rolling frequencies. The Group monitors operational velocity such as inventory turnaround times within the warehousing segment and market capitalisation trajectories on the Colombo Stock Exchange to predict macro financial shifts before they materialise. Financial resources are deployed under Return on Investment (ROI) and economic value-added (EVA) thresholds, ensuring that any capital spent directly maximises long-term shareholder returns.

VALUE LINKAGE: DEPENDENCY AND IMPACT

The following table outlines how our reliance on manufactured capital directly influences our ability to create value for our stakeholders, transforming physical and digital inputs into service excellence.

Financial Capital Input	Business Dependency	Value Driver and Impact
Core Liquidity & Operational Reserves	High dependence on fluid cash flows and instant working capital cycles to meet immediate producer obligations.	**Supply Chain Trust:** Accelerating net operating cash flows to support rapid producer settlements and protect supply chain relationships.
Short-Term Investments & Buffer Capital	Dependence on robust liquid reserves to absorb market shocks, buyer credit defaults and macro interest shifts.	**Macroeconomic Resilience:** Growing short-term allocations to cushion operations from systemic volatility and credit impairments.
Non-Current Financial Assets	Reliance on stable equity markets to preserve the Group's long-term asset book value and comprehensive reserves.	**Balanced Wealth Retention:** Portfolio rebalancing to maintain an investment buffer.
Managed Credit Lines & Banking Facilities	Reliance on cost-effective, low-utilisation credit facilities to avoid debt-servicing traps during inflation.	**Interest Expense Minimisation:** Restructuring overdraft lines to enable lower finance costs and a resilient interest cover.

KEY PERFORMANCE HIGHLIGHTS

Key Metric	FY 2025/26 (Rs.'000s)	FY 2024/25 (Rs.'000s)	YoY Change (%)
Group Revenue	1,233,194	1,009,382	+22.17%
Gross Profit	741,772	535,766	+38.45%
Group EBITDA	358,316	321,056	+11.61%
Profit Before Tax	301,104	256,644	+17.32%
Profit for the Period	160,394	173,488	-7.55%
Net Operating Cash Flows ('000)	1,160,574	526,888	+120.27%
Earnings Per Share (EPS)	Rs. 2.09	Rs. 2.80	-25.53%
Net Assets Per Share	Rs. 66.76	Rs. 77.69	-14.08%

SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

During the year under review, JKPLC integrated SLFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and SLFRS S2 (Climate-related Disclosures) requirements and actively reviews how environmental, social and climate risks affect financial performance.

Governance and Risk Integration: The Board oversees financial vulnerabilities stemming from volatile tea production volumes (driven by climate fluctuations) and shifts in stock brokerage activity. Risk registers directly feed into our working capital configurations.

Financial Position Resilience: Climate change risks are factored into the stress-testing of trade receivables and advances extended to tea producers. The Group's shift towards higher cash allocations, as seen by the short-term investments rising to Rs. 822.54 million during the financial year 2025/26, shields against systemic climate disruptions affecting the agricultural supply chain.

ECONOMIC VALUE STATEMENT

The Economic Value Generated and Distributed statement on page 163 of this report reflects the quantitative wealth created by the Group and its targeted distribution channels across the value chain, emphasising long-term asset renewal and equity retention. A snapshot of the value generated and distributed in the financial year under review is shown below.



01 DIRECT ECONOMIC VALUE GENERATED

Group Revenue + Finance Income	Rs. **1,314.93** Million



02 ECONOMIC VALUE DISTRIBUTED

Operating Costs (Cost of Sales + Admin + Other)	Rs. **905.87** Million
Employee Wages & Benefits (Direct Staff Costs):	Rs. **418.59** Million
Payments to Providers of Capital (Dividends Paid):	Rs. **179.36** Million
Payments to Government (Income Tax Expense):	Rs. **140.71** Million



03 ECONOMIC VALUE RETAINED

Wealth Retained for Asset Renewal & Reserves	Rs. **2961.80** Million

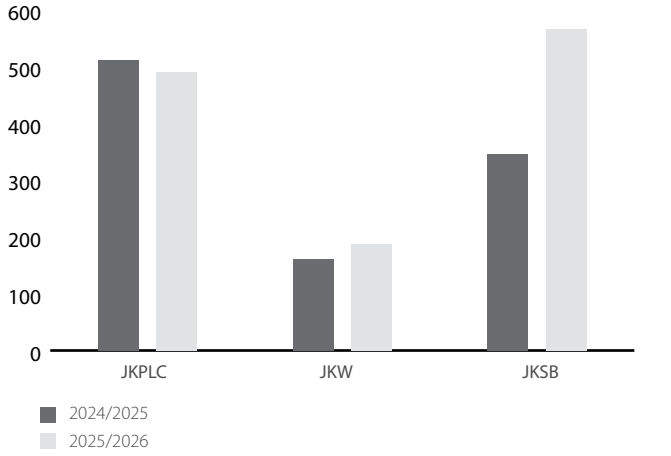
Financial Capital

REVENUE AND SEGMENTAL CONTRIBUTIONS

The Group concluded the financial year with a consolidated revenue of Rs. 1,233.19 million, representing a robust 22.17% increase over Rs. 1,009.38 million reported in the previous financial year. Top-line growth was primarily due to the extraordinary trading volumes recorded by the Group's stock broking segment, which recorded a 64.02 percent revenue increase to Rs. 565.51 million in the financial year 2025/26 compared to Rs. 344.78 million recorded in the previous financial year.

The warehousing segment (JKW) also contributed 15.13 percent to the Group's revenue, with a Rs. 25.21 million increase, resulting in total revenue of Rs. 186.60 million, up from Rs. 161.43 million in the previous financial year. This increase was mainly driven by a 5 percent increase in warehousing charges effective January 2026. This performance mitigated a 4.06 percent decline in revenue recorded from JKPLC's tea and rubber broking operations, which fell to Rs. 489.88 million from Rs. 510.63 million in the previous financial year.

COMPOSITION OF REVENUE



TEA BROKING REVENUE

The tea broking sector continued to operate in a challenging supply environment, with lower national crop volumes impacting auction throughput. However, JKPLC's strong standing in the industry led to the Company selling 34.74 million kilograms during the financial year 2025/26, up from 33.39 million kilograms in the previous year. This amounts to a 4.06 percent increase in teas sold compared to the 3 percent drop recorded in the previous financial year.

However, revenue from the tea broking segment declined by 4.06 percent to Rs. 489.88 million in financial year 2025/26, down from Rs. 510.63 million in financial year 2024/25. The reduction was primarily attributable to lower interest income earned on advances extended to tea producers, which declined by 38.59 percent, reflecting both the easing of the interest rate environment and a deliberate reduction in lending exposure to mitigate credit risk. Consequently, tea broking income fell by 0.29 percent to Rs. 391.03 million, compared with Rs. 392.18 million achieved in the prior year.

Despite the decline in overall segment revenue, core broking operations remained resilient, supported by continued auction activity and stable fee-based income streams. Lower finance-related income, however, weighed on total segment earnings during the year.

RUBBER BROKING REVENUE

Revenue from rubber broking activities recorded a modest 0.89 percent during the year under review, amounting to Rs. 7.92 million compared to Rs. 7.85 million in the previous financial year. This increase was due to slightly improved pricing conditions in the domestic rubber market, as supply-side constraints continued to influence market activity, resulting in lower traded volumes but stronger average selling prices. The segment continued to contribute steadily to the produce broking portfolio, benefiting from the Group's long-standing relationships within the plantation and export sectors.

WAREHOUSING REVENUE

The warehousing segment delivered a strong performance during the financial year 2025/26, with revenue increasing by 15.59 percent to Rs. 186.60 million, up from Rs. 161.43 million in the previous financial year. Revenue growth was supported by higher storage volumes, improved handling activity, and the 5 percent increase in warehousing handling fees implemented during the year. Increased operational throughput within the tea auction ecosystem also contributed positively to segment earnings.

SHARE BROKERING REVENUE

The stock broking segment emerged as the strongest contributor to Group revenue growth during the financial year 2025/26, with revenue increasing to Rs. 565.52 million compared to Rs. 344.79 million in the financial year 2024/25, representing growth 64.02 percent. The remarkable performance was underpinned by heightened investor participation at the Colombo Stock Exchange, supported by improved market sentiment, lower interest rates, and greater liquidity within the domestic financial system. Increased turnover levels and improved retail and institutional participation significantly boosted brokerage income during the year. The segment also benefited from stronger market valuations and improved trading volumes across key counters.

The average daily turnover for the year amounted to Rs. 5512 million, while the market capitalisation of the CSE at the close of the financial year stood at Rs. 7,522 billion, in comparison to Rs. 5,606 billion at the end of the previous financial year.

COST OF SALES

Consolidated cost of sales increased by 3.76 percent to Rs. 491.42 million during the financial year 2025/26 from Rs. 473.62 million in the previous year. The increase was primarily driven by higher commission expenses, staff-related costs, and incentive payments for employees in the stock broking operations. The produce broking segment (JKPLC), however, recorded an 4.82 percent improvement in cost of sales due to improved cost-efficiency measures, a reduction in VAT and STI payments.

GROSS PROFIT

Driven by revenue growth, particularly within the stock broking and warehousing segments, consolidated gross profit increased significantly by 38.45 percent to Rs. 741.77 million compared to Rs. 535.77 million in the financial year 2024/25. Gross profit margins also improved, reflecting stronger operational leverage and stronger segmental contribution across the Group.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses increased by 11.28 percent to Rs. 404.44 million during the year from Rs. 363.46 million recorded in the financial year 2024/25. The increase was largely attributable to higher employee-related expenses, including salary revisions, performance incentives, and staff-related operational costs across the Group.

The increase was particularly evident in the tea and stock broking segments, reflecting the expansion of operational activity and the implementation of performance-linked remuneration structures during the year.

SELLING AND DISTRIBUTION EXPENSES

The Group's selling and distribution expenses increased sharply to Rs. 122.56 million during the financial year 2025/26, up from Rs. 38.97 million in the previous financial year. The increase was primarily driven by an impairment provision of Rs. 105.53 million recognised against trade receivables for outstanding balances from a specific customer group.

Despite this provision, the Group continued recovery efforts during the year, partially mitigating the impact through debt recoveries and strengthened credit monitoring procedures.

FINANCE INCOME

Total Group finance income increased by 17.97 percent to Rs. 81.74 million from Rs. 69.29 million recorded in the financial year 2024/25. Finance income from JKSB and JKPLC recorded an increase of 20.91 percent and 15.88 percent, respectively, whereas JKW recorded a negligible increase compared to the previous financial year. The growth was supported by higher interest income generated from improved cash balances and increased dividend income from financial assets classified at fair value through other comprehensive income.

Dividend income of Rs. 7.15 million received from Keells Food Products PLC, an 33.46 percent increase compared to the Rs. 5.36 million received in the previous year, also contributed positively to overall finance income during the year.

FINANCE EXPENSES

Finance expenses declined significantly by 68.89 percent to Rs. 5.63 million compared to Rs. 18.08 million in the financial year 2024/25. Finance expenses from JKSB, JKW, and JKPLC declined by 94.08 percent, 38.19 percent, and 90.11 percent, respectively, compared to the previous financial year. The reduction was primarily attributable to lower bank overdraft utilisation, reduced borrowings, and an easing of the domestic interest rate environment.

NET FINANCE INCOME AND INTEREST COVER

Consequently, net finance income improved substantially to Rs. 76.12 million during the financial year 2025/26, up from Rs. 51.21 million in the previous year, reflecting stronger treasury management and lower financing costs.

The Group's interest cover ratio strengthened further during the year, supported by higher operating profitability and materially lower finance expenses, reinforcing overall financial resilience. Total interest cover amounted to 54.53 times, compared to 15.2 times recorded in the financial year 2024/25.

INVESTMENT PROPERTY REVALUATION

The Group recognised a fair value gain of Rs. 12.90 million relating to the investment property situated in Ja-Ela, following an independent market valuation carried out as at 31st March 2026. While lower than the Rs. 30.50 million gains recorded in the previous year, the revaluation continued to support the strength of the Group's non-current asset base.

TAXATION

Income tax expenses increased significantly by 69.21 percent to Rs. 140.71 million compared to Rs. 83.16 million recorded in the financial year 2024/25. The increase was primarily driven by a substantial improvement in profitability in the stock broking segment, resulting in higher taxable earnings across the Group.

NET PROFIT

Consolidated profit after tax for the financial year 2025/26 stood at Rs. 160.39 million, compared to Rs. 173.49 million in the previous financial year, reflecting a decline of 7.55 percent. Although operating profitability improved significantly during the year, the sharp increase in impairment provisions and income tax expenses moderated bottom-line growth.

Profit attributable to equity holders of JKPLC amounted to Rs. 126.78 million, while non-controlling interests increased substantially to Rs. 33.62 million, reflecting improved earnings contributions from subsidiary operations.

BALANCE SHEET STRENGTH AND CAPITAL STRUCTURE

The Group maintained a strong and resilient balance sheet during the financial year under review, supported by growth in total assets, robust liquidity reserves, and prudent financial management. While total equity moderated during the year due to non-cash fair value adjustments on strategic investments classified under Fair Value through Other Comprehensive Income (FVOCI), the Group continued to preserve a sound capital base underpinned by healthy retained earnings and strong operating cash flows. Improved liquidity levels, disciplined borrowing management, and strengthened working capital further reinforced the Group's financial stability and capacity to support long-term operational growth and shareholder returns.

CAPITAL STRUCTURE METRICS

The Group maintained a fundamentally strong balance sheet during the financial year 2025/26, with total assets increasing by 6.55 percent to

Financial Capital

Rs. 6.97 billion as at 31st March 2026, up from Rs. 6.54 billion in the previous financial year. This growth was supported by stronger liquidity balances, higher trade receivables, and increased operational activity across the Group.

EQUITY BASE

Total equity stood at Rs. 4.13 billion as at 31st March 2026, compared to Rs. 4.78 billion as at 31st March 2025. The decline was primarily attributable to a non-cash fair value adjustment recognised on financial assets classified under FVOCI. The Group recorded a mark-to-market loss of Rs. 653.57 million on these investments, resulting in a decline in the FVOCI reserve from Rs. 875.06 million to Rs. 221.49 million during the year under review.

Despite the reduction in total equity, the Group retained a strong capital position, supported by healthy retained earnings, resilient operating cash flows, and low gearing levels.

RESERVES AND NON-CONTROLLING INTERESTS

Revenue reserves declined marginally by 2 percent to Rs. 2.96 billion, despite total dividend distributions of Rs. 179.36 million during the financial year.

Non-controlling interests increased significantly to Rs. 70.85 million from Rs. 59.86 million in the previous financial year, reflecting improved profitability generated by subsidiary operations, particularly within the stock broking segment.

WORKING CAPITAL AND LIQUIDITY DYNAMICS

The Group strengthened its liquidity position significantly during the financial year under review, supported by robust operating cash flows, higher cash reserves, and disciplined working capital management. Current assets expanded considerably, driven by increased cash balances, short-term investments, and higher receivables arising from elevated trading activity across the produce broking and stock broking segments. Despite a corresponding increase in current liabilities due to year-end settlement timing differences within the brokering operations, the Group maintained a healthy net working capital position and strong short-term solvency. This strengthened liquidity profile enhanced the Group's financial flexibility and capacity to support ongoing operational and strategic requirements.

NET WORKING CAPITAL POSITION

The Group's net working capital position strengthened considerably during the financial year under review, increasing to Rs. 628.64 million from Rs. 533.62 million recorded in the financial year 2024/25. This improvement reflects enhanced liquidity management, stronger operating cash generation, and higher cash balances maintained during the year.

CURRENT ASSETS

Current assets increased substantially by 62.68 percent to Rs. 3.08 billion as at 31st March 2026, compared to Rs. 1.89 billion in the previous year. The increase was primarily driven by stronger liquidity reserves and higher operational receivables.

Cash and bank balances increased sharply to Rs. 847.37 million from Rs. 217.54 million, while short-term investments rose to Rs. 822.54 million from Rs. 533.45 million.

Trade and other receivables also increased to Rs. 1.37 billion, reflecting higher receivable balances within both the produce broking and stock broking segments arising from increased trading activity and settlement timing differences at the end of the financial year.

CURRENT LIABILITIES

Current liabilities increased to Rs. 2.45 billion from Rs. 1.36 billion in the financial year 2024/25. The increase was largely attributable to trade and other payables, which rose significantly to Rs. 2.30 billion compared to Rs. 1.29 billion in the previous year. This increase primarily reflected higher settlement obligations within the brokering operations, particularly tea auction transactions conducted during the final days of March 2026 and settled shortly after the reporting date in April 2026.

BORROWINGS AND LIQUIDITY MANAGEMENT

The Group maintained prudent leverage levels throughout the year. Long-term borrowings were fully settled in line with scheduled repayments, while short-term borrowings remained stable at manageable levels.

Although bank overdrafts increased to Rs. 32.20 million from Rs. 2.72 million recorded in the financial year 2024/25, the Group maintained strong overall liquidity supported by substantially higher cash balances and improved operational cash inflows. The increase in overdraft utilisation largely reflected timing differences between customer receipts and producer settlements during the final quarter of the year.

CASH FLOW OVERVIEW

The Group recorded a substantial improvement in cash generation during the financial year 2025/26, supported by stronger operating profitability and favourable working capital movements. Net cash inflows from operating activities increased significantly, strengthening overall liquidity and enabling the Group to comfortably fund capital expenditure, technology investments, dividend distributions, and debt repayments during the year. The healthy cash position maintained at the end of the financial year 2025/26 reflects prudent treasury management, disciplined capital allocation, and the Group's continued ability to generate strong operational cash flows across its core business segments.

OPERATING CASH FLOWS

The Group recorded a significant improvement in cash generation during the financial year 2025/26, with net cash inflows from operating activities increasing to Rs. 1.16 billion compared to Rs. 526.89 million recorded in the previous year. This improvement was driven by stronger operating profitability, favourable working capital movements, and higher trade payables arising from year-end settlement timing differences within the brokering operations.

INVESTING ACTIVITIES

Net cash outflows utilised in investing activities amounted to Rs. 33.05 million during the financial year 2025/26. These outflows are primarily related to capital expenditure on property, plant, and equipment

of Rs. 26.16 million, as well as investments in intangible assets and software enhancements of Rs. 14.51 million. These investments were directed towards operational improvements, technology upgrades, and infrastructure enhancement initiatives aimed at supporting long-term operational efficiency.

FINANCING ACTIVITIES

Net cash outflows from financing activities totalled Rs. 238.09 million during the financial year 2025/26, compared to a net inflow of Rs. 5.60 million recorded in the previous financial year. This outflow was primarily attributable to higher dividend payments to shareholders amounting to Rs. 179.36 million, together with dividend distributions to non-controlling interest holders and the settlement of long-term borrowings during the year.

SHAREHOLDER RETURNS AND MARKET INDICATORS

Earnings Per Share

Basic and diluted earnings per share for the financial year ended 31st March 2026 stood at Rs. 2.09, compared with Rs. 2.80 for the financial year ended 31st March 2025. The reduction reflects the impact of higher taxation expenses and impairment provisions recognised during the year.

Net Assets Per Share

The net assets per share declined to Rs. 66.76 as at 31st March 2026 from Rs. 77.69 recorded in the previous year. This decline is mainly attributable to the negative fair value movement recognised in other comprehensive income for FVOCI financial assets.

Dividend and Market Performance

The Company maintained a total issued share base of 60.80 million ordinary shares throughout the financial year 2025/26. Reflecting confidence in the Group's underlying cash generation capabilities and long-term financial position, the Board declared an interim dividend of Rs. 0.45 per share and a final dividend of Rs. 1.60 per share, resulting in a total dividend payout of Rs. 2.95 per share for the financial year 2025/26, compared to Rs. 1 per share in the previous financial year.

The Company's share price closed at Rs. 81.20 as at 31st March 2026, compared to Rs. 74.00 recorded as at 31st March 2025, reflecting continued investor confidence despite broader market volatility.

Events After the Reporting Period

In accordance with LKAS 10 – Events After the Reporting Period, the Directors confirmed that no material events or circumstances had arisen subsequent to 31st March 2026 that would require adjustments to, or additional disclosures in, the financial statements.

MANUFACTURED CAPITAL



At JKPLC, manufactured capital serves as the physical and digital backbone of our operations, encompassing the infrastructure, equipment and technology required to deliver excellence in tea broking, warehousing and stockbroking. We view our manufactured assets not merely as static property, but as dynamic enablers of efficiency, reliability and service differentiation.

Rs. 66.76
Net Asset Per Share

Rs. 26.16 MN
Investments in PPE

MANAGEMENT APPROACH

JKPLC's manufactured capital comprises the physical and digital infrastructure essential for operational excellence in tea & rubber broking, warehousing and stockbroking. We manage these assets to ensure business continuity, enhance service efficiency and drive sustainable value for our stakeholders. By integrating robust physical assets with cutting-edge digital infrastructure, the Group fosters seamless coordination, streamlines internal processes and ensures uninterrupted service delivery.

In line with our commitment to the SLFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and SLFRS S2 (Climate-related Disclosures) frameworks, our management approach during the year under review has evolved to specifically address the financial implications of sustainability-related risks and opportunities for our physical and digital assets.

Additionally, our management approach extends beyond our immediate footprint to consider the resilience of upstream and downstream infrastructure. Governance bodies, including Sector Group Management Committees (GMCs), oversee the integration of sustainability into all capital projects. This ensures that every upgrade, from tea processing plants to logistics routes, enhances the Group's collective ability to create value in a changing economic and environmental landscape.

In an increasingly digitised marketplace, the synergy between our physical footprint such as our state of the art warehouse complex and our digital infrastructure is vital for sustainable operations. By investing in modernised facilities and automated systems, we ensure business continuity, preserve the quality of our producers' products and provide a seamless transactional experience for our buyers.

Our approach to managing manufactured capital is governed by three strategic pillars.

OPERATIONAL RESILIENCE

Maintaining high-standard physical assets through structured maintenance and comprehensive insurance frameworks to mitigate operational risks.

DIGITAL TRANSFORMATION

Integrating advanced IT systems and upgraded ERP platforms to eliminate manual inefficiencies and enhance data integrity.

SUSTAINABILITY INTEGRATION

Leveraging our physical built environment to support environmental goals, evidenced by the strategic renovation of our warehouse roofing to facilitate large-scale renewable energy generation.

Through the prudent stewardship of these assets, JKPLC continues to optimise internal processes while delivering reliable, transparent and value-added services to all stakeholders across the value chain.

RISK MANAGEMENT AND STEWARDSHIP

To safeguard the long-term value of our physical assets, JKPLC maintains a comprehensive insurance framework. Our coverage is routinely evaluated and adjusted to reflect current asset valuations and recent enhancements. This proactive approach ensures robust risk mitigation and responsible stewardship of the Group's infrastructure.

OUR ASSET PORTFOLIO

Our manufactured capital is categorised into five primary areas.

WAREHOUSING AND STORAGE

A sophisticated warehouse complex equipped with advanced racking systems and optimised layout planning. These facilities are critical for preserving tea quality prior to auction.

IT AND DIGITAL INFRASTRUCTURE

Integration of secure data management, cybersecurity and automated workflows to enable real-time analytics, ensuring the reliability of our services and the security of stakeholder information across all digital touchpoints.

OFFICE FACILITIES

Modern workspaces designed to facilitate employee collaboration, market trend analysis and client relationship management.

TRANSPORTATION ASSETS

A fleet of vehicles supporting employee mobility, sample delivery to customers and essential logistical support.

AUCTION INFRASTRUCTURE

A hybrid of physical and digital assets, including audio-visual equipment and high-speed links, enabling participation in increasingly digitised auction environments.

Manufactured Capital

VALUE LINKAGE: DEPENDENCY AND IMPACT

The following table outlines how our reliance on manufactured capital directly influences our ability to create value for our stakeholders, transforming physical and digital inputs into service excellence.

Manufactured Capital Input	Business Dependency	Value Driver and Impact
Warehousing and Storage	High dependence on climate-controlled, secure facilities to maintain product integrity.	**Quality Assurance:** Well-maintained infrastructure prevents post-harvest loss and ensures producers receive the highest possible price for their tea at the auction.
Digital and IT Infrastructure	Critical for real-time data management, trade settlement and client communication.	**Operational Agility:** Strategic investments in process automations, ERP and mobile apps to reduce manual errors, accelerate settlement cycles and enhance decision-making speed.
Logistics and Fleet	Essential for the timely movement of tea samples and facilitating client site visits.	**Service Reliability:** Efficient transportation assets ensure buyers receive samples promptly, maintaining momentum in the auction cycle and supply chain continuity.
Renewable Energy Assets (Solar)	Dependence on integrated rooftop infrastructure to reduce grid reliance.	**Cost Optimisation and Resilience:** The 2MW solar installation will mitigate energy price volatility, lower the Group's operational expenditure and reduce carbon intensity.
Auction and Office Facilities	Reliance on modern, collaborative workspaces and digital auction platforms.	**Stakeholder Trust:** Provides a transparent, high-tech auction environment to foster confidence among international buyers and local producers, thereby securing JKPLC's market position.

SUSTAINABLE CAPITAL ALLOCATION AND TRANSITION

Our sustainability strategy directly influences the deployment of financial capital into our manufactured assets. The Company is gradually moving toward an operating environment with a low-carbon CAPEX ratio, ensuring that a growing share of our investment is redirected toward infrastructure modernisation and the decarbonisation of assets.

Accordingly, during the year under review, we have formalised a low-carbon CAPEX ratio to monitor investments redirected toward technologies that support a green transition. This includes upgrading machinery and facilities to improve energy efficiency.

Furthermore, to ensure long-term financial resilience as required by SLFRS S1, we continuously evaluate the strategic placement and efficiency of our assets. Asset deployment plays a critical role in ensuring sustained exposure to shifting climatic or market conditions, necessitating a periodic reassessment of our asset footprint to prevent the risk of our physical infrastructure losing value due to policy changes or the transition to low-carbon technologies.

We are also evaluating expanding our metering infrastructure across all sites to provide accurate, transparent data on resource withdrawals, ensuring that our manufactured capital supports our broader environmental stewardship goals.

STRATEGIC INVESTMENTS AND OPERATIONAL EFFICIENCY

During the financial year ended 31st March 2026, the Company continued to invest in the resilience and modernisation of our physical and digital footprint. The total investment amounted to Rs. 12.96 million. These investments were primarily focused on the systematic replacement and modernisation of warehouse equipment (Rs. 6.90 million) and furniture and fittings (Rs. 2.64 million), ensuring our physical workspaces remain fit-for-purpose and compliant with safety standards. Concurrently, we continued to strengthen our digital backbone, allocating Rs. 3.18 million toward upgrading computer hardware and software.

These investments were strategically directed at enhancing processing speeds and system reliability, ensuring that our manufactured capital both physical and digital remains a capable platform for high-quality service delivery and seamless business continuity.

DIGITAL TRANSFORMATION

As a service-based organisation focused on tea, rubber and stockbroking, digital infrastructure is a vital differentiator and a primary driver of operational excellence. During the year under review, our strategic digital projects focused on reinforcing our technical backbone and laying the groundwork for high-impact automation. Central to this effort was the Rs. 3.18 million investment in IT infrastructure, which enhanced our hardware and software capabilities to support the evolving needs of our diversified business lines.

Beyond core hardware upgrades, the Company made significant strides in process automation, specifically targeting our advanced payment systems. While implementation is scheduled to follow our upcoming SAP migration, we have successfully concluded initial discussions to integrate our internal systems with Deutsche Bank. This project is a cornerstone of our digitalisation strategy, aimed at creating a seamless, automated financial interface that reduces manual intervention and accelerates settlement cycles.

Furthermore, we continue to refine our communication channels to ensure transparent, real-time data flow between the Group and its stakeholders. While certain physical infrastructure projects, such as the re-racking and expansion of pallet locations, were deferred to the upcoming financial year to align with strategic leasing arrangements, the preliminary work completed during the year under review

positions us to rapidly increase storage density and operational throughput in the coming period. Together, these digital and physical initiatives form a cohesive roadmap toward a more agile, tech enabled enterprise.

CLIMATE RESILIENCE AND ASSET PROTECTION

We recognise that our manufactured capital is directly influenced by climate-related physical risks. Under SLFRS S2, we have formalised the monitoring of acute risks (such as extreme weather events) and chronic risks (long-term climatic shifts) that could lead to physical damage or operational downtime across our supplier estates and factories, as well as JKPLC's warehouse operations. During the year under review, we actively tracked asset downtime and insured losses resulting from extreme weather events as part of our efforts to assess our vulnerability. These metrics serve as a key control for our risk management framework.

Furthermore, to mitigate the risk of physical damage and operational disruption, the Group continues to implement asset resilience programmes across all high-risk locations, ensuring our built environment can withstand evolving environmental pressures.

LOOKING AHEAD

JKPLC's strategic roadmap for manufactured capital focuses on transitioning from traditional asset management to a digitally integrated, sustainable infrastructure model. By enhancing our technical capabilities and asset resilience, we aim to drive further efficiencies across the Group's service verticals through the following key pillars.

Optimising Physical Footprint and Capacity

We remain committed to maximising the utility of our built environment through strategic expansion and land-use optimisation.

- **Capacity Enhancement:** A primary focus for FY 2026/27 is the physical expansion of our storage capacity through a comprehensive re-racking programme. This initiative will maximise pallet locations and significantly improve the throughput efficiency of our warehouse operations.
- **Asset Monetisation:** Following the finalisation of leasing arrangements with JKLL, we will commence generating new revenue streams from previously underutilised bare land. This represents a strategic shift in extractable value, ensuring every square foot of our property portfolio contributes to the Group's financial resilience.
- **Modernisation of Workspaces:** We will continue the ongoing modernisation of our office facilities to support a hybrid, technology-driven working environment that fosters collaboration and employee well-being.

Scaling Sustainable Infrastructure

Following the successful renovation of our warehouse roofing, we are pivoting towards energy autonomy.

- **Renewable Energy Integration:** Our immediate priority is to operationalise the 2 MW rooftop solar system. This initiative is expected to transform our manufactured assets into a source of clean energy, significantly reducing our reliance on the national grid and lowering long-term operational costs.
- **Fleet Green-Tech:** To align with our broader ESG commitments, we are evaluating a gradual transition of our logistics and commuting fleet to electric or hybrid models.

Advancing the Digital Ecosystem and Automation

We are evolving the "Smart Warehouse" concept by deepening our digital footprint and introducing AI-driven automation.

- **AI Integration:** To maintain our leadership in the tea sector, we will integrate Pekoe.ai into our core workflows. This will enhance the precision of tea grading, valuation and traceability, while providing data-backed insights for superior auction decision-making.
- **Data Intelligence:** We plan to develop sophisticated Power BI dashboards. These will provide real-time performance analytics and visualisations, allowing for more granular monitoring of operational KPIs across the Group.
- **IoT and Traceability:** Building upon our automated GRN process, we plan to integrate IoT sensors to monitor critical tea quality parameters, such as temperature and humidity, accessible via mobile platforms.

Manufactured Capital

Strengthening the Capital Market and IT Infrastructure

To maintain a competitive edge in stockbroking and corporate services, we are refining our underlying technical architecture.

- **Back-Office Evolution:** During FY 2026/27, we will proactively identify and evaluate alternative back-office solutions to ensure our brokering infrastructure remains agile, scalable and compliant with evolving market regulations.
- **Cybersecurity & AI Analytics:** Future investments will focus on strengthening our digital perimeter to safeguard high-frequency transactions and exploring further AI tools to provide clients with deeper market insights.

Through these targeted investments, JKPLC ensures that its manufactured capital remains a robust, sustainable platform for growth, capable of adapting to the evolving complexities of the global tea and financial markets.

INTELLECTUAL CAPITAL



At JKPLC, intellectual capital is the intangible driver of our value creation process. It encompasses our collective expertise, proprietary systems and brand equity. By harmonising deep industry insights with advanced digital infrastructure, we maintain a competitive edge in Sri Lanka's tea and stockbroking landscapes, ensuring operational resilience and long-term stakeholder trust.

Rs.14.51 MN
Investments in Software

Rs. 4.03 MN
Investments in Computer Equipments

MANAGEMENT APPROACH

The Company's management approach to intellectual capital is rooted in the strategic conversion of individual expertise and systemic data into institutional value. Our governance framework ensures that intangible assets, ranging from brand reputation to proprietary market insights, are protected, nurtured and leveraged to maintain our leadership in the tea, rubber and stockbroking sectors.

We adopt a multi-dimensional strategy that aligns our human expertise with digital capabilities, ensuring that our knowledge bank evolves alongside global market shifts.

KEY FOCUS AREA



Market Intelligence & Customer Insights



Brand Equity



Digital Infrastructure



Knowledge Management



Innovation Culture

Intellectual Capital

01

Market Intelligence & Customer Insights



Leveraging data to drive informed decision-making.

Our approach focuses on transforming raw market data into predictive intelligence. By maintaining a continuous feedback loop with tea producers, buyers and capital market participants, we institutionalise market sentiment and trend analysis. This enables our teams to provide high-value advisory services, ensuring our clients can navigate price volatility and regulatory changes with confidence.

02

Brand Equity



Enhancing market positioning and corporate identity.

We manage our brand as a primary strategic asset. Our management approach involves consistent investment in our corporate identity, exemplified by the modernisation of the JKSB logo, to reflect a digitally-forward and reliable intermediary. We safeguard this equity through robust ethical standards and active participation in prestigious trade associations, reinforcing JKPLC's reputation for integrity and excellence.

03

Digital Infrastructure



Modernising IT systems and policy frameworks.

To ensure our intellectual capital is accessible and scalable, we prioritise the continuous upgrading of our digital architecture. This includes deploying advanced Warehouse Management Systems (WMS) and electronic auction interfaces. Complementing this hardware is a rigorous policy framework that governs data security, system integrity and operational consistency, ensuring our digital assets are both resilient and compliant with SLFRS standards.

04

Knowledge Management



Institutionalising expertise through continuous learning.

Recognising that individual expertise is transient, our management focusses on capturing their expertise into our Company ethos. Through structured mentorship, digital repositories and formal training programmes, we ensure that the tacit knowledge of our senior brokers and warehouse managers is codified into standard operating procedures. This reduces dependency on key individuals and builds a resilient, knowledge-driven organisation.

05

Innovation Culture



Fostering agility and process refinement.

We promote a bottom-up approach to innovation, encouraging employees at all levels to suggest process refinements. By fostering a culture that rewards strategic thinking and agility, we ensure that the Company does not simply react to market changes but proactively shapes service delivery to meet the evolving needs of the Sri Lankan tea and stockbroking landscapes.

VALUE LINKAGE: DEPENDENCY AND IMPACT

The following table outlines how our reliance on manufactured capital directly influences our ability to create value for our stakeholders, transforming physical and digital inputs into service excellence.

Intellectual Capital Input	Business Dependency	Value Driver and Impact
Market Intelligence and Customer Insights	Our ability to act as a value-adding intermediary depends on real-time data regarding tea auction trends, buyer preferences and stock market sentiment.	**Strategic Advisory:** Deep market insights enable us to guide producers on timing and quality, ensuring they achieve optimal prices while mitigating market volatility.
Proprietary Digital Infrastructure and IT Systems	Reliable, secure and transparent operations in warehousing and broking are contingent upon our integrated WMS and digital trading platforms.	**Operational Agility:** Strategic investments in process automations, ERP and mobile apps to reduce manual errors, accelerate settlement cycles and enhance decision-making speed.
Institutionalised Knowledge and Expertise	High-stakes broking and complex warehouse logistics require a workforce that possesses both technical certifications and ingrained industry experience.	**Quality Assurance:** Well-maintained infrastructure and expert grading prevent post-harvest loss and ensure producers receive the highest possible price for their tea / rubber. .

Intellectual Capital Input	Business Dependency	Value Driver and Impact
Brand Equity and Corporate Reputation	JKPLC's market position is dependent on the perceived strength, ethics and heritage associated with our brand and our new corporate identity.	**Market Leadership:** A trusted brand identity reduces customer acquisition costs and strengthens our position as the preferred broker for high-value tea / rubber estates and institutional investors.
Innovation Culture and Process Agility	Staying competitive in a volatile economic environment relies on our internal capacity to refine workflows and adopt emerging technologies.	**Service Excellence:** A culture of continuous improvement allows us to proactively adapt our service delivery to meet evolving regulatory requirements and client expectations.

DIGITAL TRANSFORMATION AND SYSTEMS INTEGRATION

During the year under review, the Company accelerated its digital roadmap to enhance the structural capital that underpins our operational excellence. The following projects were undertaken.

- **SAP S/4HANA Migration:** We made significant progress in integrating SAP HANA into our core operations. This transition has revolutionised our data management capabilities, providing the business with real-time reporting and a "single version of truth" that strengthens decision-making across all functions.
- **RAMIS Integration:** To ensure seamless regulatory compliance and financial precision, we commenced integrating the Revenue Administration Management Information System (RAMIS) with our back-office platforms. This initiative improves data accuracy in tax-related processes and streamlines our interaction with the Inland Revenue Department (IRD).

These technological investments reflect our commitment to improving productivity and modernising our technological infrastructure, reducing manual bottlenecks in our broking and warehousing workflows.

ADVANCED ANALYTICS AND DECISION INTELLIGENCE

The Company prioritised the transition from descriptive to predictive analytics by embedding advanced tools into daily operations, with a specific focus on the integration of AI tools and Power BI dashboards as a key priority. These platforms allow our management and broking teams to visualise complex market trends in real time, supporting data-driven decision-making and strategic re-alignments to improve overall business performance and client advisory services.

BRAND AWARENESS AND INDUSTRY ENGAGEMENT

As part of our commitment to enhancing brand reputation and strengthening industry relationships to drive intellectual capital value for our stakeholders, we actively fostered industry-wide collaboration through employee participation in key local and global events.

One such event was a high-profile charity auction in Osaka, Japan, where the Company presented seven award-winning teas. While no formal domestic awards were recorded this year, JKPLC achieved significant international prestige, showcasing the superior quality of our managed produce to a global audience and reinforcing both the Ceylon Tea and JKPLC brands as the hallmark of excellence.

In addition, Company employees participated in several sporting events, including the Inter-Plantation Rugby Sevens, Cricket Sixes and tournaments organised by the CTTA and the Planters' Association. These engagements are considered vital for maintaining the informal networks and industry rapport that facilitate smooth trade operations, enhance brand visibility and foster stronger industry relationships.

Focus Area	Key Development	Value Impact
Data Architecture	SAP HANA Integration	Real-time reporting and cross-functional synergy.
Compliance	RAMIS (IRD) Integration	Enhanced data accuracy and tax compliance.
Market Positioning	Osaka Charity Auction	International brand visibility for Ceylon tea.
Decision Support	Power BI & AI Tools	Faster, more accurate market trend analysis.
Knowledge Exchange	Industry Sporting Events	Strengthen professional networks and brand rapport.

Intellectual Capital

Industry Memberships and Strategic Affiliations

The following memberships reflect our integration into the broader economic ecosystem and our contribution to industry-wide intellectual capital value.

Sector	Association / Body
Trade and Commerce	• Ceylon Chamber of Commerce • Employers' Federation of Ceylon
Tea and Rubber	• Colombo Tea Traders' Association • Colombo Brokers' Association • Colombo Rubber Traders' Association • International Tea Committee • Planters' Association of Ceylon
Capital Markets	• Colombo Stock Brokers' Association • Colombo Stock Exchange
Regional/Industrial	• Kerawalapitiya Industrial Zone Association

CONTINUOUS LEARNING AND KNOWLEDGE MANAGEMENT

Recognising that our workforce's expertise is a primary intangible asset, we focus on transitioning tacit knowledge into resilient institutional capital. During the year, we prioritised the codification of specialist skills through structured upskilling initiatives, formal workshops and peer-to-peer knowledge transfers. These programmes ensure that critical competencies ranging from digital traceability and quality grading to safety protocols are embedded within the Company's operational DNA rather than remaining with individual employees. In the high-stakes environments of stockbroking and tea auctions, this commitment to continuous learning serves as a strategic safeguard, equipping our teams with the cognitive agility and precision required to navigate complex market dynamics and preserve long-term value.

FOSTERING A CULTURE OF INNOVATION

Innovation at JKPLC is institutionalised through a disciplined commitment to workflow optimisation and employeeled process engineering. By embedding a culture of strategic thinking, we transform frontline insights into permanent structural capital, enhancing our organisational agility. This proactive approach ensures we do not merely react to market shifts but actively refine our proprietary methodologies within the tea broking and warehousing sectors. By incentivising the continuous evolution of our service delivery models, we ensure that our intellectual assets remain at the cutting edge of industry standards, driving sustained competitive advantage and operational excellence.

LOOKING AHEAD

Looking ahead, JKPLC remains committed to the continuous evolution of our intellectual capital, ensuring our intangible assets are prepared for the complexities of a rapidly digitising global trade environment. Our strategy centres on shifting from traditional operational models to a technology first advisory framework, prioritising the following pillars.

Scaling Data-Driven Decision Intelligence

The Company will continue to accelerate investments in digital capabilities, specifically through the deeper integration of Artificial Intelligence (AI) tools and Power BI dashboards. These platforms are not merely efficiency drivers but are fundamental to our future business performance. By empowering our teams with predictive analytics, we aim to transform our market intelligence into a proactive strategic asset, allowing for more precise price forecasting and enhanced client advisory services.

Cultivating a Future-Ready Workforce

Our outlook centres on sustained cognitive agility through continuous upskilling. As we integrate more complex ERP systems and AI-driven platforms, we will invest in bridging the digital literacy gap to ensure our human capital can effectively harness our growing structural capital.

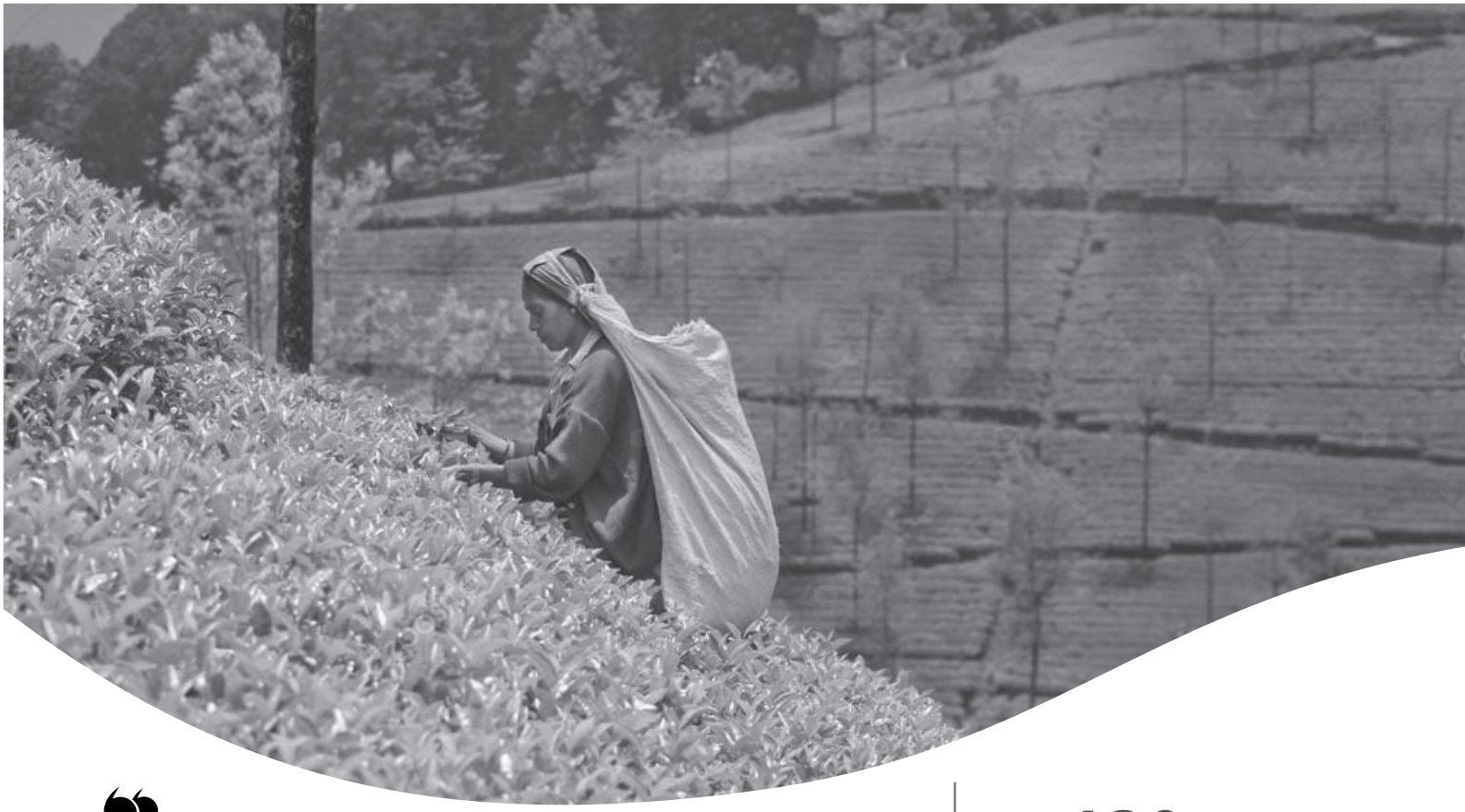
Technological Capacity Building

To maintain our competitive edge, we will prioritise the adoption of advanced technological solutions that build long-term capacity. This includes exploring emerging tools in warehouse automation and digital traceability to further institutionalise our operational excellence. By modernising our infrastructure, we ensure that our intellectual capital is both scalable and resilient against market disruptions.

Brand Resonance and Global Positioning

We intend to leverage our international recognitions to further elevate the JKPLC brand on the global stage. By participating in high-value international forums and auctions, we will continue to build our brand equity, positioning the Company as the premier gateway for Sri Lankan tea and capital market investments.

NATURAL CAPITAL



At JKPLC, natural capital encompasses the environmental resources and ecosystem services that sustain our business. While we operate within the service sector rather than resource intensive manufacturing, we recognise that our long-term value creation is intrinsically linked to the health of the environment.

130 MT
Carbon Foot Print

5782 (m3)
Water Withdrawal

MANAGEMENT APPROACH

Our management approach is governed by a commitment to resource efficiency and risk mitigation. We integrate environmental considerations into our decision-making processes to ensure that JKPLC remains resilient in an evolving climate landscape.

During the financial year 2025/26, we focused on establishing foundational governance and risk identification frameworks essential for long-term climate resilience. In accordance with the transitional provisions of IFRS S2, our current disclosures focus on identifying Climate-related Risks and Opportunities (CROs). Governance oversight has been significantly strengthened, with the Board and Board Audit Committee assuming deeper involvement through newly created enterprise-wide risk and sustainability forums. The Group Executive Committee (GEC), supported by the ESG and Sustainability Steering Committee (ESSC), dedicated the year to validating baseline metrics and assessing the feasibility of future targets.

Central to our risk management approach was a comprehensive value chain mapping exercise conducted by the Management Committee. This qualitative assessment enabled the Company to identify and prioritise both acute and chronic physical risks such as the agricultural impacts on the tea industry alongside emerging transition risks. These material risks are now formally integrated into the quarterly Risk Committee agenda for ongoing monitoring. While JKPLC is in the process of assessing energy and emissions intensity to set formal targets, we have not yet conducted climate related scenario analysis or established a formal transition plan. Consequently, we have applied specific transition relief's for this period, including the omission of comparative information, internal carbon pricing and Scope 3 emissions data, as we continue to refine our data validation and strategic assumptions.

Our strategy is built upon the efficient management of energy, water and land resources, underpinned by the John Keells Group's broader sustainability commitments. Our aim remains to pursue business growth while minimising our environmental impact through process digitisation, resource management and employee advocacy.

Natural Capital



POLICY AND GOVERNANCE

Our operations are guided by the John Keells Group Environmental Policy and the 5R Waste Management Framework. We maintain strict compliance with local environmental regulations while striving to meet international sustainability best practices.



LOGISTICS AND DISTRIBUTION EFFICIENCY

While our core broking services are intangible, the underlying logistics facilitating the transportation of tea & rubber samples and essential documentation are critical to our value chain. Recognising that these transportation systems rely on fossil fuels, we actively work to enhance distribution efficiency. By optimising routes and incorporating environmentally conscious practices, we aim to reduce our reliance on non-renewable energy sources and curtail our carbon footprint.



CLIMATE STABILITY AND AGRICULTURAL DEPENDENCY

We acknowledge that our brokerage revenue is intrinsically linked to agricultural production. The stability of climate and weather patterns directly dictates the quantity and quality of tea harvested. Consequently, we treat climate change not merely as an environmental issue, but as a fundamental business risk. Our approach involves monitoring climate trends and supporting initiatives that enhance the resilience of the tea growing ecosystems we depend upon.



STRATEGIC DIGITISATION

We view digital transformation as a key driver for conservation. By automating paper-intensive processes, such as the Goods Received Note (GRN) and adopting electronic reporting, we reduce the demand for paper in our day-to-day operations.



SUSTAINABLE INFRASTRUCTURE

We have initiated the redevelopment of warehouse roadways with plastic asphalt a durable material made from recycled plastic waste. This project addresses the plastic pollution crisis while improving our physical assets.



CAPACITY BUILDING

Recognising that sustainability is a shared responsibility, we conduct regular awareness sessions with our employees and business partners and promote "Zero Waste" initiatives to embed a culture of conservation amongst our employees.



MONITORING AND ACCOUNTABILITY

We employ a rigorous data collection mechanism to track electricity, fuel and water consumption. By quantifying our carbon footprint in line with the GHG Protocol, we establish clear baselines for year-on-year performance appraisals.

VALUE LINKAGE: DEPENDENCY AND IMPACT

The following table outlines how our reliance on natural capital directly influences our ability to create value for our stakeholders.

Manufactured Capital Input	Business Dependency	Value Driver and Impact
Climate Stability	High dependence on consistent weather patterns for tea production.	**Revenue Resilience:** Stable climates ensure the quality and quantity of tea crops, securing our brokerage volumes and commission income.
Energy & Fuels	Critical for warehouse climate control, IT infrastructure and logistics.	**Cost Optimisation:** Improving energy efficiency and transitioning to renewable solar energy to reduce operational expenditure and mitigate energy price volatility.

Manufactured Capital Input	Business Dependency	Value Driver and Impact
Water Resources	Essential for employee sanitation and facility maintenance.	**Operational Continuity:** Efficient water management ensures uninterrupted service delivery and reduces our burden on municipal infrastructure.
Land & Biodiversity	Dependence on healthy soil and ecosystems for tea cultivation.	**Supply Chain Security:** Supporting sustainable agricultural practices through our influence as a broker ensures long-term raw material availability for our clients.

ENERGY AND EMISSIONS MANAGEMENT (GRI 302, 305)

Energy is our most significant environmental factor, powering our warehouse, IT infrastructure and logistics operations. We follow the Greenhouse Gas (GHG) Protocol to monitor and report our carbon footprint across Scope 1, 2 and relevant Scope 3 categories. During the year under review, the Company's energy costs increased by 7% due to fuel tariff revisions. Fuel consumption also increased by 4% due to intensified business travel and site visits to tea factories and client locations. Additionally, the fuel price increases in the final quarter also contributed to this impact.

The following key initiatives support the Company's energy and emissions management efforts.

LOAD SHIFTING	CLIMATE CONTROL	RENEWABLE TRANSITION
Rescheduled the charging of warehouse reach trucks to off-peak periods to reduce strain on the national grid and lower costs.	Standardised air conditioning temperatures across all office premises	Awaiting approval to bring our solar power facilties to increase the share of renewable energy within our primary energy mix.

Water and Effluent Management (GRI 303)

The Company's water usage is limited to sanitation and drinking purposes. We source 100% of our water from municipal supplies and authorised vendors.

As a service-led enterprise, JKPLC generates no industrial effluents. All domestic wastewater is discharged responsibly through municipal drainage systems and soakage pits, ensuring minimal impact on local biodiversity and water bodies.

Waste Management (GRI 306)

We adhere to the John Keells Group 5R Framework: Reduce, Reuse, Recycle, Remind and Refuse. This hierarchy guides our transition toward an operational model which focuses on a sustainable waste management process.

Management Strategy	Waste Category: Paper and Cardboard	Waste Category: E-Waste	Waste Category: Plastics	Waste Category: Organic Waste
	◈ Prioritise digitalisation of processes and documentation and focus on enhanced electronic reporting. ◈ Ensure all unavoidable waste is sent to registered third-party recyclers.	◈ Printer cartridges and ribbons are disposed of through authorised e-waste contractors to ensure hazardous components are handled safely.	◈ Participation in the "Plasticcycle" initiative. ◈ We observe a monthly "Zero Waste Day" to foster a culture of refusal regarding single-use plastics.	◈ Collected and managed via the Colombo Municipal Council (CMC) disposal services.

Natural Capital

LOOKING AHEAD

The Company remains steadfast in our commitment to environmental stewardship, recognising that the longevity of our business is inextricably linked to the preservation of natural capital. As we look towards the upcoming financial year and beyond, our strategy will focus on three key pillars.

Accelerating Renewable Energy Transition	Infrastructure Innovation and Circularity	Strengthening Ecosystem Resilience
To mitigate the risks of energy price volatility and reduce our carbon footprint, we are prioritising the expansion of our renewable energy portfolio. This includes the phased installation of additional solar PV capacity across our warehousing facilities, aiming to significantly increase our share of clean energy consumption.	We are moving beyond traditional conservation toward "future-proof" infrastructure. Key projects include: • **Sustainable Infrastructure:** Expanding the use of plastic asphalt in our facility roadways to promote circularity. • **Operational Digitisation:** Fully transitioning to paperless workflows within our brokerage and warehousing segments to eliminate forest-product dependency.	As a strategic partner to the tea industry, we will deepen our collaboration with the John Keells Foundation on large-scale environmental protection initiatives. By advocating for climate resilient agricultural practices and biodiversity conservation, we aim to safeguard the tea supply chain against the escalating physical risks of climate change.

Through these focused actions, JKPLC is working to manage resources and embed environmental consciousness into our operational philosophy. Our goal is to ensure that the essential inputs we rely on today remain available for future generations, securing a sustainable legacy for all our stakeholders.

HUMAN CAPITAL



At John Keells PLC, the contribution of our people continues to be a fundamental driver of the Company's performance, sustainability and long-term growth. The Company remains focused on strengthening the capabilities, potential and productivity of its workforce to deliver on its strategic objectives while sustaining innovation, resilience and competitiveness in a dynamic operating environment.

142
No. of Total Employees

Rs. 8.68 MN
Turnover Per Employee

MANAGEMENT APPROACH

The Company adopts a strategic and integrated approach to human capital management, recognizing employees as its most valuable asset. Human capital practices are aligned with the business objectives, values and governance framework of both the Company and the Group, supporting a culture anchored in excellence, collaboration and innovation.

The human resource framework is designed to balance organizational effectiveness with compliance with applicable labour laws and regulatory requirements. It clearly defines the responsibilities of the HR function and its engagement with management, employees and other stakeholders, underpinned by principles of fairness, transparency, accountability and respect for diversity and inclusion. In an increasingly technology-driven environment, continuous process optimization remains a key priority.

THE HUMAN RESOURCE INFORMATION SYSTEM (HRIS)

The Company continues to leverage an advanced Human Resource Information System (HRIS) to support seamless, end-to-end automation of HR processes. The system facilitates paperless workflows, secure data management and efficient information retrieval within a controlled environment.

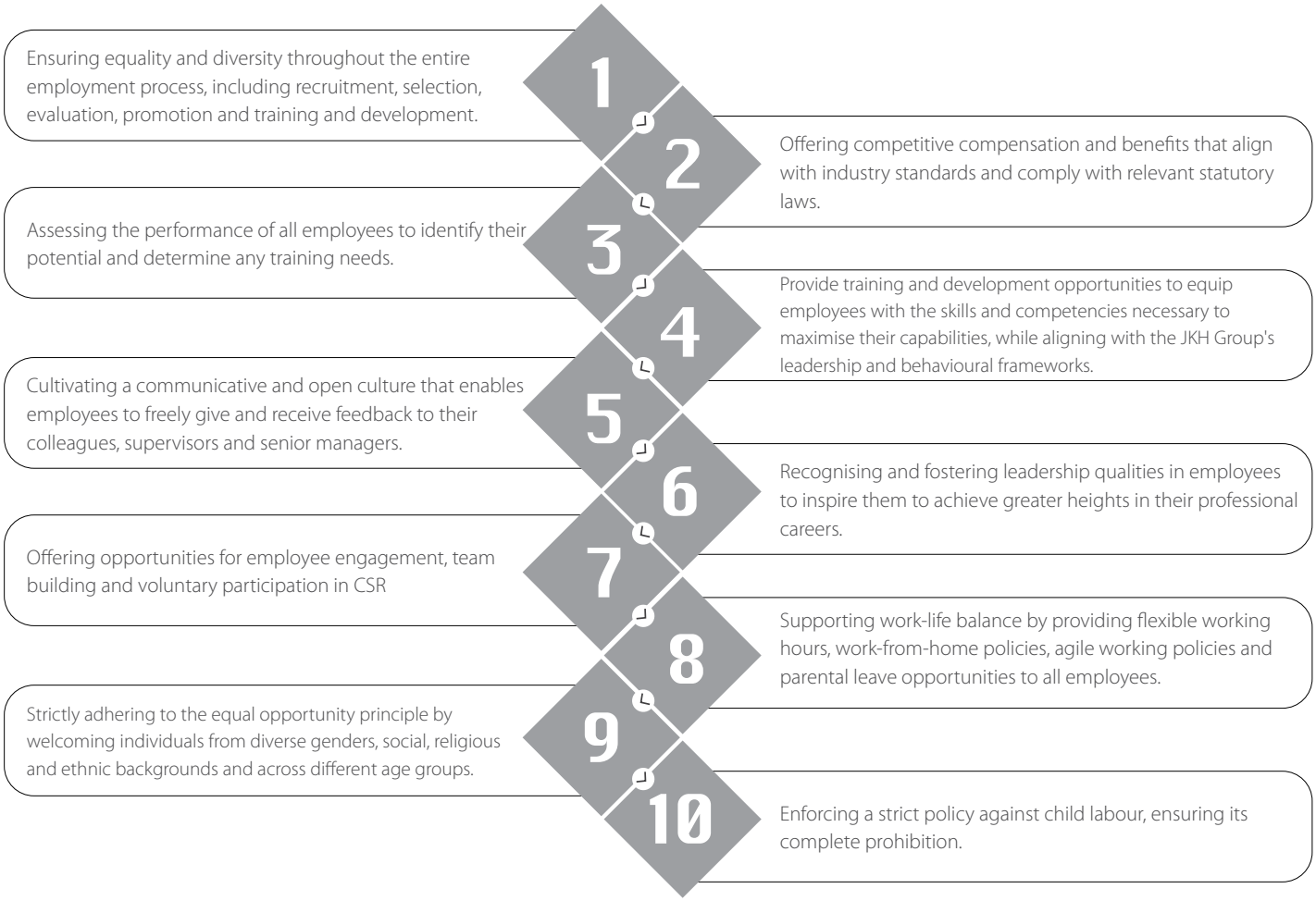
The integrated, mobile enabled platform enables employees to manage HR-related activities on a single interface, enhancing efficiency, accessibility and real time engagement while aligning with evolving workplace practices.

Strengthening the relationship between the Company and its employees remains central to the human capital development strategy. While attracting and retaining talent is a key focus, equal emphasis is placed on ensuring the right experience, skills and mindset for each role.

The Company's reward and development frameworks are therefore designed to provide competitive compensation alongside structured opportunities for career progression.

Human Capital

In line with this philosophy, the Company remains committed to the following core human resource management principles:



OVERVIEW OF EMPLOYEE CADRE

As at the end of the financial year under review, the Company's workforce comprised 43 employees, with 5 new recruits during the year. The recruitment of individuals across diverse age groups, experiences and gender profiles reflects the Company's continued commitment to building a balanced and inclusive workforce.

The combination of institutional knowledge contributed by long-serving employees and the fresh perspectives introduced by newer team members continues to support business continuity and sustainability. The fact that 49% of employees have served the Company for over ten years reinforces John Keells PLC's standing as an "Employer of Choice".

RECRUITMENT

The recruitment process at John Keells PLC is designed to attract, select and retain individuals who are aligned with the Company's values and long-term objectives. A structured and consistent approach has enabled the Company to build capability, support business growth and sustain a positive organizational culture.

TALENT MANAGEMENT

Talent identification and development remain key priorities for the Company. High-potential employees are identified through a structured process aligned with Group-defined criteria and are included in the Company's Talent Pool. Recommendations arising from annual Career Committee Meetings are reviewed and approved at the appropriate management levels, in line with Group governance requirements.

The Talent Pool is reviewed annually, enabling the targeted nomination of employees for development initiatives that align individual career aspirations with organizational needs.

From a sustainability perspective, in addition to supporting individual development, the availability and continuity of critical skills remain an important consideration for the Company. In line with Group wide sustainability and risk assessments under SLFRS S1 and S2, John Keells PLC continues to strengthen its human capital practices through focused talent development, succession planning and capability building initiatives to support operational resilience and long term value creation.

INTERNAL JOB POSTING PROGRAMME

The Group's Internal Job Posting programme continues to support internal mobility and talent retention by providing employees with opportunities to explore alternative roles across Group companies. This initiative enables employees to gain exposure to different industries and disciplines while mitigating the risk of losing high-performing individuals to external opportunities.

PERFORMANCE APPRAISAL PROCESS

The performance management framework is designed to promote continuous feedback, alignment of goals and performance improvement

across all levels of the organization. Executive employees receive formal evaluations on a bi-annual basis, while other employees undergo annual performance reviews.

As hitherto undertaken, during the year under review, the Company continued with its performance management cycle by assessing all employees, providing structured feedback and identifying opportunities for training and development. The process encourages open dialogue between employees and managers, supporting the identification of strengths, development needs and the achievement of performance targets.

Anchored in the Group's core values, the framework also facilitates the identification of high-potential employees and supports succession planning, thereby ensuring continuity of leadership and sustained organizational performance.

COMPETENCY ASSESSMENT TOOL

The Competency Assessment Tool was developed to support both employees and the Company in identifying areas for growth and improvement across the employee cadre. The tool enables a structured assessment of development needs through a combination of self-assessment and supervisor evaluation.

This process is complemented by one-on-one discussions between employees and their supervisors, during which targeted competency development actions are agreed upon. The tool thereby supports individual growth while strengthening overall organizational capability.

DIVERSITY & INCLUSION

Diversity and inclusion remain integral to the Company's approach to building a resilient and high performing workforce. By promoting equitable treatment and equal opportunities,

The Company continues to foster an inclusive environment that supports innovation, collaboration and effective service delivery to a diverse stakeholder base.

In alignment with Group wide initiatives, John Keells PLC continued to support gender inclusive programmes and partnerships aimed at increasing female representation across the workforce and in leadership roles. The Group's commitment to inclusion is visually reinforced through the continued use of the "ONE JKH" brand across recruitment communications, reflecting a unified stance against discrimination and a commitment to equal opportunity.

Furthermore, the JKH Group has made a commitment to achieve a 40 percent female participation rate by the conclusion of FY 2029/2030, with interim milestones established for each of the Group companies. The commitment of John Keells PLC towards this goal was reflected in an overall female participation of 37%, with 32% representation within the leadership category. As at the end of the financial year under review, the Company recorded female participation levels of 33% overall and 36% within leadership roles. The Company also continued its various initiatives and interventions aimed at challenging gender stereotypes and promoting women in non traditional roles.

In line with the Group's broader inclusion agenda, the Company continued the quarterly distribution of sanitary napkins to female employees, supporting well-being while contributing to the de stigmatization of menstrual health in the workplace. Additionally, the continuation of agile workplace arrangements, including flexible working hours, supported employees in balancing personal and professional responsibilities, contributing to employee well-being and long term workforce retention.

TRAINING & DEVELOPMENT

Training and development are considered key enablers of employee performance, engagement and long term capability building at John Keells PLC. In order to enhance both performance and job satisfaction, the Company continues to view learning and development as an essential strategic priority. During the year under review, selected employees participated in a range of learning and development initiatives aimed at strengthening competencies and preparing them for future responsibilities and roles within the organization.

At Group level, structured talent development initiatives continued to support the systematic development of employee capabilities. During the year under review, the Company initiated the use of Personal Development Plans (PDPs) to provide employees with a more structured and individualized approach to development. These PDPs are designed to identify development priorities, strengthen competencies and support career progression in alignment with organizational requirements. The PDP process is supported through regular engagement and feedback between employees and their managers, enabling ongoing monitoring of development needs and progress in a structured and transparent manner.

In addition, safety related training remained a key area of focus. As part of the Company's safety programme, fire drills were conducted at both warehouse and office premises during the financial year under review, in collaboration with the local fire department. These drills were aimed at enhancing awareness of preventive measures and ensuring employee preparedness in the event of emergencies, thereby reinforcing a safe and resilient working environment across operational locations.

JKH SUCCESS DRIVERS

In alignment with the John Keells Group's continued focus on people led growth and leadership development, John Keells PLC adopted the Group's Success Drivers framework during the year under review. Introduced at Group level to replace the previously adopted roof competencies, the Success Drivers provide a common behavioural and leadership foundation to support talent management, leadership development and learning initiatives across the Group.

The Success Drivers reflect the behaviours and capabilities identified by the Group as critical to driving sustainable performance, effective leadership and long term value creation across diverse business sectors. While providing a consistent Group wide framework, the Success Drivers allow flexibility for sector level application, enabling John Keells PLC to focus on the drivers most relevant to its business context, roles and organizational priorities.

The framework supports the Company's broader human capital objectives by strengthening leadership capability, guiding development conversations and reinforcing aligned behaviours across the organization. In this regard, the Success Drivers complement existing performance management, learning and development practices at John Keells PLC.

The adoption of the Success Drivers represents an important step in enhancing leadership effectiveness and supporting the development of a future ready talent pool, aligned with both Company specific objectives and the overarching people strategy of the John Keells Group.

REWARDS & RECOGNITION

The Company recognizes that a structured rewards and recognition framework plays a pivotal role in motivating employees, enhancing engagement and retaining talent. An effective rewards strategy is also considered essential to reinforcing desired behaviour and aligning individual performance with organizational objectives.

Human Capital

Accordingly, John Keells PLC adopts a holistic approach to rewards and recognition, encompassing both monetary and non monetary elements. These include competitive remuneration, performance linked incentives, benefits, career advancement opportunities and formal as well as informal recognition mechanisms. The framework is designed to ensure internal equity and external competitiveness, while remaining aligned with the Group's governance standards and applicable statutory requirements.

Recognition initiatives further serve to acknowledge individual and team contributions, reinforcing a performance driven culture anchored in the Group's values. The Company believes that employee achievements reflect not only individual effort but also the leadership, guidance and support provided by managers and department heads. As such, rewards and recognition play an important role in strengthening accountability at all levels of the organization.

In alignment with Group practices, employees of John Keells PLC have access to Group wide rewards and recognition platforms, which provide opportunities for consistent and transparent recognition across employee categories. Collectively, these initiatives contribute to higher levels of employee satisfaction, engagement and organizational commitment, thereby supporting sustained business performance.

COMMUNICATIVE & OPEN CULTURE

At John Keells PLC, fostering a communicative and open organizational culture remains a key priority. The Company encourages transparent dialogue and constructive feedback, recognizing that employee engagement and trust are strengthened when employees are provided with structured opportunities to communicate their views, share ideas and raise concerns.

Accordingly, the Company has implemented a range of formal and informal communication and engagement mechanisms across different employee categories. These platforms facilitate interaction between employees and senior management, enable peer and upward feedback and support information sharing and consultation across the organization. Collectively, these initiatives reinforce openness, inclusivity and collaboration, while supporting continuous improvement and alignment with the Company's objectives.

SKIP LEVEL MEETINGS (ALL EMPLOYEES)

Skip Level Meetings provide employees with the opportunity to engage directly with senior management, beyond the immediate reporting structure. These interactions offer a platform for open dialogue through which senior management gains insights into employee perspectives, ideas and opportunities for improvement, while reinforcing a culture of transparency and accessibility.

At the same time, employees benefit from greater visibility into the Company's strategic direction and initiatives, as well as guidance and mentoring from senior leaders.

Collectively, these engagements support mutual understanding, trust and collaboration across different levels of the organization.

PEER & UPWARD SURVEY (MANAGER & ABOVE CATEGORY)

The Company utilizes an annual, electronic feedback tool to enable managers to receive confidential feedback from their peers and direct reports. This process provides managerial employees with insights into leadership behaviour, interpersonal effectiveness and management practices through multiple perspectives.

Feedback gathered through the survey is considered alongside employees' self reflections and supports constructive dialogue, self awareness and continuous development, contributing to the strengthening of leadership capability across the organization.

JOINT CONSULTATIVE COMMITTEE (JCC) MEETINGS (NON-EXECUTIVE CATEGORY)

Joint Consultative Committee (JCC) Meetings provide non executive employees with a structured forum to engage directly with senior management, including the CEO and the Head of HR. These meetings enable employees to raise concerns, share suggestions and participate in discussions on matters impacting the workplace and operational effectiveness. The JCC mechanism supports open communication, consultation and constructive engagement, contributing to continuous improvement and strengthened employee relations.



STAFF MEETINGS (ALL EMPLOYEES)

Staff meetings provide a structured platform for sharing key updates, including relevant business and performance related information, with employees across the organization. These meetings also create opportunities for employees to share ideas, express views and seek clarifications, thereby encouraging open communication. Through regular staff meetings, the Company fosters transparency, alignment and collaboration, supporting informed employee participation and engagement.

EMPLOYEE ENGAGEMENT SURVEY – EMPULSE (ALL EMPLOYEES)

In line with the Group's evolving approach to employee engagement, the John Keells Group selected Gallup as its Group wide employee engagement survey partner. Accordingly, the EmPulse Employee Engagement Survey was officially launched across the Group in November 2025.

The survey provided employees with a structured platform to share their honest views and experiences of working at John Keells, enabling valuable insights into areas of strength as well as opportunities for improvement. The feedback gathered through EmPulse is considered a critical input in enhancing the work environment, strengthening employee engagement and shaping an organizational culture where employees feel valued, supported and empowered.

EMPLOYEE ENGAGEMENT

Employee engagement initiatives continued to focus on strengthening relationships, promoting well-being and enhancing work-life balance. Throughout the year, the Company supported a range of activities aimed at fostering camaraderie and creating an inclusive work environment where employees feel connected and valued.



SOCIAL AND RELATIONSHIP CAPITAL



At JKPLC, we value strong, trust-based relationships with stakeholders across our entire value chain, from customers and suppliers to the communities surrounding our business operations. Through transparent engagement, ethical practices, responsible service delivery and targeted CSR initiatives, we support sustainable growth, community well-being and long-term business resilience.

Rs.1.66 MN
Spend on CSR

100 %
Spend on Local Suppliers

Our ability to sustain long-term value creation is anchored in the trust and confidence stakeholders place in the Company's integrity and professionalism. Through consistent, personalised engagement, JKPLC cultivates enduring relationships with both sellers and buyers, fostering a partnership-driven ecosystem built on mutual value.

MANAGEMENT APPROACH

JKPLC adopts a structured and proactive management approach to social and relationship capital, recognising that our license to operate is intrinsically linked to the trust of our stakeholders. We prioritise transparent engagement and ethical conduct in business operations and people interactions to mitigate social risks and capitalise on shared opportunities. Our strategy is governed by integrated reporting principles, ensuring that our social investments, which range from health camps to reforestation projects and relief efforts in the event of natural disasters, are aligned with the broader Group ESG framework and national development priorities. By institutionalising feedback loops with tea and rubber suppliers and maintaining rigorous standards in our warehousing and brokerage operations, we ensure that relationship capital is consistently converted into long-term institutional value.

Social and Relationship Capital

By adopting a multi-dimensional strategy aligned with GRI Standards and SLFRS S1 and S2 requirements, we focus on the following social and environmental pillars.

Transparency

At JKPLC, transparency is the cornerstone of our market leadership and is integrated into our daily operations to ensure stakeholders have access to reliable information.

Ethical Conduct

Ethical conduct guides our interactions throughout the value chain, ensuring that our growth is both sustainable and responsible.

Risk Management & Resilience

We proactively identify and address social and environmental risks to build long-term business resilience and support community wellbeing.

VALUE LINKAGE: DEPENDENCY AND IMPACT

The following table outlines how our social and relationship capital inputs drive business value and manage dependencies across the value chain.

Social and Relationship Capital Input	Business Dependency	Value Driver and Impact
MARKET INTELLIGENCE AND CUSTOMER INSIGHTS	Our ability to act as a value-adding intermediary depends on real-time data regarding tea auction trends and buyer preferences.	**Strategic Advisory:** Deep market insights, delivered via weekly Tea Market Reports, enable us to guide producers on timing and quality to achieve optimal prices and drive customer retention.
SUPPLIER SUPPORT AND FINANCIAL INTEGRATION	Dependence on a consistent, high-quality supply of tea and rubber relies on the financial stability and operational agility of factory owners.	**Supply Chain Resilience:** Specialised systems and financial support mechanisms enable factory owners to meet capital requirements promptly, reducing volatility and securing ethical sourcing.
COMMUNITY HEALTH AND SOCIAL INFRASTRUCTURE	Maintaining a social license to operate depends on the well-being of the local community and the stability of the socio-political environment.	**Social Stewardship:** Impactful initiatives to foster educational advancement, support good health and well-being, aid in disaster recovery, promote environmental stewardship across surrounding communities, while enhancing our brand reputation.
OPERATIONAL EXCELLENCE AND WAREHOUSING	Our reputation as a reliable partner depends on the meticulous handling and storage of inventory to maintain product excellence.	**Product Integrity:** Sustainable warehousing practices and attention to detail ensure the preservation of product value and minimise inventory loss.

CREATING VALUE FOR CUSTOMERS

JKPLC creates value for our customers by consistently delivering reliable, high-quality services grounded in integrity, professionalism and a deep understanding of the market. The trust and confidence placed in the Company by both sellers and buyers are a direct outcome of the commitment to building transparent, responsive and long-term relationships.

Through regular and personalised engagement, JKPLC gains meaningful insights into customer needs, preferences and evolving expectations. These insights enable the Company to tailor our services, ensuring greater alignment with client requirements while enhancing the overall customer experience. This proactive and customer centric approach enables both improved satisfaction and long-term loyalty and supports more efficient and responsive service delivery.

A key component of value creation lies in our ability to preserve and enhance product quality throughout the value chain. Robust warehousing and storage practices ensure that tea is maintained under optimal conditions from collection to final dispatch. This meticulous handling safeguards product integrity, minimises quality deterioration and ensures that customers receive products that consistently meet expected standards.

By combining operational excellence with a strong focus on relationship management, JKPLC delivers dependable outcomes that customers can trust. The Company's ability to consistently meet expectations strengthens its reputation as a reliable partner, reducing uncertainty for clients and enabling smoother, more efficient transactions.

The growth of our private client portfolio to 44% during the year under review, surpassing the set target of 42% despite prevailing challenges, further demonstrates the tangible value we deliver to our customers. This expansion signals both satisfaction with current service levels and confidence in the Company's ability to deliver sustained value over time. As customer relationships deepen and broaden, JKPLC will continue to reinforce our position as a preferred partner in the industry, creating a virtuous cycle of trust, loyalty and long-term value creation.

CREATING VALUE THROUGH SUPPLIER PARTNERSHIPS

JKPLC recognises suppliers particularly factory owners as integral partners in our value creation process and remains committed to fostering ethical, resilient and mutually beneficial relationships across the supply chain. Through structured and consistent engagement, the Company strengthens collaboration and ensures long-term business continuity. During the year under review, the Company conducted targeted factory visits at least once every six months, achieving a 90% completion rate. These interactions have deepened relationships, supported supplier retention and contributed to increased volumes and stronger operational alignment.

Value creation is further reinforced through continuous initiatives to enhance quality and capabilities. We deploy dedicated manufacturing advisors to conduct regular factory visits, focusing on improving production processes and elevating product quality. Complementing this effort, the Company engaged an external manufacturing consultant to provide specialised guidance on engineering improvements, productivity optimisation and adherence to Good Manufacturing Practices (GMP). These interventions enable suppliers to enhance output quality, achieve better price realisation and remain competitive in evolving markets.

In supporting supplier sustainability and growth, JKPLC provides access to tailored financial solutions and operational systems that help factory owners efficiently address capital requirements, a key component of our strategy to manage sustainability-related risks and opportunities under SLFRS S1. This ensures that suppliers are well-positioned to maintain operational stability and invest in improvements that enhance long-term business resilience. Furthermore, by facilitating capital for upgrades, such as energy efficient machinery or climate adaptive processing, we support our supply chain in navigating physical and transition climate risks in accordance with SLFRS S2 requirements. This proactive financial integration enables our partners to capitalise on emerging opportunities and maintain a steady supply of ethical produce without disruption, even amidst evolving environmental regulations.

The Company also plays a pivotal role in facilitating knowledge sharing and market integration. By bridging information gaps between suppliers and buyers and disseminating timely industry insights, we empower suppliers with a clearer understanding of market dynamics, enabling informed decision-making and fostering product innovation.

Collectively, these initiatives contribute to building a resilient and expanding supply network grounded in ethical practices and service excellence. This is evidenced by the significant growth in supplier engagement during the year under review.

COMMITMENT TO COMMUNITY AND ENVIRONMENT

The Company's Corporate Social Responsibility (CSR) strategy focuses on health, education and environmental sustainability, ensuring we contribute to the socio economic upliftment of the regions where we operate. We implemented targeted initiatives during the year under review to support community health and well-being, advance education and help the community recover from natural disasters.



STRATEGIC PHILANTHROPY

Our ongoing support for the John Keells Foundation ensures that our social investments are delivered through a strategic, Group-wide framework, maximising the impact of our programmes across a diverse range of stakeholders.

Social and Relationship Capital

MEDICAL CAMP FOR UNDERPRIVILEGED COMMUNITIES

As part of this commitment, the Company, in collaboration with Asiri Hospital, conducted a medical camp on 23rd January 2026 at the Hingalgoda Tea Factory in Hiniduma, Galle. This initiative focused on the early detection and prevention of common health conditions, providing approximately 400 individuals from underprivileged communities with access to essential health screenings, including BMI assessments, vision testing and blood pressure checks. By facilitating timely medical intervention and promoting health awareness, the programme contributed to improving community well-being and reducing long-term health risks.

EDUCATION AND DISASTER RELIEF

In response to the widespread damage caused by Cyclone Ditwah, JKPLC extended its support towards restoring access to quality education in affected areas. In collaboration with the Kalubowitiyana Tea Factory Ltd Welfare Society, the Company made a contribution towards the rehabilitation of B/Vigneshwara Tamil Vidyalaya. The initiative funded the reconstruction of a collapsed boundary wall and the repainting of school buildings, resulting in the restoration of a safe, hygienic and conducive learning environment for students and teachers in Passara. Through these efforts, JKPLC supported community recovery and reinforced its role as a responsible corporate citizen committed to long-term social value creation.

FOREST PLANTATION PROJECT

As part of this ongoing commitment, the Forest Plantation Project implemented in collaboration with Halwitigala Tea Factory continued to be maintained during the year. The Company remained focused on nurturing and monitoring the 700 Mahogany trees planted under the initiative, with the continued involvement of the project team and support from the local community. This continued effort reflects JKPLC's commitment to environmental sustainability, biodiversity conservation and climate change mitigation, while further reinforcing its dedication towards achieving its Environmental, Social and Governance (ESG) goals and promoting a greener future.

LOOKING AHEAD

Looking forward, JKPLC is dedicated to strengthening stakeholder engagement by improving supply chain transparency, enhancing customer satisfaction and expanding our community outreach to address emerging social and environmental challenges. We aim to evolve our relationship capital from transactional interactions to strategic partnerships that foster collective growth and climate resilience.



SUPPLIERS

We remain committed to enhancing supply chain resilience by providing specialised manufacturing advisory services and technical expertise to help factory owners maintain superior quality standards. Over the next three years, we will strengthen our collaboration with Regional Plantation Companies (RPCs) to expand reforestation projects while integrating more comprehensive sustainability assessments to help our partners manage climate related risks in accordance with SLFRS S2.



CUSTOMERS

We will continue to prioritise transparency and trust by refining our real-time market intelligence tools and weekly reporting mechanisms. Our focus remains on delivering strategic insights that empower buyers and sellers to make informed decisions, ensuring we maintain our leadership position through service excellence and consistent value delivery.



COMMUNITY

We will continue to improve community livelihoods and promote preventive healthcare to foster long-term social upliftment. Our focus will remain on conducting health camps and preventive healthcare programmes and supporting educational advancement efforts in rural areas.

GRI CONTEXT INDEX

	Disclosure	Page number	Omission
General Disclosures			
GRI 2: General Disclosures 2021	The organisation and its reporting practices		
	2-1 Organisational details	4-6	
	2-2 Entities included in the organisation's sustainability reporting	7	
	2-3 Reporting period, frequency and contact point	4-5	
	2-4 Restatements of information	26-166	
	2-5 External assurance	Not applicable	We have not sought external assurance on our sustainability reporting
	Activities and workers		
	2-6 Activities, value chain and other business relationships	18-19	
	2-7 Employees	57-60	
	2-8 Workers who are not employees	57-60	
	Governance		
	2-9 Governance structure and composition	74-77	
	2-10 Nomination and selection of the highest governance body	91-92	
	2-11 Chair of the highest governance body	97	
	2-12 Role of the highest governance body in overseeing the management of impacts	97	
	2-13 Delegation of responsibility for managing impacts	97	
	2-14 Role of the highest governance body in sustainability reporting	97	
	2-15 Conflicts of interest	81-83	
	2-16 Communication of critical concerns	109-112	
	2-17 Collective knowledge of the highest governance body	79-80	
	2-18 Evaluation of the performance of the highest governance body	81	
	2-19 Remuneration policies	83	
	2-20 Process to determine remuneration	89-90	
	2-21 Annual total compensation ratio	Confidentiality constraints	Industry does not disclose this information due to confidentiality reasons.
	Strategy, policies and practices		
	2-22 Statement on sustainable development strategy	55	
	2-23 Policy commitments	74	
	2-24 Embedding policy commitments	110-111	
	2-25 Processes to remediate negative impacts	142-147	
	2-26 Mechanisms for seeking advice and raising concerns	21	
	2-27 Compliance with laws and regulations	74	
	2-28 Membership associations	52	
	Stakeholder engagement		
	2-29 Approach to stakeholder engagement	21	
	2-30 Collective bargaining agreements	57-60	

GRI CONTEXT INDEX

	Disclosure	Page number	Omission
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	22-25	
	3-2 List of material topics		
Economic Performance			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	26-36	
	201-2 Financial implications and other risks and opportunities due to climate change	26-36	
	201-3 Defined benefit plan obligations and other retirement plans	208-210	
	201-4 Financial assistance received from government	Not applicable	
Market presence			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	57-60	
	202-2 Proportion of senior management hired from the local community	Not applicable	
Indirect economic impacts			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	44-48	
	203-2 Significant indirect economic impacts	26-30	
Procurement practices			
GRI 103: Management Approach	3-3 Management of material topics		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	61-64	
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	109-112	
	205-2 Communication and training about anti-corruption policies and procedures	109-112	
	205-3 Confirmed incidents of corruption and actions taken	Not applicable	JKPLC did not come across incidents of corruption during year
Anti-competitive behaviour			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	108-109	
Tax			
GRI 3: Material Topics 2021	3-3 Management of material topics		

	Disclosure	Page number	Omission
GRI 207: Tax 2019	207-1 Approach to tax	101	
	207-2 Tax governance, control and risk management	101	
	207-3 Stakeholder engagement and management of concerns related to tax	20-25	
	207-4 Country-by-country reporting	Not applicable	Not relevant to the Company's operations
Materials			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 301: Materials 2016	301-1 Materials used by weight or volume	53-56	
	301-2 Recycled input materials used	Not applicable	Not relevant to the Company's operations
	301-3 Reclaimed products and their packaging materials	Not applicable	Not relevant to the Company's operations
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	55	
	302-2 Energy consumption outside of the organisation	Information unavailable/ incomplete	
	302-3 Energy intensity	55	
	302-4 Reduction of energy consumption	55	
	302-5 Reductions in energy requirements of products and services	Not applicable	Not relevant to the Company's operations
Water and effluents			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	55	
	303-2 Management of water discharge- related impacts	55	
	303-3 Water withdrawal	55	
	303-4 Water discharge	55	
	303-5 Water consumption	55	
Biodiversity			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable	Not relevant to the Company's operations
	304-2 Significant impacts of activities, products and services on biodiversity	Not applicable	Not relevant to the Company's operations
	304-3 Habitats protected or restored	Not applicable	Not relevant to the Company's operations
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable	Not relevant to the Company's operations

GRI Context Index

	Disclosure	Page number	Omission
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	55	
	305-2 Energy indirect (Scope 2) GHG emissions	55	
	305-3 Other indirect (Scope 3) GHG emissions	55	
	305-4 GHG emissions intensity	55	
	305-5 Reduction of GHG emissions	55	
	305-6 Emissions of ozone-depleting substances (ODS)	55	
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	55	
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	55	
	306-2 Management of significant waste- related impacts	55	
	306-3 Waste generated	55	
	306-4 Waste diverted from disposal	55	
	306-5 Waste directed to disposal	55	
Supplier environmental assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	63	
	308-2 Negative environmental impacts in the supply chain and actions taken	63	
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	58	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	57-60	
	401-3 Parental leave	58	
Labour/management relations			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	57-60	
Occupational health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics		

	Disclosure	Page number	Omission
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	63	
	403-2 Hazard identification, risk assessment and incident investigation	22-26	
	403-3 Occupational health services	63	
	403-4 Worker participation, consultation and communication on occupational health and safety	63	
	403-5 Worker training on occupational health and safety	63	
	403-6 Promotion of worker health	57-60	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	57-60	
	403-8 Workers covered by an occupational health and safety management system	57-60	
	403-9 Work-related injuries	57-60	
	403-10 Work-related ill health	57-60	
Training and education			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	59	
	404-2 Programmes for upgrading employee skills and transition assistance programmes	59	
	404-3 Percentage of employees receiving regular performance and career development reviews	59	
Diversity and equal opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	59	
	405-2 Ratio of basic salary and remuneration of women to men	Not applicable	
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	59	
Freedom of association and collective bargaining			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 407:Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	97	
Child labour			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	97	
Forced or compulsory labour			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 409: Forced or Compulsory labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	97	

GRI Context Index

	Disclosure	Page number	Omission
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	Not applicable	Not relevant to the Company's operations
Rights of indigenous peoples			
GRI 3: Material Topics 2021	3-3 Management of material topics	Not applicable	Not relevant to the Company's operations
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Not applicable	Not relevant to the Company's operations
Local communities			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programmes	63-64	
	413-2 Operations with significant actual and potential negative impacts on local communities	63	
Supplier social assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	63	
	414-2 Negative social impacts in the supply chain and actions taken	63	
Public policy			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 415: Public Policy 2016	415-1 Political contributions	Not applicable	
Customer health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 416:Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	62-63	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	62-63	
Marketing and labelling			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 417:Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	62-63	
	417-2 Incidents of non-compliance concerning product and service information and labelling	62-63	
	417-3 Incidents of non-compliance concerning marketing communications	62-63	
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	Not applicable	Not relevant to the Company's operations

Sustaining

Our Craft



STEWARDSHIP

Our commitment at JK PLC extends beyond performance to responsible stewardship of resources, communities and the environment. By embedding sustainability into our operations, we ensure that our craft is sustained with care, integrity and accountability for future generations.

BOARD OF DIRECTORS

KRISHAN BALENDRA

Chairperson/ Non-Independent - Non-Executive Director (Appointed to Board 2018)

Krishan Balendra is the Chairperson-CEO of John Keells Holdings PLC. He is also the Chairperson of the Ceylon Chamber of Commerce.

He is a former Chair of the Employers Federation of Ceylon, Nations Trust Bank and the Colombo Stock Exchange. Krishan started his career at UBS Warburg, Hong Kong, in investment banking, focusing primarily on equity capital markets. He joined JKH in 2002. Krishan holds a law degree (LLB) from the University of London and an MBA from INSEAD.

GIHAN COORAY

Non-Independent - Non-Executive Director (Appointed to Board 2018)

Gihan Cooray is the Deputy Chairperson/ Group Finance Director of JKH and has overall responsibility of the Group's Finance and Accounting, Taxation, Corporate Finance and Strategy, Treasury, Information Technology and Corporate Communications functions. He is a former Chairperson of Nations Trust Bank PLC. Gihan holds an MBA from the Jesse H. Jones Graduate School of Management at Rice University, Houston, Texas. He is a fellow member of the Chartered Institute of Management Accountants, UK, a certified management accountant of the Institute of Certified Management Accountants, Australia and has a Diploma in Marketing from the Chartered Institute of Marketing, UK.

He serves as a committee member of The Ceylon Chamber of Commerce and a Council Member of The Sri Lanka Institute of Directors.

ZAFIR HASHIM

Non-Independent - Non-Executive Director (Appointed to Board 2021)

Zafir Hashim is the Head of the Transportation industry group and the Plantation Services sector and is also responsible for John Keells Information Technology sector. He has been with the Group for 23 years. He joined the Group in 2003 and was seconded to Lanka Marine Services, where he served as Chief Executive Officer from 2005 to 2015. He has also served as a member of the Transportation Sector Committee since 2005. During his tenure with the Group, he has held the position of Chief Executive Officer at John Keells Logistics Lanka Limited, Mackinnons Mackenzie Shipping Co. Limited, Mack International Freight Limited and Mackinnons Travels Limited. He holds an MSc in Chemical Engineering from the University of Birmingham, UK.

He is a member of the Logistics and Transport Sector Committee of the Ceylon Chamber of Commerce and serves on the Executive Committees of the Sri Lanka - France Business Council and the Indo Lanka Chamber of Commerce and Industry.

RAVI WIJEWANTHA

Non-Independent - Non-Executive Director (Appointed to Board 2024)

Ravi Wijewantha joined JKH in September 2003 and was appointed as Sector Financial Controller of the Property industry group in July 2006 and Chief Financial Officer of the same industry group in July 2017. He was appointed as the Chief Financial Officer Planation services sector in July 2024.

He has over 25 years of experience in auditing and accounting. He is an Associate Member of the Chartered Institute of Management Accountants, UK and holds an MBA from ICFAI University, Dehradun, India. He also holds Bachelor of Laws (LLB) and Mater of Law (LLM) from Buckinghamshire New University.

PRAVIR SAMARASINGHE

Independent Non-Executive Director (Appointed to Board 2025)

Pravir D. Samarasinghe is the Director /Chief Executive Officer of Overseas Realty (Ceylon) PLC, the premier real estate investment development and management Company listed in the Colombo Stock Exchange. He has 39 years of professional and commercial experience, including 24 years in senior leadership roles. He has broad property, industrial, service, retail, plantation and export sector experience. He serves on the Board of Directors of several Public Listed Corporates and chairs Board Sub Committees and is familiar with all aspects of corporate governance. He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and Chartered Institute of Management Accountants UK and holds a Master's Degree in Business Administration.

He was the Past Chairman of the Sri Lanka Institute of Directors, Employers' Federation of Ceylon, Industrial Association of Sri Lanka, Condominium Developers Association of Sri Lanka and EFC Affiliated Group of Companies. He was the Past President of the Chartered Institute of Management Accountants Sri Lanka Division and former Council Member CIMA (UK). He served as a Board Member of the Ceylon Chamber of Commerce and Sri Lanka Accounting and Auditing Standard Monitoring Board. He has been exposed to a number of executive development programs including those conducted by the National University of Singapore, Harvard University (Harvard International Program) and the Australian Institute of Directors.

PASAN WANIGASEKARA

Independent Non-Executive Director
(Appointed to Board 2025)

Pasan Wanigasekara is a multidisciplined corporate leader with broad international exposure in Asia Pacific, Europe and North America, across a wide range of topics including corporate strategy, M&A, strategic marketing & business development, operation optimisation, digitisation and legal.

He was the Director General of the Board of Investment of Sri Lanka (Invest Sri Lanka) until January 2022 and since then has reverted to his practice as a Business Consultant and has held Board positions in several blue-chip corporates operating in Finance, Leisure, Automobiles, Agriculture, R&D, Sustainable Energy, Manufacturing sectors.Earlier on in his corporate career, he was Director Asia Pacific Business at a Moody's Corporation subsidiary. Since his stint at Moody's, he was engaged as a Consultant to several Fortune 500 companies and Asia based PE Funds on investment analysis, M&A and operations optimisation, while practicing as an Attorney-at-Law. He is a qualified Chartered Management Accountant, a Chartered Financial Accountant, a Chartered Marketer and an Attorney-at-Law. He is also an Engineer specialising in Computer Science, having graduated from the University of Moratuwa.

ARUNI AKURATIYAGAMA

Independent Non-Executive Director
(Appointed to Board 2025)

Aruni Akuratiyagama is an Attorney-at-Law and a Partner of D.L. & F. De Saram, Attorneys-at-Law and Notaries Public. She obtained First Class Honours at the Attorneys-at-Law (Final) Examination in 1997, conducted by the Sri Lanka Law College. She was called to the Bar in December 1998 and is an Attorney-at-Law of the Supreme Court of Sri Lanka. She also holds a Master's degree in Commercial Law from the University of Aberdeen. She commenced her legal career at Nithya Partners, where she practiced Real Estate and Commercial Law from 1999 to 2001 and again from 2003 to 2008 and was admitted as a Partner of the firm in January 2007. She joined D. L. & F. De Saram as a Consultant in 2011 and was appointed Partner in 2018. She currently heads the firm's Real Estate and Construction practice and has over two decades of experience advising on a broad range of property-related and banking and finance matters. She has held the positions of President of the Family Planning Association of Sri Lanka and Director of Medicheks Colombo (Private) Limited.

1 EXECUTIVE SUMMARY

1.1 Governance Framework

John Keells PLC ("the Company" or "JKPLC") together with its subsidiaries and associate companies (collectively referred to as the "Group") regards strong corporate governance as a core pillar of its operational framework, supporting sustainable long-term value creation through effective leadership, accountability and transparent decision-making, while ensuring compliance with applicable laws, regulations and recognised standards of good governance established for the John Keells Group ("JKH Group") by its parent Company John Keells Holdings PLC (JKH).

The Group also conducts regular reviews of its internal structures and control mechanisms to ensure that key principles of governance are consistently upheld while also focusing on enhancing the clarity, quality and usefulness of governance disclosures, with particular emphasis on demonstrating the Board's role in providing effective oversight, supporting strategic execution and contributing to long-term value creation.

1.2 Ethics and Governance

Ethical conduct and sound governance are firmly embedded within the Group's culture, forming the foundation of its core values. The JKH Code of Conduct, applicable to all employees, senior management and members of the Board, provides a structured framework to guide responsible and principled behavior across all levels of the organization.

1.3 Commitment to Transparency and Governance

The Group remains steadfast in its commitment to transparency across all reporting processes, consistently upholding high standards of ethical conduct and corporate governance. It adheres to a clearly defined corporate governance framework aligned with established principles and best practices. Any deviations are undertaken in compliance with applicable rules and regulations and are appropriately disclosed with clear explanations.

The corporate governance practices adopted by the Group for the financial year 2025/2026 are set out in detail within this report.

1.4 Highlights of the 78th Annual General Meeting held on 25th June 2025

- Mr. J G A Cooray, who retired in terms of Article 83 of the Articles of Association of the Company was re-elected as a Director of the Company.
- Mr. A Z Hashim, who retired in terms of Article 83 of the Articles of Association of the Company was re-elected as a Director of the Company
- Mr. N W R Wijewantha, who retired in terms of Article 90 of the Articles of Association of the Company was re-elected as a Director of the Company
- Mr. P D Samarasinghe, who retired in terms of Article 90 of the Articles of Association of the Company was re-elected as a Director of the Company.
- Ernst & Young (E&Y) was reappointed as the External Auditors of the Company and the Directors were authorized to determine the remuneration of E&Y.

Appointments and Retirements in 2025/26

1. Ms. A K Gunawardhana, Ms. B A I Rajakarier and Mr. C N Wijewardene, Independent Non–Executive Directors retired from the Board with effect from 25 June 2025, having served on the Board for 9 years.
2. Ms. N A S Akuratiyagama was appointed as an Independent Non-Executive Director to the Board with effect from 25 June 2025
3. Mr. P T Wanigesekara was appointed as an Independent Non-Executive Director to the Board with effect from 1 July 2025.

1.5 Compliance Summary

Mandatory Regulatory Frameworks – fully compliant
The Companies Act No. 7 of 2007, as amended, including applicable regulations
Securities and Exchange Commission of Sri Lanka (SEC) Act No. 19 of 2021, including rules, regulations, directives and circulars
Listing Rules of the Colombo Stock Exchange (CSE), including circulars
Code of Best Practices on Related Party Transactions (2013) issued by the SEC
Sustainability Disclosure Standards as applicable (including SLFRS S1and S2)
Voluntary Frameworks and Standards
Code of Best Practice on Corporate Governance (2023) issued by CA Sri Lanka complied with to the extent of business exigency and as required by the Group
Reporting Frameworks
International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC)
Global Reporting Initiative Standards
Sustainability Accounting Standards Board disclosures
Internal Mechanisms
Articles of Association
Board Charter and Board Committee Charters
Code of Conduct
Board and internal Policies

1.6 Corporate Governance Commentary – navigation of contents

NAVIGATION OF CONTENTS

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   - 1.1 Governance Framework
   - 1.2 Ethics & Governance
   - 1.3 Commitment to Transparency and Governance
   - 1.4 Highlights of the 78th Annual General Meeting held on 25 June 2025
   - 1.5 Compliance Summary
   - 1.6 Corporate Governance Commentary navigation of contents

2 The Corporate Governance System

3 Internal Governance Structure
   - 3.1 The Board of Directors
   - 3.2 Board Committees
   - 3.3 Role of Chairperson and Chief Executive Officer
   - 3.4 Employee Empowerment

4 Integrated Governance Systems and Procedures
   - 4.1 Strategy Formulation and Decision-Making Processes
   - 4.2 Human Resource Governance
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   - 4.4 Information Technology (IT) Governance
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   - 4.6 Stakeholder Management and Effective Communication
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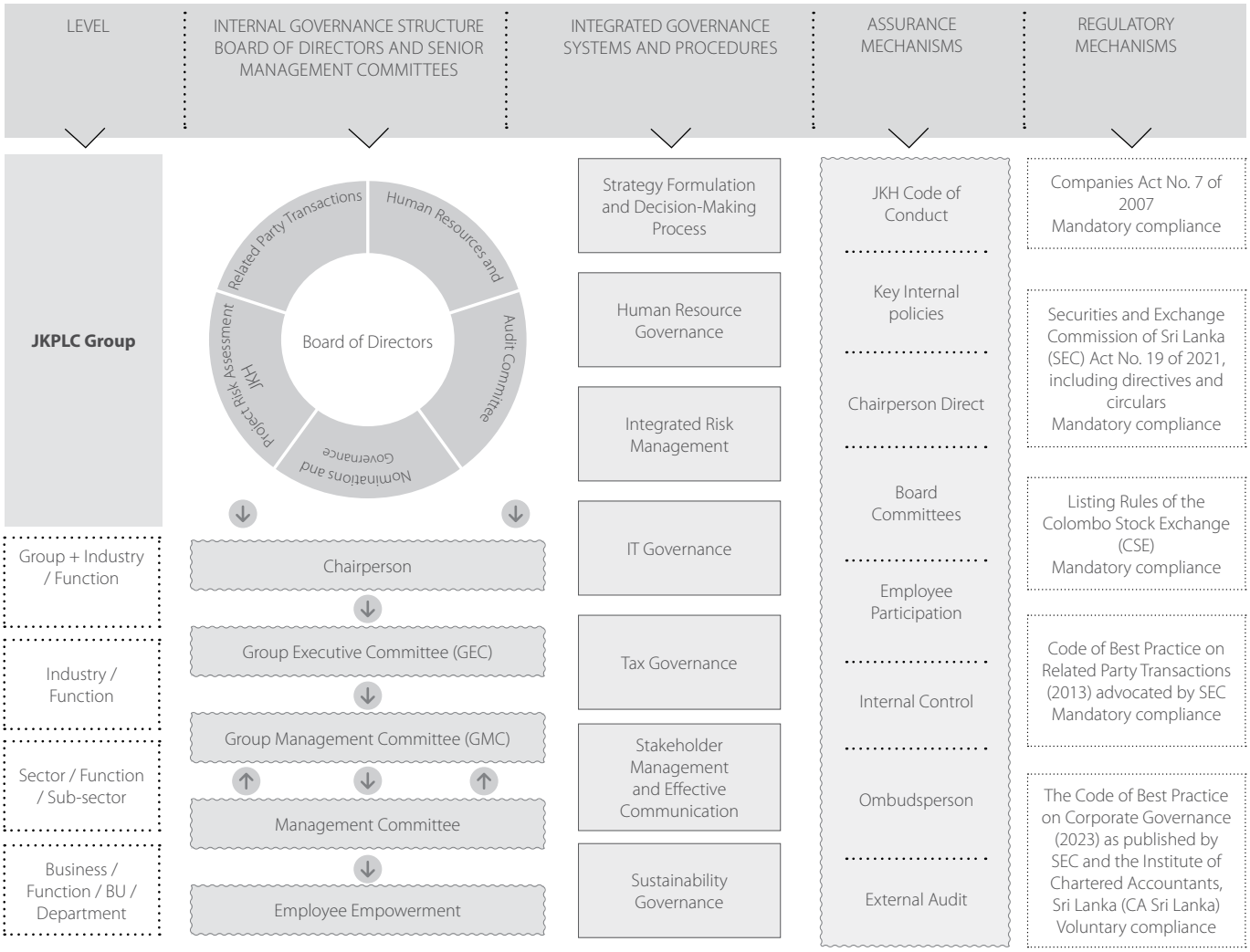
5 Assurance Mechanisms
   - 5.1 Key Internal Policies
   - 5.2 Employee Participation in Assurance
   - 5.3 Internal Controls
   - 5.4 Segregation of Duties (SoD) under Sarbanes-Oxley (SOX)
   - 5.5 Internal Audit
   - 5.6 Ombudsperson
   - 5.7 External Audit

6 Governance Outlook and Emerging Challenges
   - 6.1 Board Diversity
   - 6.2 Board Independence
   - 6.3 Beneficial Ownership of the Company
   - 6.4 Anti-Fraud, Anti-Corruption and Anti-Bribery and Financial Crime Compliance
   - 6.5 Increasing Emphasis on Environmental, Social and Governance (ESG) Aspects
   - 6.6 Continual Strengthening of Internal Controls
   - 6.7 Digital Oversight and Cyber Security
   - 6.8 Data Protection, Information Management and Adoption
   - 6.9 Greater Employee Involvement in Governance
   - 6.10 Need for Increased Transparency

7 Compliance Summary
   - 7.1 Statement of Compliance pertaining to the Companies Act No. 7 of 2007
   - 7.2 Statement of Compliance under Section 7 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosures
   - 7.3 Statement of Compliance under Section 9 of the Listing Rules of the CSE on Corporate Governance
   - 7.4 Code of Best Practice of Corporate Governance 2023 Issued by CA Sri Lanka.

2 THE CORPORATE GOVERNANCE SYSTEM



3 INTERNAL GOVERNANCE STRUCTURE

The Internal Governance Structure comprises of the committees which formulate, execute and monitor Group strategies and initiatives and the policies, processes and procedures employed for doing so. These components have an impact on the execution and monitoring of all governance related initiatives, systems and methods.

The components of the internal governance structures are strengthened and complemented by internal policies, processes and procedures, such as, strategy formulation and decision making, human resource governance, sustainability governance, integrated risk management, IT governance, tax stewardship and stakeholder management and effective communication.

3.1 Board of Directors

3.1.1 Board Oversight and Delegation of Authority

The Board holds the overall responsibility for the strategic direction and management of the Company which is delegated to the CEO and senior management of the Company. Once the Board has delegated broad authority, its primary responsibility is to oversee management's performance and ensure compliance with the broad policies and established governance principles.

Board oversight involves the continual inquiry by Directors into whether the Board's delegation of authority to management is reasonable and whether the Board has received sufficient and accurate information from management to make that determination. Typical areas of oversight include the Group's structure, capital management and Company securities, strategic initiatives, portfolio decisions, financial performance, the integrity of financial statements, accounting and financial reporting processes, internal controls, risk management, social and governance (ESG) matters, information technology and security, governance and compliance, workplace ethics and environmental matters.

The Group's governance framework ensures that Directors are well-positioned to satisfy their oversight responsibility through periodic assessment of Board agenda priorities and the related structures, processes and controls that are in place to ensure that the Board is well-informed on

a timely basis of matters requiring attention. Appropriate and sufficiently detailed reports are furnished at regular intervals in a form, timeframe and quality that enables the Board to discharge its duties effectively.

3.1.2 Board Responsibilities and Duties

In discharging its duties, the Board cultivates a transparent and inclusive environment that encourages thoughtful discussion and diverse perspectives. This approach supports employee involvement and commitment, while driving sustainable value for all stakeholders through effective performance and strong governance practices.

The Board's key responsibilities include:

- Providing direction and guidance to the Group in the formulation of sustainable, high-level, medium and long-term strategies which are aimed at promoting the long-term success of the Group.
- Reviewing and approving annual plans and long-term business plans.
- Tracking actual progress against plans.
- Overseeing and guiding the Group's sustainability-related impacts and risks by monitoring material topics, ensuring alignment with long term value creation, its due diligence processes in relations to sustainability impacts and maintaining the systems and capabilities needed for timely, decision useful sustainability information.
- Overseeing the development and implementation of strategies for the identification, assessment, mitigation and management of sustainability-related risks and opportunities, including climate-related risks and opportunities and ensuring that such strategies are integrated into the Group's overall strategy, risk management framework and capital allocation decisions.
- Reviewing HR processes with emphasis on top management succession planning, including the diversity, equity and inclusion (DE&I) strategy.
- Ensuring operations are carried within the scope of the Enterprise Risk Management (ERM) framework.
- Ensuring that IT governance aligns with the Group's strategic objectives, addressing risks related to cybersecurity, data privacy, compliance and technology investments.
- Appointing and reviewing the performance of the CEO.
- Ensuring compliance with laws, regulations and ethical standards and monitoring systems of governance and compliance, including concerns on ethics, bribery and corruption.
- Overseeing systems of internal control, risk management and establishing whistle-blowing conduits.
- Determining any changes to the discretions/authorities delegated from the Board to the executive levels.
- Reviewing and approving major acquisitions, disposals and capital expenditure.
- Approving any amendments to constitutional documents.
- Ensuring all related party transactions are compliant with statutory obligations.
- Ensuring that the Group's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations.
- Ensuring all stakeholder interests are considered in corporate decisions.
- Ensuring sustainable business development in corporate strategy decisions and activities.
- Fulfilling such other Board functions as are vital, given the scale, nature and complexity of the business concerned.

3.1.3 Board Composition

The Composition of the Board is governed by the Listing rules of the CSE and the Articles of Association of the Company.

In terms of composition, the Board shall comprise of not less than three and not more than twelve Directors, unless otherwise permitted by the Articles of Association. The optimal number of Directors ranges from five to ten Directors, in compliance with applicable law, to facilitate effective group dynamics, foster individual responsibility, ensure adequate expertise and support decision-making. The Board includes at least two Independent Directors or such number equivalent to one third of the total number of Directors, whichever is higher, at any given time to be compliant with the applicable laws.

The Board of JKPLC consisted of Seven Directors as of 31 March 2026. All the Directors are Non-Executive Directors and three of them are Independent Directors. The Board is diverse in its experience, expertise and age, contributing varied perspectives to boardroom deliberations whilst exercising independent judgement to bear on all matters. Brief profiles of the seven Board members are given on pages 72 to 73 of this report.

	Executive (ED)/ Non-Executive Director (NED)	Independent (ID)/Non-Independent Director (NID)	Year of Appointment	Age (Years, as at 31 March 2026)	Meeting attendance (Eligible to attend/ attended					Tenure on the Board (Years as at May 2026)
					AC	HRCC	NGC	RPTRC	PRAC	
Mr. K. N. J. Balendra (Chairperson)	NED	NID	2017/18	52			●		●	8
Mr. J. G. A. Cooray	NED	NID	2017/18	49		●			●	8
Mr. A. Z. Hashim	NED	NID	2020/21	51	●			●		5
Mr. N. W. R Wijewantha	NED	NID	2024/25	53						1
Mr. P D Samarasinghe	NED	ID	2024/25	59	▲	●	●	▲		1
Ms. N A S Akuratiyagama**	NED	ID	2025/26	51	●	▲	▲	●		11 Months
Mr. P T Wanigasekara***	NED	ID	2025/26	51	●			●		11 Months
Mr. A. Cabraal	NED	NID	2013/14	69					●	12
Mr. H. Wijayasuriya	NED	NID	2016/17	58					▲	
Ms. A K Gunawardana*	NED	ID	2016/17	56						-
Ms. B. A. I. Rajakarier*	NED	ID	2016/17	59						-
Mr. C. N. Wijewardane*	NED	ID	2016/17	68						-

● Member ▲ Chair

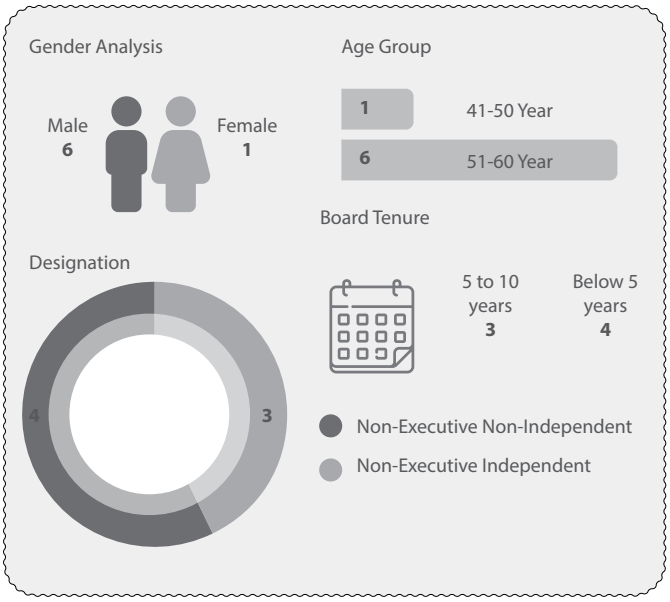
*Resigned w.e.f 25 June 2025
**Appointed to the Board w.e.f 25.06.2025
***Appointed to the Board on 01.07.2025

NI NED – Non-Independent Non-Executive Director

I NED – Independent Non-Executive Director

AC - Audit Committee
HRCC - Human Resources and Compensation Committee
NGC - Nominations and Governance Committee
RPTRC - Related Party Transactions Review Committee
PRAC - Project Risk Assessment Committee

COMPOSITION OF THE JKPLC BOARD:



3.1.4 Board Skills

The Group is conscious of the need to maintain an appropriate mix of skills and experience in the Board through an annual review of its composition in order to ensure Board balance, diversity and appropriate levels of relevant skills and expertise aligned with the current and future needs of the Group. Collectively, the Board brings in a multi-dimensional wealth of diverse exposure and expertise in their respective fields. Further details of their qualifications and experience are provided under the Board of Directors section on pages 72 – 73 of this Annual report.

In addition, the Board possesses collective knowledge and competence to oversee sustainability-related matters and to ensure that environmental, social and governance considerations are integrated into the Group's strategy, risk management and reporting processes.

Following the implementation of SLFRS S1 and SLFRS S2, the Deputy Chairperson/ Group Finance Director of JKH has been actively and closely engaged in strengthening the Group's sustainability governance architecture, including the development and enhancement of underlying frameworks, policies and processes.

3.1.5 Board Access to Independent Professional Advice

To preserve the independence of the Board and to strengthen decision making, the Board is encouraged to seek independent professional advice, where applicable and relevant, in furtherance of their duties, at the Group's expense. This is coordinated through the Company Secretaries, as and when requested.

3.1.6 Board Appointment

Board appointments follow a structured and formal process within the purview of the Nominations and Governance Committee. The Committee has overall responsibility for making recommendations to the Board on all new appointments and for ensuring that the Board and its Committees have the appropriate balance of skills. The Board considers the recommendations of the Nominations and Governance Committee for appointment or re-election by the Board and, where relevant, by the shareholders at the Annual General Meeting.

Details of new Director appointments are disclosed to the Colombo Stock Exchange and media at the time of their appointment through a public announcement, covering the following:

- A brief resume of the Director.
- The nature of their expertise in relevant functional areas.
- The names of companies in which the Director holds directorships or memberships in Board committees.
- Whether such Director can be considered Independent.

Details of such appointments are also carried as relevant in Annual Reports, Interim releases and Investor Relations publications.

The Group has implemented requisite measures to ensure that the Directors and the CEO consistently meet the fit and proper criteria stipulated in Section 9.7 of the Listing Rules. In addition, the independence of Independent Non-Executive Directors is assessed in accordance with the applicable independence criteria set out in Section 9.8.3 of the Listing Rules. The Nominations and Governance Committee evaluates the fulfilment of the fit and proper and independence criteria outlined in the Listing Rules prior to presenting nominations to the Board and at shareholder meetings, as applicable before Directors are appointed. Additionally, annual declarations from the Directors and CEO are obtained, confirming that each individual has consistently met the fit and proper and, where relevant, independence assessment criteria outlined in these Rules throughout the relevant financial year and continues to meet the criteria as of the date of such confirmation and any non-compliances shall be disclosed.

The Terms of Reference for the members of the Nominations and Governance Committee and the Committee report can be found in the Nominations and Governance Committee section of this report. - page 90.

3.1.7 Board Induction and Training

Newly appointed Directors of the Board undergo a comprehensive induction where they are apprised, inter-alia, of the Group values and culture, its operating model, policies, governance framework and processes, the Code of Conduct (which includes anti-corruption and anti-bribery) and the operational, environmental and social strategies of the Group.

Additionally, the newly appointed Directors are granted access to relevant segments of the business and are given the opportunity to meet with Key Management Personnel and other key third-party service providers such as External Auditors and consultants, as required.

The Board of Directors recognise the need for continuous training and expansion of knowledge and undertakes such professional development, as they consider necessary, to assist them in carrying out their duties as Directors. To this effect, the Chairperson and the Nominations and Governance Committee periodically reviews any training and development needs of the Board and recommends any identified gaps to the Board.

Each Director is responsible for ensuring continuous learning and development in their areas of expertise and that their professional qualifications/licenses and memberships are maintained.

The Chairperson ensures that the Board and the Nominations and Governance Committee are kept informed of significant developments in applicable laws, regulations, rules and corporate governance practices, together with their potential impact on the Company and the Group. The Chairperson also ensures that senior management reports on the Company's and the Group's compliance with all applicable legal and regulatory requirements.

3.1.8 Re–Election

All Independent Non-Executive Directors are appointed for a period of three years, aligned with the Annual General Meeting and are eligible for re-appointment, subject to the recommendation of the Nominations and Governance Committee and approval of the Board. All Independent Non-Executive Directors may serve a maximum of three (3) successive terms, totalling nine (9) years unless otherwise permitted under Applicable Law or unless an extended Board tenure is necessitated by the requirements of the Group.

All contracts are renewed by the Board based on the recommendation of the Nominations and Governance Committee and the such recommendation will be based on the Directors meeting fit and proper criteria and, where relevant , independence criteria in addition to other requirements pertaining to qualifications, skills and experience, strategic demands facing the Company and time commitments, diversity, etc which are considered.

In terms of the Articles of Association, one third of all Non-Executive Directors retire by rotation, except for the Chairperson and are eligible for re-election at the Annual General Meeting by the shareholders. Additionally, Directors appointed during the year and being eligible for re-election are placed before the shareholders for re-election at the Annual General Meeting in terms of the Articles of Association.

Annually, the Board discusses the possibility of any impairment of Director independence and collectively evaluates the independence of such Board members.

3.1.9 Board Meetings

3.1.9.1 Regularity of Board Meetings

The quarterly Board meetings are scheduled well in advance to ensure full attendance. Directors joining the Board and the Board Committees meetings through audio visual means are accounted for attendance. In addition to these Board meetings, the Board of Directors communicate, as appropriate, when issues of strategic importance requiring extensive discussions arise.

The Board may increase the frequency of meetings based on the needs of the Board and the business exigencies of the Group. The Chairperson presides at all Board meetings, unless excused or absent, in which circumstance the another Director shall lead proceedings. Directors are required to attend a minimum of two or 50% of the meetings held during the financial year, whichever is higher, unless otherwise excused by the Board.

Pertinent Board discussions and decisions are recorded by the Company Secretaries in the Board minutes and such minutes are put forward for approval of the Board at the next Board Meeting. All records pertaining to Board meetings and decisions are maintained in the minute book by the Company Secretaries.

During the financial year under review, there were 4 Board meetings. The attendance at the Board meetings held during the financial year 2025/26 is given below:

Name	Year of Appointment	Board Meetings				Eligibility	Attended
		30.04.2025	28.07.2025	31.10.2025	23.01.2026		
Mr. K N J Balendra (Chairperson)	2017/18	✓	✓	✓	Excused	4	3
Mr. J G A Cooray	2017/18	✓	✓	✓	✓	4	4
Mr. A Z Hashim	2020/21	✓	✓	✓	✓	4	4
Mr. N W R Wijewantha	2024/25	✓	✓	✓	✓	4	4
Mr. P D Samarasinghe	2024/25	✓	✓	✓	✓	4	4
Ms. N A S Akuratiyagama**	2025/26	N/A	✓	✓	✓	3	3
Mr. P T Wanigasekara***	2025/26	N/A	✓	✓	✓	3	3
Ms. A K Gunawardana*	2016/17	✓	N/A	N/A	N/A	1	1
Ms. B A I Rajakarier*	2016/17	✓	N/A	N/A	N/A	1	1
Mr. C N Wijewardane*	2016/17	✓	N/A	N/A	N/A	1	1

*Resigned w.e.f 25 June 2025
**Appointed to the Board w.e.f 25.06.2025
***Appointed to the Board on 01.07.2025

3.1.9.2 Timely supply of Information

The Directors were provided with the necessary information, including but not limited to financial, non-financial, enterprise risks and opportunities, sustainability impacts and the process of determining sustainability related and climate related risks and opportunities well in advance, by way of electronic Board papers and proposals, as relevant, for all Board meetings held during the year, in addition to the monthly and quarterly information submitted pertaining to the Company and the Group , in order to ensure robust discussion, informed deliberation and effective decision-making.

The Directors continue to have access to and independent contact with, the corporate and senior management of the Company and the Group.

3.1.9.3 Board Agenda

The Chairperson ensured that all Board proceedings were conducted smoothly and efficiently, approving the agenda for each Meeting prepared by the Company Secretaries.

The typical Board agenda in 2025/26 entailed, discussion of matters arising from the previous minutes, submission of Board Committee reports, review of performance, strategy formulation, approval of quarterly and annual financial statements, review of risk, sustainability and corporate social responsibility related aspects, ratification of capital expenditure and ratification of the use of Common Seal, among others.

3.1.10 Company Secretaries

Keells Consultants (Pvt) Limited functions as the Secretaries of the Company and the key responsibilities are as follows:

- Assist the Board with compliance related matters pertaining to the Articles of Association, Applicable Law and corporate governance practices adopted by the Company and the Group.
- Organise, coordinate and support the scheduling of Board meetings, ensuring that all required documents and agendas are distributed in advance.
- Attend Board meetings and record minutes and ensure that all decisions are accurately documented.
- Facilitate regular updates to the Board on key developments in Applicable Law and corporate governance practices
- Assist in monitoring the Board's compliance with internal policies.
- Facilitate communications between the Board and the management of the Group.

3.1.11 Time Dedicated by Non-Executive Directors

The Board has dedicated adequate time for the fulfilment of their duties as Directors. In addition to attending Board meetings, the Directors have attended the respective Board Committee meetings and have also contributed to decision-making via Circular Resolutions and one-on-one meetings with Key Management Personnel, when necessary.

3.1.12 Board Evaluation

The Board conducted its annual Board performance appraisal for the financial year 2025/26. The Chairperson conducts an annual evaluation of the Board's performance under the oversight of the Nominations and Governance Committee, while the chairperson of the Audit Committee, who is an NED/ID assesses the effectiveness of the Board Audit Committee.

This formalised process of individual appraisal enabled each member to self-appraise, on an anonymous basis, the performance of the Board under the areas of:

- Role clarity and effective discharge of responsibilities
- People mix, balance and structures
- Systems and procedures
- Quality of participation
- Board and corporate image and reputation
- Consideration of Sustainability Impacts, Risks and Opportunities in strategies decision making

The scoring and open comments are collated and the results are analysed to give the Board an indication of its effectiveness as well as areas that require addressing and/or strengthening. Despite the original anonymity of the remarks, the open and frank discussions that follow include some Directors identifying themselves as the person making the remark, reflecting the openness of the Board. This process has led to an improvement in the Board dynamics based on the evaluations and deliberations in the past.

3.1.13 Ensuring Independence and Managing Conflicts of Interests

As at 25 May 2026, the Board comprised of seven Directors, with three of them being Independent Non-Executive Directors, ensuring a strong element of independence on the Board.

The Group takes necessary steps to ensure that Directors avoid situations in which they have, or could have, a direct or indirect interest which conflicts with, or might possibly conflict, with the interests of the Company and the Group.

In order to avoid such potential conflicts or biases, the Directors make a general disclosure of interests, as illustrated below, at appointment, at the beginning of every financial year and during the year, as required. The confirmatory statement shall include declaration of all material interests in contracts involving the Company and whether they have refrained from voting on materially interested matters.

Such potential conflicts are reviewed by the Board from time to time to ensure the integrity of the Board's independence. The details of companies in which Board members hold Board or Board Committee membership are available with the Company Secretaries for inspection by shareholders, on request.

Prior to Appointment	Once Appointed	During Board Meetings
Nominees are requested to make known their various interests. Provision of declarations and documents to confirm that there are no conflicts, meet the fit and proper criteria and satisfy the independence criteria (to the extent applicable).	Directors obtain Board clearance prior to: Accepting a new position. Engaging in any transaction that could create or potentially create a conflict of interest. All NEDs are required to notify the Chairperson of any changes to their current Board representations or interests and a new declaration is made annually. Provision of declarations and documents to confirm that there are no conflicts, meet the fit and proper criteria and satisfy the independence criteria. (to the extent applicable)	Directors who have an interest in a matter under discussion: Excuse themselves from deliberations on the subject matter. Abstain from voting on the subject matter (abstention from decisions is duly minuted).

The independence of all its Non-Executive Directors was reviewed on the basis of criteria summarised as follows. The Independent Non-Executive Directors did not have a conflict of interest, as per the criteria for independence outlined below.

Criteria for defining independence	Status of conformity of NED/IDs
1. Shareholding carrying not less than 10% of voting rights.	None of the NED/IDs' shareholding exceed 1%.
2. Director of another Company*.	None of the NED/IDs are Directors of another related party Company.
3. Income/non-cash benefit equivalent to 20% of the Director's annual income excluding income/non-cash benefits received which are applicable on a uniform basis to all Non-Executive Directors on the Board.	NED/ID income/cash benefits are less than 20% of an individual Director's annual income.
4. Employment at JKPLC and/or material business relationship with JKPLC, currently or in the three years immediately preceding appointment as a Director.	None of the NED/IDs are employed or have been employed at JKPLC.
5. Close family member is a Director, Chief Executive Officer (CEO) or a Key Management Personnel.	No family member of the NED/IDs is a Director or CEO or a Key Management Personnel.
6. Has served on the Board continuously for a period exceeding nine years from the date of the first appointment.	All NED/IDs satisfied this criterion for the year 2025/26.
7. Is employed, is a Director, has a material business relationship and/or significant shareholding in other companies*. Entails other companies that have significant shareholding in JKPLC and/or JKPLC has a business connection with.	None of the NED/IDs are employed, are Directors, or have a material business relationship or a significant shareholding of another related party Company as defined.
8. Is below 70 years of age, unless Nominations and Governance Committee recommends the appointment, The Board of Directors approves the recommendation and the shareholders approve by passing a resolution through a majority vote of the public shareholders at a general meeting of the Company.	None of the Directors are above the age of 70.

** Other companies in which a majority of the other Directors of the listed Company are employed or are Directors or have a significant shareholding or have a material business relationship or where the core line of business of such Company is in direct conflict with the line of business of the listed Company.*

3.1.13.1 Details in respect of Directors

In accordance with the JKH Group policy and subject to applicable law, the Directors shall not hold more than fifteen directorships in listed companies. The following table illustrates the total number of Board seats held and employed as key management personnel in other companies by each Director.

Name of Director	No. of Board Seats Held in Other Listed Sri Lankan Companies			No. of Board Seats Held in Other Unlisted Sri Lankan Companies
	Executive Capacity	Non-Executive Capacity	Key Management Personnel	
Mr. K. N. J. Balendra (Chairperson)	John Keells Holdings PLC	Asian Hotels and Properties PLC Ceylon Cold Stores PLC John Keells Hotels PLC Keells Food Products PLC Trans Asia Hotels PLC Union Assurance PLC		Director of several unlisted companies in the John Keells Group.
Mr. J. G. A. Cooray	John Keells Holdings PLC	Asian Hotels and Properties PLC Ceylon Cold Stores PLC John Keells Hotels PLC Keells Food Products PLC Trans Asia Hotels PLC		Director of several unlisted companies in the John Keells Group.

Name of Director	No. of Board Seats Held in Other Listed Sri Lankan Companies			No. of Board Seats Held in Other Unlisted Sri Lankan Companies
	Executive Capacity	Non-Executive Capacity	Key Management Personnel	
Mr. A. Z. Hashim	-	-		Director of several unlisted companies in the John Keells Group.
Mr. N. W. R Wijewantha	-	-		Director of several unlisted companies in the John Keells Group.
Mr. P D Samarasinghe	Overseas Realty (Ceylon) PLC	Peoples Leasing & Finance PLC Swadeshi Industrial Works PLC		Havelock City (Pvt) Ltd Hotels Developers (Lanka) Limited Mireka Capital Land (Pvt) Ltd Mireka Homes (Pvt) Ltd Mireka Seascapes (Pvt) Ltd Overseas Reality Trading (Pvt) Ltd Realty Management Services (Pvt) Ltd
Ms. N A S Akuratiyagama*	-	-	-	
Mr. P T Wanigasekara**		Abans Finance PLC Union Assurance PLC	-	-

*Appointed to the Board w.e.f 25.06.2025
**Appointed to the Board on 01.07.2025

Directors' Shareholding	31 March 2026	31 March 2025*
Mr. K N J Balendra	Nil	Nil
Mr. J G A Cooray	Nil	Nil
Ms. N A S Akuratiyagama*	Nil	Nil
Mr. P T Wanigesekara**	Nil	Nil
Mr. P D Samarasinghe	Nil	Nil
Mr. A Z Hashim	Nil	Nil
Mr. N W R Wijewantha	Nil	Nil

* Appointed with effect from 25 June 2025
**Appointed with effect from 1 July 2025.

3.1.14 Director Remuneration

The Company has implemented a remuneration policy supported by a formal and transparent process for determining the compensation of individual Directors. Directors are not involved in decisions regarding their own remuneration. The Human Resources and Compensation Committee (HRCC) ensures that remuneration practices remain fair, appropriate and competitive, while aligning with the Company's strategies, performance objectives, benefit structures and broader stakeholder interests.

Due diligence is exercised to ensure that remuneration for Board members is commensurate with their skills, expertise, experience and level of involvement in Board activities. Director remuneration is benchmarked against comparable companies and additional fees are provided for serving as a Chair or member of Board Committees. Remuneration is reviewed periodically and adjusted as necessary, taking into account the complexity and evolving nature of the Company's operations. Fees payable to nominee Directors of John Keells Holdings PLC are remitted to the Company rather than to the individual Directors.

Independent Non-Executive Directors are not eligible to participate in Employee Share Ownership Plans (ESOPs) offered by the John Keells Group and do not receive performance-based or incentive payments. Their fees are not linked to time commitments or defined by a minimum or maximum number of hours contributed annually. Additionally, no compensation is provided for early termination.

3.1.14.1 Non – Executive Director Remuneration

The compensation of Non-Executive Directors is determined by the Board, based on the principles of non-discriminatory pay practices and with reference to fees paid to other Non-Executive Directors of comparable companies, macro-economic conditions, time commitments to be made by such Directors and the complexities of the Company and/or Group.

Non-Executive Directors were paid additional fees for either chairing or being a member of a Board Committee and did not receive any performance/incentive payments/share option plans.

The total aggregate of Non-Executive Director remuneration for the year was Rs.8.85million [FY 2024/25: Rs.8.68 million].

3.1.14.2 Compensation for Early Termination

In the event of an early termination of a Director, there are no compensation commitments other than for:

- Non-Executive Directors: accrued fees payable for Board and Board Committee membership, if any, as per the terms of their contract.

Apart from the remuneration and compensation disclosed above, no other considerations such as recruitment incentives, termination benefits, or retirement benefits have been made to the Directors and no clawbacks have been reported during the year.

3.2 Board Committees

Whilst retaining final decision rights, the Board has delegated certain functions to Board Committees. Members of these Committees focus on their designated areas of responsibility and impart knowledge and oversight in areas where they have greater expertise.

Board Sub Committee	Key Areas of Oversight	Detailed Information and Committee Report
Board Audit Committee (BAC)	• Financial reporting • Internal controls & Risk management. • Internal & External Audits.	Report of the BAC on pages 86 to 88
Nominations and Governance Committee	• To define, establish and lead processes for Board appointments and inductions and recommend new appointments and re-elections/re-appointments in line with the Articles of Association, contracts and applicable law • Ensure periodic Board self-evaluations are conducted by an Independent Director, with outcomes reviewed by the Board. • Review and recommend the corporate governance framework in line with Group policies, legal requirements and best practices.	Report of the NGC on pages 91 to 92
Related Party Transactions Review Committee	Disclosure and review of Related Party Transactions.	Report of the RPT on pages 94 to 95
Human Resources and Compensation Committee	• Review remuneration policy. • Succession planning of Key Management Personnel. • Review and recommend performance-based payment plans. • Ratify the performance appraisals of the KMPs of the Group.	Report of the HRCC on pages 90
Project Risk Assesstment Commitee	• Review and assess large scale investments and projects. • Evaluate project risks • Ensure stakeholder interests are aligned, as applicable, in making this investment decision.	Report of the PRAC on pages 86

Out of the five Board - Committees, four are mandatory, whilst the Project Risk Assessment Committee of the JKH Group formed voluntarily, functions on behalf of the Company.

Important matters arising from the Board Committee meetings are deliberated at the Board meetings and any concerns identified are referred to the Board for oversight.

The Board Committees comprise predominantly of Independent Non-Executive Directors.

Board Sub – Committee membership as at 25 May 2026	Board Audit Committee	Human Resources and Compensation Committee	Nominations and Governance Committee	Related Party Transactions Committee	Project Risk Assessment Committee
Independent Non Executive					
Ms. N A S Akuratiyagama	●	▲	▲	●	
Mr. P T Wanigesekara	●			●	
Mr. P D Samarasinghe	▲	●	●	▲	
Non Independent Non - Executive					
Mr. K Balendra – Chairperson			●		●
Mr. J G A Cooray		●			●
Mr. A Z Hashim	●			●	
Mr. A Cabraal					●
Mr. H Wijayasuriya					▲

● Member ▲ Chair

3.2.1 Board Audit Committee (BAC)

Composition

- Comprised a minimum of 03 directors out of which a minimum of 02 or a majority of the members, whichever is higher, shall be independent Directors.
- The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors.
- An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors. The Chairperson of the Audit Committee shall be a Member of a recognized professional accounting body.

Scope

- Overseeing the preparation, presentation and review of the quarterly and annual financial statements, including the quality, transparency, integrity, accuracy and compliance with accounting standards, laws and regulations, prior to tabling the same for the approval of the Board of Directors.
- Assess the adequacy and effectiveness of the internal control environment in the Group and ensure that appropriate action is taken by management on the recommendations of the internal auditors and to prevent the leakage of material information to unauthorised persons.
- Obtain and review assurance received from the CEO, CFO and other Key Management Personnel, as relevant, that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's and Group's operations and finances.
- Evaluate the competence and effectiveness of the risk management systems and internal controls of the Group and ensure robustness and effectiveness in monitoring and controlling risks, as recommended by the internal auditors.
- Review the adequacy and effectiveness of internal and external audit arrangements.
- Review the risk policies adopted by the Company on an annual basis.
- Recommend the appointment, re-appointment and removal of the External Auditors including their remuneration and terms of engagement by assessing qualifications, expertise, resources and independence.

Report of the Board Audit Committee (BAC)

Introduction

The Board Audit Committee (Committee) of the Company is a formally constituted Sub-Committee of the Board of Directors which assists in the areas financial reporting, internal audit, internal controls, risk management and external audit. This report focuses on the activities of the Committee for the year under review.

Role of the Board Audit Committee

The terms of reference of the Committee is defined and its proceedings are conducted in accordance with and pursuant to the Audit Committee Charter. The Audit Committee Charter is periodically reviewed and revised with the concurrence of the Board of Directors to ensure that it remains consistent with the Company's and Group's practices, regulatory requirements and applicable best practices in corporate governance.

The Audit Committee supports the Board in discharging its oversight responsibilities with respect to the integrity of the Company's and its subsidiaries' financial statements, the effectiveness of the internal control and risk management frameworks and compliance with applicable legal and regulatory requirements. The Committee also evaluates the suitability, performance and independence of the External Auditors, as well as the adequacy and effectiveness of the Internal Audit function, which is carried out by the Group Business Process Review division (Group BPR).

Key Responsibilities of the Board Audit Committee

The Committee assists the Board in fulfilling its responsibilities with regard to:

- Ensuring the integrity of the financial statements of the Company in accordance with the accounting standards as defined by The Institute of Chartered Accountants of Sri Lanka, applicable local laws and regulations and the requirements of the Listing Rules of the Colombo Stock Exchange (CSE) to provide accurate, appropriate and timely information to management, regulatory authorities, shareholders and other stakeholders.
- Adopting and upholding the policies and procedures of the Company to ensure that strong standards of corporate governance are in place.
- Ensuring adherence to all applicable laws, rules and Company and group policies.
- Analysing and examining the independence of the external auditors and the outsourced internal auditors and following up on the results and recommendations made.
- Ensuring that the Company's internal controls, risk management procedures and measures are adequate to accept, avoid, transfer, or mitigate existing and unforeseen risks.
- Assessing the Company's ability to continue as a going concern in the foreseeable future.

Composition of the Board Audit Committee

The Board Audit Committee comprises three (3) Independent Directors and one (1) Non-Independent Non-Excecutive Directors. Its members possess a diverse range of expertise and experience necessary to fulfil their responsibilities and their detailed profiles can be found on pages 72 to 73 of this report.

Name of Director	
Mr. P D Samarasinghe (Chairperson)	Independent Non Executive Director
Mr. P T Wanigasekara – w.e.f 1 July 2025	
Ms. N A S Akuratiyagama	
Mr. A Z Hashim	Non Independent Non Executive Director

The Chief Financial Officer of the Plantations Sector of the John Keells Group serves as the secretary to the Committee.

Meetings of the Board Audit Committee

The Committee convened four times during the fiscal year 2025/2026 and the attendance of the committee members at these meetings are detailed below. Invitations are extended to the Chief Executive Officer, Head of Operations, Finance Manager of the Company, Sector Financial Controller and the Head of Group Business Process Review at John Keells Holdings PLC (JKH), to attend meetings. Other officials are invited to attend on a need basis. External auditors and outsourced internal auditors also attend meetings upon invitation as needed.

The activities and perspectives of the committee have been conveyed to the Board of Directors by presenting the minutes of the meetings during Board meetings and verbally when deemed necessary. The Chairperson and Committee members maintained regular communication with the Company's management through various meetings and correspondence to oversee the auditing and control aspects in the Company.

Name of Director	15.05.2025	25.07.2025	30.10.2025	22.01.2026	Attendance	27.01.2025	Attendance
Mr. P D Samarasinghe	√	√	√	√	4/4	√	3/4
Ms. N. A. S. Akuratiyagama (w.e.f. 25 June 2025)	-	√	√	√	3/3	√	4/4
Mr. P.T. Wanigasekara (w.e.f. 1 July 2025)	-	√	√	√	3/3	√	3/4
Mr. A. Z. Hashim (w.e.f. 25 June 2025)	-	-	√	-	3/1	√	1/1
Ms. B. A. I. Rajakarier (retired w.e.f. 25 June 2025)	√	-	-	-	1/1		
Ms. A. K. Gunawardhana (retired w.e.f. 25 June 2025)	√	-	-	-	1/1		
Mr. C. N. Wijewardane (retired w.e.f. 25 June 2025)	-	-	-	-	0/1		

Summary of Activities of the Audit Committee during the Financial Year

Summary of Activities of the Audit Committee during the Financial Year

Financial Reporting

- The Committee reviewed the financial reporting process used in the preparation of financial statements, ensuring the reliability of processes and the consistency of the accounting policies and methods adopted in accordance with Sri Lanka Accounting Standards and that the financial statements reflect a true and fair view on the financial position and performance of the Company.

- Reviewed and recommended to the Board for approval, the Annual and the Quarterly Financial Statements prior to their release, considering any changes to the major accounting policies, significant matters, unusual events, judgements made by management, compliance with accounting standards and any related party transactions, etc.

- Assessed the adequacy of the internal controls and procedures, to obtain reasonable assurance that the financial reporting system is effective in providing reliable and timely information.

- The Committee is satisfied that all relevant matters have been considered in the preparation of the financial statements through discussion with management regarding the operations of the Company both during the financial year and its outlook.

- The Committee continues to monitor compliance in accordance with the Sri Lanka Financial Reporting Standards of the Institute of Chartered Accountants of Sri Lanka, Companies Act No. 7 of 2007, Sri Lanka Accounting and Auditing Standards and the Listing Rules of the Colombo Stock Exchange.

Internal Controls and Risk Management

- The Committee satisfied itself that adequate controls and procedures are in place to provide reasonable assurance to the effect that the Company's assets are safeguarded and that the financial reporting system can be relied upon in preparation and presentation of financial statements.

- The Committee conducted a thorough examination of the risk management process, ensuring the identification, assessment and mitigation of all significant risks faced by the Company.

- The management, with the guidance of the Sustainability and Enterprise Risk Management Division of the John Keells Group, identified key operational risks and where required, took necessary measures to address them. The risk register report was reviewed on a quarterly and ongoing basis, illustrating the foreseeable risks the group and the Company face together with mitigatory actions.

- Formal confirmations and assurances were provided quarterly by the management regarding the effectiveness and status of internal control systems, risk management systems and compliance with relevant laws and regulations.

Internal Audit

- The Committee monitors the effectiveness of the internal audit function and is responsible for recommending to the Board their appointment or removal and for ensuring they are adequately resourced to conduct audits.

- Monitored and reviewed the scope, extent, methodology and effectiveness of the internal audit function. The scope was designed based on a fraud deterrent framework, which was implemented across the JKH Group by the Group Business Process Review (GBPR).

- Met the internal auditors without the presence of Key Management Personnel during the year.

External Audit

- The Committee along with the external auditors and the management reviewed and approved the external auditor's work plan and resources and agreed on various key areas of focus prior to the commencement of the audit.

- The external auditor updated the committee on an on-going basis regarding any unresolved matters of significance.

- The Committee met with the external auditors prior to the conclusion of the audit, discussed all audit issues and agreed on their treatment. The Committee also met the external auditors, without the management present, prior to the finalisation of the financial statements.

- The declaration has been submitted by Messrs. Ernst & Young to the Committee, confirming the compliance on its independence criteria as required by the Companies Act No. 07 of 2007 and the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka. The Committee is satisfied that the independence and objectivity of the external auditors are safeguarded and has not been impaired by any event or service that gives rise to a conflict of interest. The assigned audit and non-audit work were reviewed by the Committee and due consideration has been given to the level of audit and non-audit fees received by the external auditors.

- The Company's senior management conducted a structured assessment to appraise the performance of the external auditors. Based on this evaluation, the Committee has recommended to the Board of Directors the re-appointment of Messrs. Ernst & Young as Auditors for the fiscal year ending March 31, 2026, pending approval by shareholders at the upcoming Annual General Meeting.

Ethics and Good Governance

The continuous emphasis by the Committee on sustaining the ethical values of the employees through the speak up policy ensures that all members of staff are encouraged to resort to Whistleblowing, if they suspect wrongdoing or other improprieties. Appropriate procedures are in place to conduct independent investigations into incidents reported

through Whistleblowing or identified through other means. The reported incidents and concerns raised are reviewed and investigated on a periodic basis and confidentiality of the identity of the whistle blower is maintained. The Committee reviewed the whistle-blowing arrangements for the Company during the year.

Evaluation of the Committee

The effectiveness of the Committee shall be evaluated annually by each member of the Committee. The outcome of the evaluation was presented to the Board and it was determined that the Committee was effective

Oversight on Regulatory Compliance

- The Committee, with the assistance of the internal auditors and external auditors, closely scrutinises compliance with mandatory statutory requirements, reviewing the alignment of the systems and procedures in place to ensure compliance with such requirements.

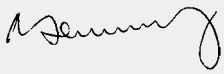
- The Committee is of the opinion that the Company is in compliance with relevant legal and regulatory requirements, including financial reporting requirements, CSE Rules, Companies Act and SEC Act and other relevant reporting-related regulations and requirements.

Conclusion

The Committee is satisfied that internal controls have been operating as designed and the Company's assets have been adequately safeguarded during the period under review.

The Committee is also satisfied that the Company's Internal and External Auditors have been effective and independent throughout the period.

The Committee believes that the Company's accounting policies are appropriate and have been applied accurately.



P D SAMARASINGHE

Chairperson of the Board Audit Committee

25 May 2026

3.2.2 Human Resources and Compensation Committee

Composition

- The Committee comprises majority of Independent Non-Executive Directors and is not comprised of Executive Directors.
- The Chairperson of the Committee is an Independent Non-Executive Director.
- Keells Consultants Pvt Ltd acts as the Secretary of the Committee.

Scope

- Adhere to the compensation and benefit policies, plans and programs of the Company, to ensure that the Company maintains fair, appropriate and competitive remuneration practices that align with the Group's remuneration practices, benefit plans, strategies and performance objectives, whilst taking into consideration other stakeholder interests.
- Ratify the performance appraisals of the KMPs of the Company, as deliberated and approved by the Group Career Committee (comprising of the Chairperson and the Group Executive Committee) of the ultimate parent Company, John Keells Holdings PLC (JKH)
- Reviewing and monitor the performance of the Company's top talent for purposes of organisational growth and succession planning, with particular emphasis on succession at KMP levels.

Attendance and Composition

The composition of the Committee as at 31 March 2026 along with the attendance of the members at the Committee meetings respectively, is provided below.

Number of meetings- one

	Eligible to Attend	Attended	Date of Appointment
Ms. N A S Akuratiyagama – Chairperson*	1	1	25.06.2025
Mr. P D Samarasinghe	1	1	01.01.2025
Mr. J G A Cooray	1	1	01.10.2024

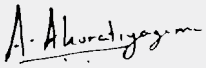
*Appointed with effect from 25 June 2025.

Report of the Human Resources and Compensation Committee

The Committee is governed by a Charter (Terms of Reference) that defines its mandate, functions, composition and practices. The Charter is reviewed periodically to ensure alignment with regulatory requirements and corporate governance best practices, including Section 9.12 of the Listing Rules. The Company Secretary serves as its Secretary.

The Committee plays a vital role in the Company's governance framework by ensuring compensation and benefits policies are fair, competitive and aligned with the John Keells Group's compensation philosophy. It reviews and ratifies the performance appraisals of Chief Executive Officer and Key Management Personnel, who are pivotal in shaping business strategy and decision-making, while also making recommendations to the Board. Additionally, the Committee monitors and evaluates top talent performance to support organizational growth and succession planning, with a focus on key executive roles. In fulfilling these responsibilities, it ensures the alignment of stakeholder interests, the retention of top talent and compliance with legal and regulatory standards.

The Chairperson of the Committee updates the Board on pertinent matters during Board meetings, ensuring key developments and relevant issues are addressed. The Committee confirms compliance with the Companies Act No. 07 of 2007 regarding Director remuneration and confirms that no individual was involved in decisions concerning his/her own remuneration. Performance appraisals, along with short-term and long-term incentive calculations for the Chief Executive Officer and Key Management Personnel, were conducted in line with approved processes and the framework of the John Keells Group. As part of its governance responsibilities, the Committee conducted a self-evaluation of its performance for the year and concluded that its functions were carried out effectively in accordance with the Committee Charter.



N A S Akuratiyagama

Chairperson of the Human Resources and Compensation Committee

25 May 2026

3.2.3 Nominations and Governance Committee

Composition

- Majority of the members of the Committee shall be Independent Non – Executive Directors.
- The Chairperson of the Committee is an Independent Non-Executive Director.
- The Secretary to the Committee shall be the Company Secretaries of the Company.

Scope

- To lead the process of Board appointments and inductions and to make recommendations to the Board in respect of all new appointments, as well as the re-election or re-appointment of Directors retiring in accordance with the Articles of Association, contractual obligations, or applicable law.
- To define and establish the processes governing the nomination and re-election or re-appointment of Independent Non-Executive Directors and Non-Independent Non-Executive Directors.
- To ensure the establishment of an appropriate methodology for the periodic self-evaluation of the Board, to be facilitated by an Independent Director, with the results subsequently reviewed and discussed at Board level.
- To review and recommend an appropriate corporate governance framework in alignment with the Group, taking into account applicable laws, regulations, regulatory requirements and relevant industry and international best practices

One meeting was held during the year 2025/2026.

	Eligible to Attend	Attended	Date of Appointment
Mr C N Wijewardene (I/NED)*	1	1	01.10.2024
Ms B A I Rajakarier (I/NED)*	1	1	01.10.2024
Mr K N J Balendra (NED)*	1	1	01.10.2024
Ms. N A S Akuratiyagama (I/NED)– Chairperson	N/A	N/A	25.06.2025
Mr. P D Samarasinghe (I/NED)	N/A	N/A	25.06.2025

*Resigned with effect from 25 June 2025

Report of the Nominations and Governance Committee

The Nomination and Governance Committee, appointed by the Board, is constituted in compliance with the Listing Rules and the Company's Corporate Governance framework. Governed by a Charter (Terms of Reference), it defines the Committee's mandate, functions, composition and operative practices, reviewed annually for alignment with regulatory requirements, including Section 9.11.5 of the Listing Rules and corporate governance best practices voluntarily adopted by the Company. The Company Secretary serves as its Secretary. The Committee reaffirmed its mandate to:

- Lead the process of Board appointments and to make recommendations to the Board in respect of all new Board appointments and the re-election/re-appointment of those retiring in terms of the Articles of Association, under contract or applicable law.
- Oversee the process of appointment, re-election and re-appointment of Directors to the Board of the Company, in accordance with the John Keells Group's philosophy and framework on matters pertaining to the appointment and tenure of Directors of the listed subsidiaries.
- Ensure a comprehensive Board induction process is in place and is carried out in a timely manner.
- Define and establish processes for the nomination and re-appointment/re-election of Independent Non-Executive Director and Non-Independent Non-Executive Directors.
- Ensure that there is an acceptable methodology in place to periodically carry out a self-evaluation of the Board, which will be administered by the Chairperson of this committee and the outcomes discussed at the Board level.
- Review and recommend an overall corporate governance framework, considering applicable laws, rules, regulatory requirements and industry/international best practices.

Activities During the Year

During the financial year ended 31 March 2026, the Committee undertook the following key activities:

- Collaborated with the Board in reviewing the skills and competencies required for effective Board functioning.
- Prioritized Board balance and diversity by considering a broad range of factors including experience, skills, age, gender and other attributes to foster a well-rounded mix of perspectives that enhance decision making and Board performance. These considerations were integrated into the Director appointment process.
- Evaluated all appointments and re-appointments to the Board, ensuring that all appointments were made in alignment with the Company's corporate governance policies and framework, including succession planning and were conducted in an informed, equitable and impartial manner, with no individual participating in decisions pertaining to their own appointment/re-appointment.

The following Director appointment to the Board of the Company was recommended in accordance with the nominations and re-election policy, following due diligence and a thorough review of each Director's qualifications, experience, compliance with fit and proper requirements and, where applicable, independence criteria:

  - Ms. N A S Akuratiyagama, Independent Non-Executive Director (new appointment)
  - Mr. P T Wanigasekara, Independent Non-Executive Director (new appointment)

- Ensured that in accordance with Article 83 of the Company's Articles of Association, one-third of the Directors on the Board being subject to retirement by rotation by virtue of being the longest-serving members in office (excluding the Chairperson) retired by rotation at each Annual General Meeting. Additionally, ensured adherence to Article 90, requiring Directors appointed during the year, if any, to retire at the first Annual General Meeting following their appointment.
- During the year, the following Directors, retiring in terms of Articles 83 and 90 and being eligible for re-election, were presented along with their respective profiles, to the shareholders of the Company for re-election at the Annual General Meeting held on 25 June 2025 :

  - Mr. J G A Cooray, Non-Independent Non-Executive Director (Article 83)
  - Mr. A Z Hashim, Non-Independent Non-Executive Director (Article 83)
  - Mr. N W R Wijewantha, Independent Non-Executive Director (Article 90)
  - Mr. P D Samarasinghe, Independent Non-Executive Director (Article 90)

- Ensured that the newly appointed Director was provided with an induction to the Company and the Group, together with an induction pack containing key governance documents.
- Ensured that all Directors, including Independent Non-Executive Directors, remained informed of regulatory updates, governance developments and significant matters relevant to the Company and the Group, through periodic briefings at Board and Board Committee meetings from the Chairperson, CEO, Company Secretary and senior management and through Board notes.
- Reviewed general disclosure of interests, statutory and fit and proper declarations submitted by Directors and confirmed their eligibility in accordance with the Listing Rules and applicable governance requirements.
- Reviewed the independence declarations submitted by Independent Non-Executive Directors and confirmed their compliance with the criteria outlined in Rule 9.8.3 of the Listing Rules.
- Reviewed key Company policies ensuring compliance with Rule 9.2 of the Listing Rules.

Director Profiles and Information Disclosures

The profiles of the Company's Directors, including details of their first appointment to the Board, most recent re appointment, nature of Directorship, appointments to Board Committees, principal commitments and positions held and any relevant relationships (including relationships with other Directors, the Company, or significant shareholders of the Company),are provided in the Board and Management Profiles and Corporate Governance Commentary sections of this Annual Report.

Directors retiring at the Annual General Meeting of the Company for the financial year 2025/2026

The following Directors who are retiring under Articles 83 and 90 of the Articles of Association of the Company will be placed before the shareholders at the Annual General Meeting of the Company for re-election:

Members proposed for re-election	Nature of Directorship	Date of first appointment as a Director	Date of last re-appointment as a Director	Current membership in Board Committees, other principal commitments and any othe relationships*
Mr. J G A Cooray (Article 83)	Non-Executive Director	1-Jan-18	25-Jun-25	The details are provided in the Board Profiles and Corporate Governance Commentary sections of this Annual Report
Ms. N A S Akuratiyagama (Article 90)	Independent, Non-Executive Director	25-Jun-25	N/A	
Mr. P T Wanigasekara (Article 90)	Independent, Non-Executive Director	1-Jul-25	N/A	

Board, CEO and Board Committee Evaluations

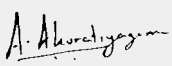
- The Committee conducted a self-evaluation of its performance for the year and concluded that its functions were carried out effectively in accordance with the Committee Charter.
- All other Committees of the Board underwent similar performance assessments.
- The Board completed an annual self-assessment of its performance for the financial year 2025/26, the outcome of which were discussed between the Board and the Committee.

Reporting

The Committee reports its activities at each Board Meeting of the Company.

Governance Practices and Compliance with Listing Rules

The Committee has reviewed the management report confirming compliance with the corporate governance framework and confirms that all applicable requirements under Section 9 of the Listing Rules have been met. The Company continues to strengthen its governance practices to promote transparency, accountability and stakeholder confidence. A detailed statement of the Company's compliance with the Listing Rules may be found in the Corporate Governance Commentary section of the Annual Report.



N A S Akuratiyagama

Chairperson of the Nominations and Governance Committee

25 May 2026

3.2.4 Related Party Transactions Review Committee

Composition

- The Committee shall comprise a minimum of three members, drawn from Non-Executive Directors and Independent Non-Executive Directors, of whom at least two shall be Independent Non-Executive Directors.
- The composition may include Executive Directors at the option of the Listed Entity.
- The Chairperson shall be an Independent Non-Executive Director.

Scope

- Develop and recommend for adoption by the Board of Directors of the Company and its relevant subsidiaries, a Related Party Transaction Policy which is consistent with the operating model and the delegated decision rights of the Group.
- The guiding principles on which RPTs require prior approval of the Board and which transactions do not require the prior approval of the Board and therefore, can be reviewed retrospectively.
- Provide quarterly updates to the Board on Related Party Transactions (RPTs) pertaining to the Company and, where applicable, its listed subsidiaries. Such updates shall include details of newly commenced recurrent RPTs, transactions undertaken during the quarter and those exceeding prescribed thresholds, together with any related market disclosures made in compliance with applicable RPT disclosure requirements. The Committee shall also assess whether Board approval is required for such transactions and, where necessary, formally seek the Board's approval accordingly.
- Define and establish the threshold values for each of the subject listed companies in setting a benchmark for Related Party Transactions, Related Party Transactions which have to be pre-approved by the Board, Related Party Transactions which require to be reviewed annually, such as recurrent Related Party Transactions and similar issues relating to listed companies.
- Ensure that they have or have access to expertise to assess all aspects of proposed Related Party Transactions and where necessary, obtain expert advice from an appropriately qualified person.
- Where a Director has personal material interest in a matter being reviewed by the Committee, such Director shall not be present in the Meeting and shall not vote in the matter, except at the request of the Committee.
- Establishment of the starting base for Recurrent RPTs.
- Guidelines which senior management must follow in dealing with Related Parties, including the conformance with Transfer Pricing regulations.
- Instances where an immediate market disclosure of the RPT is require
- Instances where shareholder approval for the RPT is required.
- Formats to be used by the Company and Listed subsidiaries/ companies in presenting the RPT information to the Committee.

Report of the Related Party Transactions Committee

During the previous financial year, in line with the amendments introduced to the Listing Rules of the Colombo Stock Exchange ("CSE"), the Company established its own Related Party Transactions Review Committee with effect from 01st October 2024. Prior to this, the Company operated under the Related Party Transactions Review Committee of the Parent Company, John Keells Holdings PLC ("JKH Group"), which acted on behalf of the Company until 30th September 2024.

Attendance and Composition

The Related Party Transactions Review Committee ("RPTRC") comprises four Directors, three of whom are Independent Non-Executive Directors. Profiles of the Directors are set out on pages 72 to 73 of this Annual Report. The minutes of RPTRC meetings are regularly tabled before the Board of Directors for information and consideration. The composition of the Committee as at 31 March 2026, together with the attendance of members at Committee meetings held during the year, is set out below.

Members	Nature of Directorship	Date of appointment to the committee	15.05.2025	25.07.2025	30.10.2025	22.01.2026
Mr. P D Samarasinghe (Chairperson)	ID/NED	01.01.2025	√	√	√	√
Ms. N A S Akuratiyagama	ID/NED	25.06.2025	N/A	√	√	√
Mr. A Z Hashim	NED	25.06.2025	N/A	-	√	-
Mr. P T Wanigasekara	ID/NED	01.07.2025	N/A	√	√	√
Ms. B A I Rajakarier*	ID/NED	01.10.2024	√	N/A	N/A	N/A
Ms. A K Gunawardhana*	ID/NED	01.10.2024	√	N/A	N/A	N/A

*Retired with effect from 25.06.2025

Objectives and Governing Policies

The primary objective of the RPTRC is to assist the Board of Directors in ensuring that all Related Party Transactions ("RPTs") of the Company are conducted in compliance with the Code of Best Practice on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka ("Code"), the Listing Rules of the Colombo Stock Exchange ("CSE") and all other applicable laws, regulations, codes of best practice and standards.

In discharging its responsibilities, the Committee ensures that:

- the Company remains compliant with the Listing Rules, the Code and other applicable laws and regulations;

- the Company's related party transactions framework is aligned with the policies and procedures of the John Keells Holdings PLC ("JKH Group");

- shareholder interests are safeguarded and

-principles of fairness, integrity and transparency are upheld at all times.

Functions of the Committee

The Committee is responsible for developing and recommending for adoption by the Board an RPT Policy consistent with applicable laws, regulations, the operating model and delegated decision-making framework of the JKH Group. The Policy sets out, among other matters:

- Defining relevant requirements and threshold values for the Company in setting a benchmark for RPTs, including those requiring detailed discussion, the approval of the Board and/or annual review.
- The guiding principles on which RPTs require prior approval of the Board and which transactions do not require the prior approval of the Board and therefore can be reviewed retrospectively.
- Establishment of the starting base for Recurrent RPTs.
- Guidelines which senior management must follow in dealing with Related Parties, including the conformance with Transfer Pricing regulations
- Instances where an immediate market disclosure of the RPT is required.
- Instances where shareholder approval for the RPT is required.
- Formats to be used by the Company in presenting the RPT information to the Committee.

• To provide updates to the Board on a quarterly basis, of the RPTs pertaining to the Company as follows:

- Starting Recurrent RPTs.
- RPTs during the quarter including Non-recurrent RPTs.
- RPTs which were above the thresholds.
- Market announcements made in keeping with the RPT disclosure guidelines.

• In carrying out its responsibilities, the Committee relies on established processes, periodic reporting by relevant entities and Key Management Personnel ("KMP") and validation procedures conducted from time to time to ensure:

- compliance with the Code and the Listing Rules of the CSE;
- protection of shareholder interests and
- the maintenance of fairness and transparency in all related party dealings.

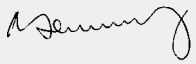
The Company continues to adopt a broad definition of KMPs, encompassing all senior decision-makers within the organisation. Accordingly, in addition to the Directors, all Presidents, Executive Vice Presidents, Chief Executive Officers, Chief Financial Officers and Financial Controllers of the respective companies and sectors within the Group are designated as KMPs in order to strengthen governance and enhance transparency. Annual declarations were obtained from all KMPs regarding any related party transactions with which they were associated and such disclosures were reviewed by the Committee.

Conclusion

The Committee reviewed the Related Party Transactions undertaken during the financial year and confirmed that no transaction reported to the Board exceeded the thresholds prescribed under Section 9 of the Listing Rules of the CSE.

The Committee also confirmed that no Director or close family member of a Director had any material business relationship with the Company or with other Directors of the Company.

The activities, deliberations and observations of the Committee are regularly communicated to the Board through verbal briefings and the circulation of Committee meeting minutes.



P D Samarasinghe

Chairperson of the Related Party Transactions Committee

25 May 2026

3.2.5 Project Risk Assessment Committee

Composition

- Should comprise of a minimum of four Directors.
- Must include the Chairperson-CEO and Deputy Chairperson/Group Finance Director of JKH.
- Must include two Non-Executive Directors.
- The Chairperson of the Committee must be a Non-Executive Director.

Scope

- Review and assess risks associated with large-scale investments and the mitigatory plans thereto, if mitigation is possible and identify risks that cannot be mitigated.
- Ensure stakeholder interests are aligned, as applicable, in making this investment decision.
- Where appropriate, obtain specialised expertise from external sources to evaluate risks, in consultation with the Group Finance Director.
- Recommend to the Board, necessary action required, to mitigate risks that are identified in the course of evaluating a project in order to ensure that those risks are captured by the Group Risk Matrix for monitoring and mitigation.
- The Committee shall convene only when there is a need to transact in business as per the terms of its mandate.

Report of the Project Risk Assessment Review Committee

H. Wijayasuriya (Chairperson)

A. Cabraal

K. Balendra

G. Cooray

The Project Risk Assessment Committee was established with the purpose of augmenting the Group's Investment Evaluation Framework. The Committee provides the Board with enhanced illumination of risk perspectives with respect to large scale new investments and also assists the Board in assessing the potential impact of risks associated with such investments. Investments which are referred to the Committee are those which exceed a board-agreed threshold in terms of quantum of investment and/ or potential impact to the Group. The Committee, accordingly, provides early-stage recommendations to the Board with respect to the extent of risk and adequacy of mitigation strategies.

During the year under review, the Committee reviewed the proposed Vauxhall Street development project comprising of ~750 apartment units in Colombo 2. The Committee evaluated the potential risks to the Group arising from the Project, including the financial risks arising from the proposed development under various scenarios. The assessment of the Committee included stress-testing of key operating assumptions and consideration of de-risking strategies. The risks were also evaluated in the context of the project being developed on land presently owned by the Group as a part of its Land Bank. The Committee took cognizance of the fact that additionally, the project aligned well with the Group's broader objective of monetising the said land bank. The Committee also considered the emerging opportunities for apartment living in Colombo and the market dynamics, including insights and findings from independent market research. The Committee noted the competitive landscape and the value proposition of the proposed development. The Committee was satisfied with the risk parameters of the proposed development and approved the initiation of the next steps of the project and for subsequent submission for formal approval of the Board. The project has now been formally approved by the Board and launched in the market as Vauxhall DSTRICT by the Group.

Key Strategic Project Risk Assessments also included the two landmark investment projects - City of Dreams Sri Lanka and the West Container Terminal. Given the scale and impact of the risks and opportunities associated with the said projects and the commencement of operations in both projects, the committee and board were of the view that related deliberations should take place with participation of the full Board as regular board agenda items.

Attendance and Composition

The composition of the Committee as at 31st March 2026 is provided below:

No of meetings – One

	Eligible to Attend	Attended	Date of Appointment
H. Wijayasuriya Chairperson	1	1	25/05/2018
A. Cabraal	1	1	01/10/2024
K. Balendra	1	1	25/05/2018
G. Cooray	1	1	25/05/2018



H Wijayasuriya

Chairperson of the Project Risk Assessment Review Committee

25 May 2026

3.3 Role of Chairperson and Chief Executive Officer

The roles of Chairperson and Chief Executive Officer are distinct and separate. A Non-Independent Non-Executive Director serves as the Chairperson, ensuring an appropriate balance of power and authority, as illustrated below.

Chairperson

Role: To provide leadership to the Board whilst inculcating good governance and ensuring the effective discharge of the Board's responsibilities for the business and affairs of the Company, including oversight of management.

Responsibilities :

- Ensure constructive working relations are maintained between the directors of the Board.
- Ensure, with the assistance of the Company Secretaries, that:
  - Board procedures are followed and the effective participation of all Directors at meetings is maintained.
  - Information is disseminated in a timely manner to the Board and all Directors are adequately briefed on pertinent matters, including those arising at Board meetings.
  - Ensure that appropriate steps are taken to provide effective communication with shareholders, stakeholders and other Key Management Personnel

Appraisal: The Human Resources and Compensation Committee of the parent Company, JKH, evaluates the performance of the Chairperson on both an organisational and individual basis, as approved by the Board

CEO

- Role: Provide effective leadership to the Company by fostering a culture of integrity, performance and accountability while executing the strategies and policies of the board.

Responsibilities :

- Ensure the efficient management of all businesses.
- Ensure the identification and management of operational risks, with particular focus on those that could materially impact the Company and Group.
- Ensure the operating model is aligned with short and long-term strategies of the Company .
- Ensure succession at the senior-most levels is planned.`

Appraisal: At the beginning of each financial year, the Board discusses and sets financial and non-financial targets for the CEO, aligned with the shortmedium and long-term objectives of the Company. Performance is reviewed at the end of the year against the backdrop of the operating environment and remuneration is revised based on performance and the Company's Remuneration Policy.

3.4 Employee Empowerment

The Group ensures that the necessary policies, processes and systems are in place to ensure effective recruitment, development and retention of the Group's employees - a vital stakeholder and key asset of the Group. The bedrock of these policies is the Group's competency framework, which has been further refined and updated to reflect the current needs of the Group. To support these policies, the Group continued with and further strengthened, the following practices.

- Top management and other senior staff are mandated to involve, as appropriate, all levels of staff in formulating goals, strategies and plans.
- Decision rights were defined for each level of employment in order to instil a sense of ownership, reduce bureaucracy and speed-up the decision-making process.
- A bottom-up approach was taken in the preparation of annual and long-term plans and the Group also ensured employee involvement in strategy and thereby empowerment.
- Organisational and Committee structures are designed to enable and facilitate, high accessibility of all employees to every level of management.
- Open, honest, frank and constructive communication is encouraged at all levels. The Group strongly believes that constructive disagreement is essential for optimal decision making.

The Company and the Group prioritises a safe, secure and conducive environment for all its employees, allows freedom of association and collective bargaining, prohibits child labour, forced or compulsory labour and any discrimination based on gender, race, religion, gender identity, sexual orientation or any other difference and promotes workplaces which are free from physical, verbal or sexual harassment.

4.INTEGRATED GOVERNANCE SYSTEMS AND PROCEDURES

Listed below are the main governance systems and procedures of the Group. These systems and procedures strengthen the elements of the Company's Governance Structure and are benchmarked against industry best practice.

i. Strategy formulation and decision-making process
ii. Human resource governance
iii. Integrated risk management
iv. IT governance
v. Tax governance
vi. Stakeholder management and effective communications
vii. Sustainability governance

4.1 Strategy formulation and decision making process

Strategy mapping exercises, concentrating on the short, medium and long-term aspirations of each business, are conducted annually and reviewed, at a minimum, quarterly/half-yearly or as and when a situation so demands.

This exercise entails the following key aspects, among others.

- Progress and deviation report of the strategies formed.
- Competitor analysis and competitive positioning.
- Review of ESG considerations.
- Analysis of key risks and opportunities.
- Digitisation and IT strategy
- Management of stakeholders, such as, suppliers and customers.
- Value enhancement through initiatives centered on the various forms of Capital under an integrated reporting framework.

The following section further elaborates on the strategy formulation and planning process.



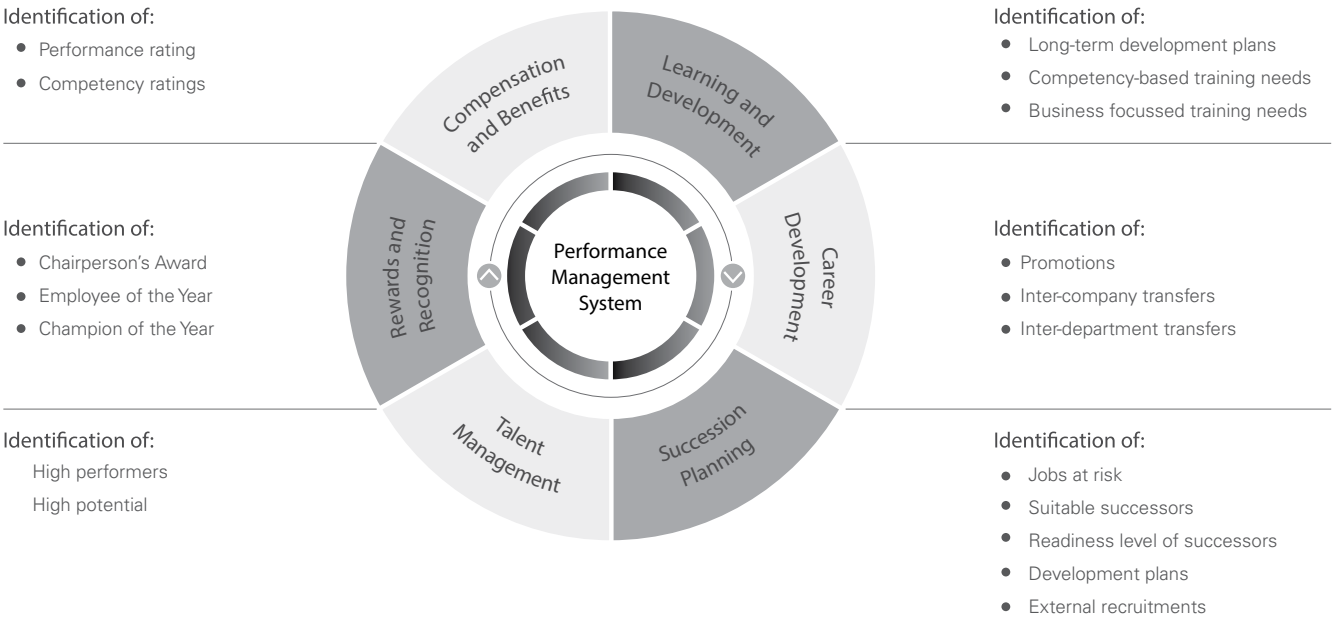
4.2 Human Resource Governance

The Group human resource governance framework is designed in a manner that enables high accessibility by any employee to every level of management. Constant dialogue and facilitation is also maintained, ranging from work related issues to matters pertaining to general interest that could affect employees and their families. The Group follows an open-door policy for its employees which is promoted at all levels of the Group.

The state-of-the-art cloud based human resource information system (HRIS) manages the entire lifecycle of the employee from onboarding to performance management, succession planning, compensation, learning and development, through to offboarding.

4.2.1 Performance Management

The Performance Management System, as illustrated below, is at the heart of many supporting human resource management processes such as learning and development, competency mapping, career development, succession planning, talent management, rewards/recognition and compensation/ benefits.



Whilst the employees are appraised for their performance, equal emphasis is placed on how well they embody JKH Group Values, namely: Caring, Trust, Integrity, Excellence and Innovation.

Key Initiatives during the year

- The Temporary Crisis Allowance, which was originally introduced to support employees amid challenging macroeconomic conditions in January 2023, was consolidated into the basic salary as part of the annual increment cycle.
- As a response to the devastating impacts of Cyclone Ditwah in December 2025, employees were given the option to voluntarily donate one day's wages toward flood relief, channelled through the Chamber of Commerce of Sri Lanka. Additionally, the Group Executive Committee approved a special relief framework to support employees impacted by Cyclone Ditwah.
- The JKH Group offers all employees 100 days of parental leave, underscoring its commitment to employee wellbeing, work-life balance, gender equity and shared parenting responsibilities. During the period 218 males and 75 females opted for 100 days parental leave.
- The JKH Group partnered with a multinational analytics and advisory Company to conduct its annual employee engagement survey, adopting a more performance and productivity focused engagement model. Using the globally benchmarked Q12 framework, the survey generated data-driven insights into employee experience and key areas for development in support of a high-performance, inclusive workplace culture. The methodology empowers managers to take ownership of outcomes through targeted action planning, supported by benchmarking and analytics that drive continuous improvement and strengthen organisational performance.

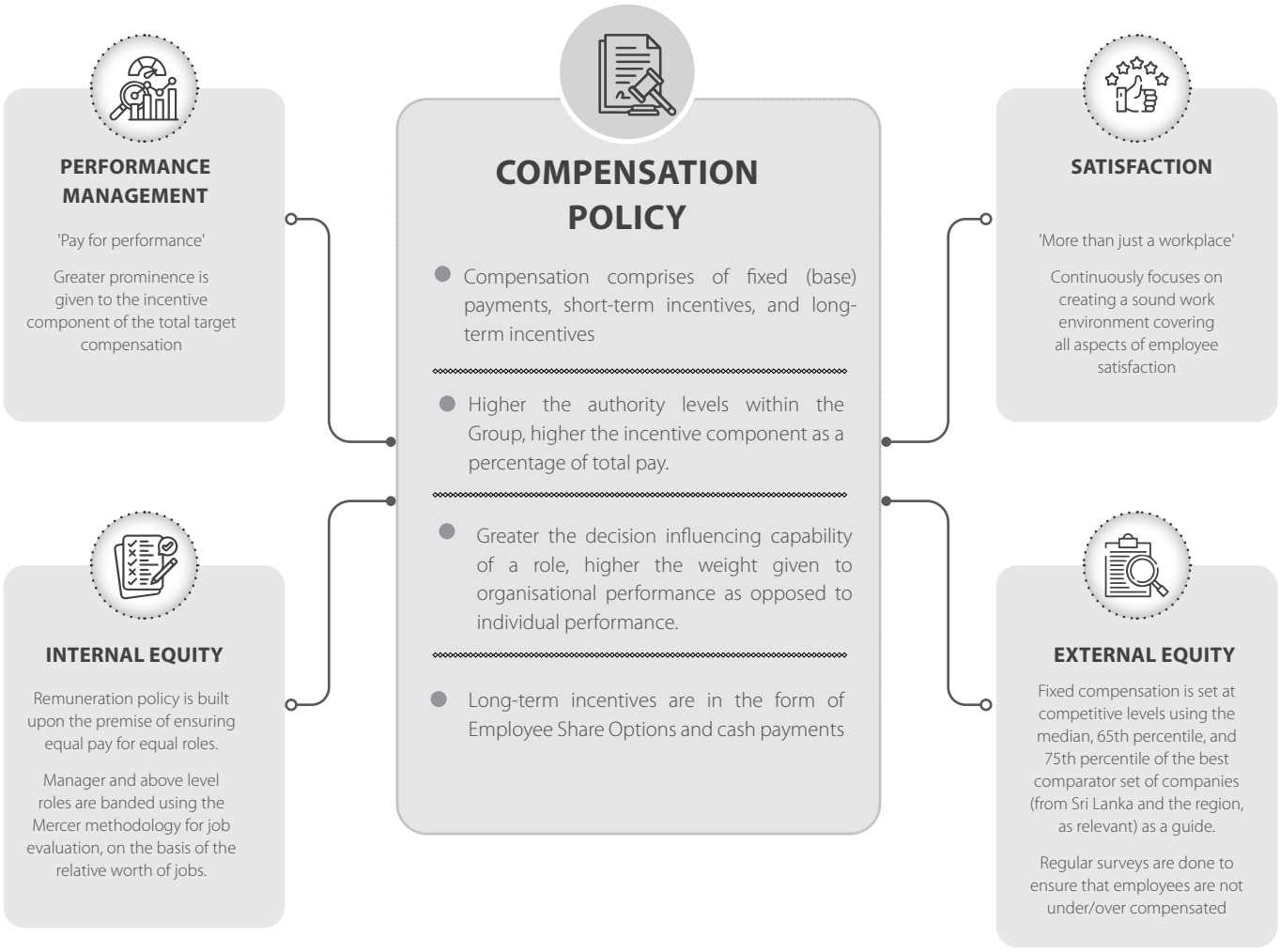
Key Initiatives during the year

- The JKH Group embarked on a project to develop, articulate and institutionalise the Group Employee Value Proposition (EVP). A series of programs and initiatives have been identified for implementation to support the EVP, with the support of a globally recognised consulting firm. The process was anchored in listening to employee voices through a Group-wide survey and focus group discussions, complemented by leadership consultations with the Group Operations Committee and the Human Resources and Governance Management Committee (HRGMC). Phase 1 included the development of a clear EVP statement and supporting pillars, articulating the value the Group offers its employees in return for the knowledge, skills and capabilities they bring to the organisation. Phase 2 is scheduled for rollout in FY2026/27, will focus on taking the EVP to market and embedding it across the organisation.

- The JKH Group initiated a review of its total rewards philosophy in collaboration with a global consulting Company, introduced financial well-being programmes and tailored business unit initiatives and renewed its employee Code of Conduct to align with evolving workplace practices and culture. Accordingly, JK PLC aligned itself with these Group-wide initiatives and benefitted from their implementation.

Refer the Human Capital section of this Report for further details – page 57

4.2.2 Performance Based Compensation Policy



4.3 Integrated Risk Management

The risk management programme focuses on wider sustainability development, to identify, evaluate and manage significant risks and to stress test various risk scenarios, including a review of materiality. The programme ensures that a multitude of risks, arising as a result of the Group's diverse operations, are effectively managed in creating and preserving stakeholder wealth. The Group manages its enterprise risk and incident management processes through an automated risk management platform that enables the maintenance of live, dynamic and virtual risk registers which are linked to business goals and responsible personnel. Features such as the provision of timely alerts on action plans and escalation processes for risks, where action plans are over-due, ensure maintenance of live risk grids.

A detailed overview of the risk management process is outlined on pages 142 to 147 of this report, under the Enterprise Risk Management section.

4.4 Information Technology (IT Governance)

The Group's IT governance framework focuses on five broader segments, namely, strategic alignment, value delivery, performance management, risk management and resource management.

Additionally, the IT governance framework used within the Group leverages on best practice and industry leading models such as CoBIT (Control Objectives for Information and Related Technology), ISO 35800, ISO27001, ISO 9001:2015, COSO (Committee of Sponsoring Organisations of the Treadway Commission)/BCP (Business Continuity Planning), ITIL (Information Technology Infrastructure Library), CMMI (Capability Maturity Model Integration), NIST (National Institute of Standards and Technology), FAIR (Factor Analysis of Information Risk), Zero Trust Framework, among others, in formulating a state-of-the-art framework for IT governance, risk and compliance management across the Group.

Key Initiatives during the year

Transition to SAP RISE

- Following commencement from the previous year, the JKH Group advanced several strategic initiatives to strengthen governance, modernise core systems and enhance enterprise-wide controls. A key milestone was the successful transition to SAP RISE in partnership with an international consulting firm. The transition was executed in a phased manner within the JKH Group and the Company, establishing a standardised, cloud-enabled platform that significantly improved integration, data consistency and operational resilience.

- The enhanced data architecture enables real-time visibility of performance, supporting faster and more informed decision-making, while advanced analytics and dashboards strengthen performance management and responsiveness. The platform further streamlines processes, reduces manual intervention and enhances accuracy, control and auditability, with improved scalability and security derived from the cloud environment.

- In parallel, the adoption of SAP Signavio has strengthened process intelligence and continuous improvement, enabling data-driven monitoring and optimisation of end-to-end processes. This enhances standardisation, transparency and governance, supporting improved efficiency and alignment with business objectives across the Company and the Group.

Zero Trust Security Model

- The Company and the Group strengthened its adoption of the Zero Trust Security Model, enhancing controls across identity, devices, networks, applications and data.
- Key improvements during the year included enhanced identity-based access controls, strengthened network security and the transition to a Secure Service Edge (SSE) architecture, enabling more effective threat detection, monitoring and policy enforcement.
- These enhancements support secure, location-agnostic access to systems and data, while reducing reliance on traditional perimeter-based security models. A structured implementation approach, supported by cross-sector validation through User Acceptance Testing (UAT) teams, ensured consistent adoption across the Group, while the incorporation of audit recommendations further strengthened the control environment and overall cyber resilience.

4.5 Tax Governance

The JKH Group's tax governance framework and tax strategy is guided by the overarching principles of compliance, transparency and accountability and acknowledges the Group's duty in fulfilling its tax obligations as per fiscal legislation The presence of a well-structured tax governance framework ensures the following:

- Ability to manage tax exposures efficiently by reducing the tax burden on the Group, within the ambit of applicable laws.
- Manage tax risks and implications on Group reputation through adequate policies and proactive communication defence.
- Facilitate healthy relationships amongst stakeholders, Government and tax authorities.
- Ensuring integrity of reported numbers and timely compliance.

4.6 Stakeholder Management and Effective Communication

The key stakeholder management methodologies adopted by the Group is discussed under stakeholder relationships on page 20.

Whilst the Group has multiple channels enabling effective communication, there were no material concerns that were raised during the year by stakeholders regarding the operations of the Company and the Group.

4.6.1 Communication with Shareholders

The Group maintains several communication channels with the shareholders which include the Annual Report, interim financial statements, AGMs, EGMs, announcements to the CSE, press releases, the corporate website, shareholder surveys on a needs basis and through the Company Secretaries. These practices are supported by a dedicated Board-approved policy on corporate disclosures and shareholder relations, which ensures that information is disclosed in a timely, accurate and transparent manner, in compliance with regulatory requirements and best practices. Mechanisms are also in place to ensure that Directors are apprised of major shareholder issues and concerns.

Engagement Mechanism	Frequency
Annual Reports and AGMs	Annually
Extraordinary General Meetings	As required
Interim financial statements	Quarterly
Press releases	As required
Announcements to CSE	As required
One-to-one discussions	As required
Feedback surveys	As required

4.6.1.1 Release of Information to the Public and CSE

The Board of Directors, in conjunction with the Audit Committee, where applicable, is responsible in ensuring the accuracy and timeliness of published information and in presenting a true and fair view and balanced assessment of results in the quarterly and annual financial statements. Accordingly, the Company has reported a true and fair view of its financial position and performance for the year ended 31 March 2026 and at the end of each quarter of the financial year 2025/26.

All other material and price sensitive information about the Company promptly communicated to the CSE and, where appropriate, to employees, shareholders and the press. Shareholders are encouraged to engage with the Company by directing questions, request for publicly available information or providing feedback relevant to Directors or Management , which may be addressed to the Company Secretary.

The Group is committed to open, transparent and fair communication, with a strong focus on integrity, timeliness and relevance of information. All disclosures are carefully managed to ensure accuracy, clarity and consistency and to prevent the creation or continuation of a false or misleading market.

The Company constructively makes use of the AGM to engage with shareholders, with the following practices observed:

- Notice of the AGM and related documents are made available to the shareholders along with the Annual Report within the specified time period.
- Summary of procedures governing voting at the AGM are clearly communicated.
- The Board ensures that the external auditors are present at the AGM.
- The Directors are made available to answer queries.
- The Chairperson ensures that the relevant senior managers are also available at the AGM to answer specific queries.
- Separate resolutions are proposed for each item that is required to be voted on.
- Proxy votes, those for, against and withheld (abstained) are counted.

The AGM for the year ended 2024/25 was held virtually, complying to the guidelines issued by the CSE.

4.6.1.2 Serious Loss of Capital

In the unlikely event that the net assets of a Company fall below half of its stated capital, shareholders will be notified and the requisite resolutions would be passed on the proposed way forward.

4.6.1.3 Extraordinary General Meetings, including Shareholder Approval through Special Resolution

The Company seeks shareholder approval, either via special or ordinary resolution at an Extraordinary General Meeting (EGM), for transactions and events that are material to the Group or Company, in accordance with applicable law and the Articles of Association.

4.7 Sustainability Governance

The Group remains committed to responsible business practices and the integration of environmental, social and governance (ESG) considerations into its operations. Sustainability is a strategic priority and is integrated within the business operations through the JKH Group's overarching Sustainability Management Framework (SMF).

The JKH Group's SMF involves annual internal materiality assessment which are from the reporting year carried out on a double materiality basis, independent stakeholder engagements that occur approximately biennially. The outcomes of these engagements enable the group to identify its impact and financial materiality topics. The JKH Group's SMF requires the review and development of policies, procedures and standard operating procedures to manage the material topics, as well as the integration of financial material topics within the Group's Enterprise Risk Management (ERM) process. Key Performance Indicators are then established to track and monitor the performance of the material topics which are based on the GRI Standards to capture impact materiality-based performance and the Sustainability Accounting Standard Board (SASB) Standards and scenario analysis to capture financial materiality-based implications on the Group's financial statements.

The JKH Group has implemented a sustainability performance management system which enables the collection of data at business unit level, including any critical concerns, which is then consolidated and presented to the Group Executive Committee (GEC) , the Group Management Committee(GMC) and the Group Operating Committee (GOC) on a quarterly basis for performance review and course corrective action.

As part of the SMF, the JKH Group is currently in the process of establishing Working Groups to focus on Group level ambitions and targets for selected material topics. Sustainability Initiatives are then identified based on the Group's current performance and the desired performance, thereby

ensuring that the Sustainability Initiatives identified have a return on investment from a sustainability perspective. The SMF concludes its annual cycle with external and internal assurance and the development of a communication of a progress report in line with the GRI Standards, SLFRS Standards and the UNGC principles. The Group's sustainability integration processes and management framework operate alongside key functions such as human resources, health and safety, product responsibility, risk management, internal audit, legal and regulatory compliance and corporate social responsibility. The framework is regularly updated to reflect evolving global sustainability requirements.

Pursuant to the adoption of SLFRS S1 and SLFRS S2 - the sustainability related financial and climate related disclosure standards issued by CA Sri Lanka – the JKH Group undertook a structured implementation programme during the year under review to prepare for compliance with the Colombo Stock Exchange (CSE) reporting requirements, effective 1 January 2025. This process commenced with the engagement of an international consulting firm to conduct a comprehensive, Group wide gap analysis. Based on the findings of this assessment, the Group implemented the requisite frameworks, processes and governance structures to support the enhanced disclosure requirements.

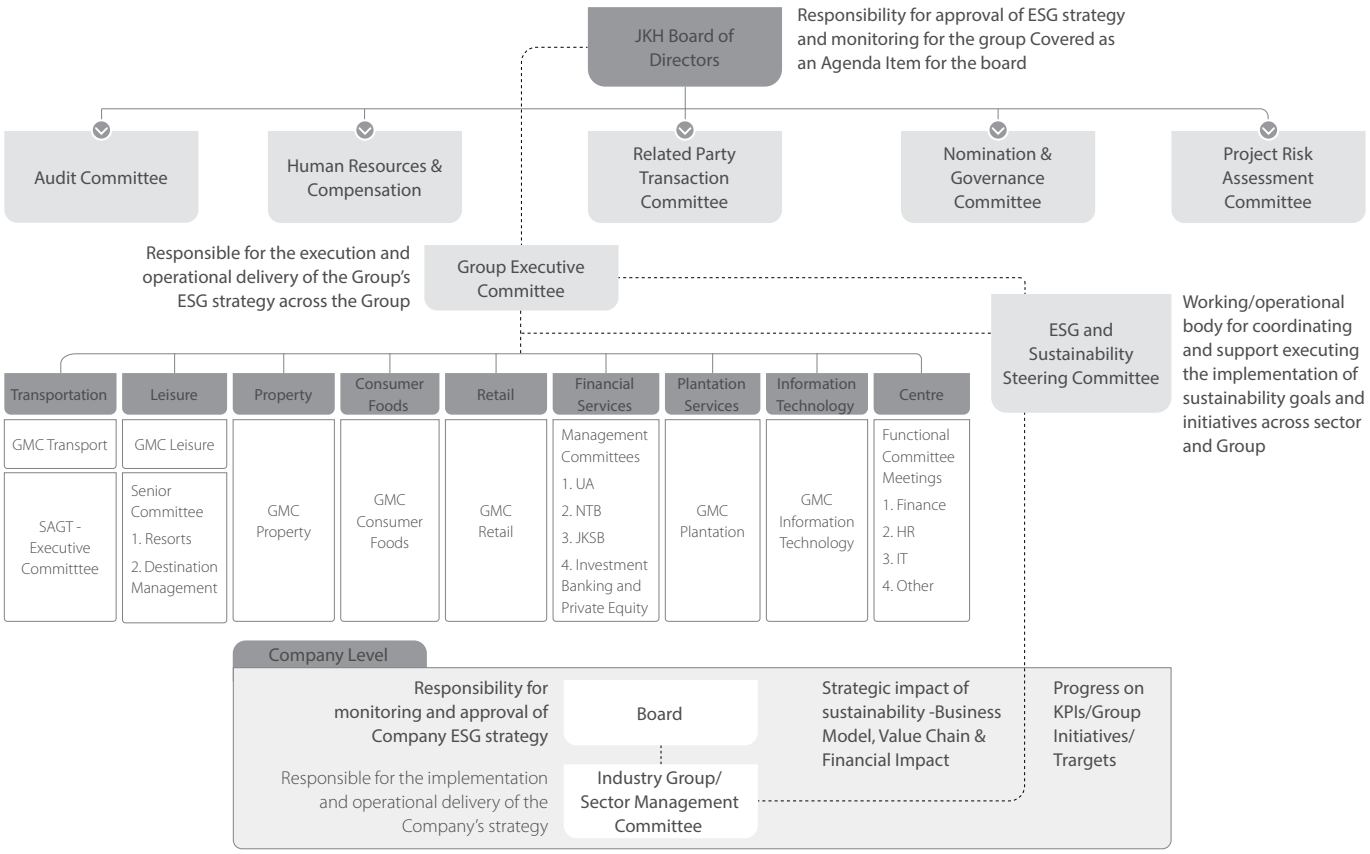
During the year, a series of workshops and working sessions for senior leadership and their teams were conducted with the consultants, amounting to over 25 such sessions across the JKH Group, to build internal capability and deepen understanding of the standards and their implications for the Group's reporting and governance processes. These sessions were attended by key stakeholders, including the Group Deputy Chairperson /Group Finance Directorof JKH , members of the JKH Group Executive Committee and representatives from the Sustainability, Risk, Corporate Finance and Finance teams, reflecting their roles in the implementation and ongoing oversight of sustainability related disclosures.

To strengthen governance and strategic oversight, the JKH Group established an ESG and Sustainability Steering Committee, which is responsible for overseeing sustainability related impacts, risks and opportunities, including Sustainability Related Risks and Opportunities (SRROs) and Climate Related Risks and Opportunities (CRROs). The material SRROs and CRROs from a Group perspective were evaluated and presented to the GEC for subsequent approval and clearance by the Board as well. The Committee serves as the primary governance forum guiding the Group's sustainability agenda and ensuring alignment with the requirements of SLFRS S1 and SLFRS S2 as the JKH Group progresses towards full implementation.

The Board holds ultimate responsibility for overseeing of the Company's sustainability impacts on the economy, environment and people, sustainability and climate related risks and opportunities (SRROs/CRROs) that could reasonably be expected to affect the Company's financial position, performance and resilience over the short, medium and long term.

The Board oversight is supported by the Group Executive Committee (GEC), the ESG and Sustainability Steering Committee and industry group level Group Management Committees (GMCs), described below. This governance architecture reflects the emphasis of SLFRS S1/S2 on clear processes, controls and procedures for monitoring and managing sustainability and climate-related matters, while simultaneously supporting the management of the Group's sustainability impacts on the economy, environment and society in alignment with the governance disclosures of the GRI Standards.

Governance structure of the ESG and Sustainability Steering Committee:



As the Group develops its sustainability ambitions, including climate ambitions and a transition pathway, governance remains focused on ensuring robust oversight, data integrity and decision-readiness, to support future target-setting and effective integration of sustainability and climate considerations into strategy and capital allocation decisions.

4.7.1 Governance: Roles, Mandates, Procedures

Responsibilities for the oversight of the SRROs/CRROs, as well as broader sustainability impact, are embedded within Group's governance framework and formalised through the Board Charter, GEC and the terms of reference of the ESG and Sustainability Steering Committee, together with the relevant policy documents.

These responsibilities extend to the governance and management of material sustainability impacts identified through the Group's double materiality assessment, with impact materiality considered as the starting point for identifying related risks and opportunities.

Aligned with the Group's corporate governance framework, the Board has delegated primary responsibility for the implementation and management of the Group's impacts and CRROs/SRROs to the GEC (which includes Executive Directors of the Group).

Such delegated responsibilities seek to ensure the effective execution and monitoring at management level while ensuring that the Board retains clear oversight of the Group's impact on the environment, society and economy as well as the sustainability and climate-related risks and opportunities arising from the Group's activities. This governance framework supports the alignment with both the Global Reporting Initiative's (GRI) impact materiality focusing on broad range of stakeholder groups and the SLFRS S1 and SLFRS S2 requirements on financial materiality focusing on investors and primary users of financial reports.

The governance structure ensures that the sustainability impacts on the economy, environment and society as well as SRROs/CRROs are embedded in operational decision-making, resource allocation and Group-wide performance management, while maintaining appropriate Board-level oversight.

Performance related to the Group's material sustainability impacts, SRROs/CRROs together with the effective mitigation actions and related metrics are communicated through a structured reporting cycle (dashboards, ERM reports, targeted briefings), with clear escalation to the appropriate decision-making level on a timely basis. Impact-related information, including material impacts identified across the value chain, is communicated through the same reporting mechanism, ensuring a unified governance and escalation framework for impacts, risks and opportunities.

The ESG and Sustainability Steering Committee will meet periodically and report to the GEC, highlighting key outcomes, recommendations, follow-up actions and emerging regulations and frameworks related developments relevant to sustainability and climate-related matters.

4.7.1.1 The Board

The Board of Directors is responsible for overall governance and oversight of the Group's sustainability topics that have an impact on broader stakeholder groups, as well as the SRROs and CRROs, as set out in the Board Charter. The Board's responsibilities include:

- Overseeing material sustainability impact topics including sustainability impacts on the economy, environment and people, sustainability and climate-related risks and opportunities (SRROs / CRROs) and their implications for long-term value creation and approving related governance actions
- Assessing sustainability impacts, strategies for impact mitigation and management, SRROs/CRROs during Board Meetings which are held quarterly, or as frequently required, ensuring alignment with the Group's strategic direction and evolving external expectations . Ensuring the Company maintains systems, controls, policies and skills to bring decision useful SRROs/impact information to the Board on a timely basis.
- Regular monitoring and evaluation of the Company's ESG performance against established targets, benchmarks and international standards.
- Fostering a corporate culture that prioritises ESG principles, ensuring that employees, management and stakeholders are aligned with the Company's ESG priorities, objectives and commitments.
- Requiring all suppliers and business partners to adhere to the Company's ESG standards, ensuring sustainable and ethical practices throughout the supply chain.

4.7.1.1.1 Information flow and frequency

The Board receives regular and structured information, primarily through the GEC, unless otherwise noted. These include:

- Quarterly reports on sustainability disclosures, internal controls and assurance outcomes.
- Consolidated Sustainability and ESG reports from the ESG and Sustainability Steering Committee via Board Papers.
- ERM reports incorporating climate-related risks within the Group risk register.
- Dashboards, sector summaries and ad hoc briefings on significant regulatory developments, sustainability matters or ESG related incidents.

Historically, the Board has overseen sustainability impact management through the approval of Group policies, impact-based KPIs and oversight of capital allocation and operational initiatives. As the Group's climate ambitions are being developed, the Board's current focus includes assessment of emerging climate risks and integration of climate considerations into long term strategic planning. The Board will review and approve the Company's climate ambitions and transition plan upon completion.

4.7.1.1.2 Skills and expertise

The Board's collective expertise across finance, strategy, risk management, governance, operations, technology and regulation, supported by structured briefings from the GEC, training programmes and engagement with external subject matter specialists, ensures robust oversight of the Group's impact management and SRROs/CRROs.

Following the implementation of SLFRS S1 and SLFRS S2, the Group has further strengthened its sustainability governance architecture, including the development and enhancement of underlying frameworks, policies and processes. This has involved sustained engagement with management and cross-functional teams, dedicating significant time to building organisational understanding and capabilities and establishing the foundational building blocks necessary to support robust, consistent and decision-useful sustainability reporting.

In parallel, the Deputy Chairperson/Group Finance Director of JKH has participated in targeted training and knowledge-sharing engagements with external consultants and members of international sustainability standard-setting bodies, thereby further strengthening the Board's collective understanding of and oversight over, evolving sustainability reporting and governance developments.

4.7.1.2 Group Executive Committee (GEC)

In line with the Group's Operating Model, as further outlined in the Corporate Governance Commentary of this Report, the Board has designated the GEC as the principal governance body with delegated decision making authority for the management and mitigation of sustainability impacts and SRROs/CRROs. The GEC ensures that sustainability impacts and SRROs/CRROs are appropriately incorporated into its meeting agenda for regular discussion and consideration.

The responsibilities of the GEC includes:

- Overseeing the Group's sustainability and ESG framework; including the approval of strategies, targets, policies and key sustainability disclosures.
- Ensuring integration of sustainability impact mitigation and SRROs/CRROs into strategic planning, ERM and long term value creation initiatives.
- Reviewing recommendations from the ESG and Sustainability Steering Committee to monitor and manage material stakeholder expectations, regulatory requirements and recognised good practice.
- Evaluating whether material sustainability impacts, dependencies and SRROs/CRROs are appropriately reflected in the Group's risk management framework and business strategy.
- Overseeing the integrity, completeness and consistency of internal and external sustainability reporting and ESG disclosures.

4.7.1.2.1 Information flow and frequency

The GEC receives structured quarterly updates on sustainability impacts, SRROs/CRROs, mitigation progress and related performance metrics; In addition, GEC receives annual updates on outcomes of materiality assessments, assurance requirements and key stakeholder insights. These updates are prepared by the ESG and Sustainability Steering Committee with inputs from the relevant sector GMCs.

4.7.1.2.2 Skills and expertise

The GEC draws on the collective strength of its members, including expertise in governance, financial oversight and strategic leadership. Its competence is reinforced by structured updates from the ESG and Sustainability Steering Committee, including the inputs from the Sustainability function and the Working Groups on ambitions, as well as targeted capacity-building initiatives aligned to evolving priorities.

The GEC remains current with emerging sustainability and climate-related regulations, voluntary standards and reporting developments and, where specialist input is required, engages internal and external subject-matter experts. These arrangements enable the GEC to effectively evaluate material sustainability impacts and SRROs/CRROs, oversee execution of the Group's sustainability agenda and to support robust, consistent and reliable sustainability and ESG disclosures.

4.7.1.3 ESG and Sustainability Steering Committee

The ESG and Sustainability Steering Committee serves as the structured conduit to the GEC, coordinating and operationalising the Group's sustainability and climate agenda. The Committee receives relevant information and updates from the Sustainability and ERM function as well as the respective sector level GMCs, as applicable.

The ESG and Sustainability Steering Committee is headed by the Deputy Chairperson/Group Finance Director of JKH . The committee convenes at least once a quarter or at appropriate intervals and otherwise as required.

The responsibilities of the ESG and Sustainability Steering Committee includes:

- Consolidating value-chain and life-cycle analyses across sectors to identify key dependencies, impacts, risks and opportunities.
- Recommending Group-wide sustainability and ESG strategies, policies and targets to the GEC and Board for review and approval and supporting execution across sectors and functions.
- Monitoring Sustainability impacts and ESG/climate risks and opportunities, including reviewing the outcomes of impact and financial materiality assessments and emerging sustainability related issues.
- Assessing the effectiveness of the sustainability governance structures, processes and controls and supporting stakeholder engagement and disclosure readiness.
- Supporting compliance with Group-wide Sustainability and ESG policies, codes of conduct and relevant external standards.
- Ensuring that key stakeholder insights are appropriately reflected in the Group's sustainability priorities and decision-making.
- Reviewing disclosure readiness, including the adequacy of Sustainability and ESG-related reporting and ensuring that relevant policies remain current, effective and fit for purpose.

4.7.1.3.1 Information flow and frequency

The ESG and Sustainability Steering Committee receives quarterly dashboards and formal reporting from Sector level GMCs to coordinate Group level oversight, including group-level risk reporting, sector ESG performance reviews and updates on sustainability and ESG related disclosures, metrics, targets and methodologies.

4.7.1.3.2 Skills and expertise

The ESG and Sustainability Steering Committee maintains and strengthens its collective competence through a combination of strong professional expertise and continuous development. This includes periodic briefings on emerging sustainability, climate and regulatory developments; participation in targeted training and internal capacity-building programmes and engagement with internal and external subject matter experts. Drawing on access to multidisciplinary technical and sustainability knowledge within the Group, the Committee ensures that its approach to impact mitigation, target-setting, metrics, methodologies and disclosure requirements remains current and robust. This enables the ESG and Sustainability Steering Committee to effectively identify, assess and oversee the implementation of strategies to manage and mitigate sustainability-related impacts, risks and opportunities, review performance against established targets and provide well-founded, informed recommendations to the GEC.

4.7.2 Management's Responsibilities and Role

Management is responsible for operationalising the Group's sustainability impacts and sustainability and climate-related strategies and initiatives through defined committees, reporting lines and internal controls. Execution is delegated to sector level GMCs, with oversight exercised through structured reporting as outlined previously.

4.7.2.1 Delegation and Oversight

Execution of sustainability impact management strategies and sustainability and climate-related strategies and initiatives, is delegated to the industry group/sector level GMCs at a business level.

These GMCs play a central role in the Group's sustainability governance architecture by serving as the leadership bodies responsible for embedding sustainability impact management, SRROs/CRROs into operational and strategic decision-making. Their primary responsibility is to translate the Group's material Sustainability topics, ESG and climate ambitions set through the ESG and Sustainability Steering Committee, guided by GEC oversight and Board approval, into actionable, sector-specific strategies.

The responsibilities of GMC's include:

- Translating Group level sustainability priorities into sector-specific plans and roadmaps, by embedding long term sustainability value creation objectives and considerations into the sector business plan, budgets, operational enhancements and resource allocation decisions with clear ownership, timelines and performance indicators.
- Identifying SRROs and CRROs across the sector value chain; assessing associated sustainability impacts and defining appropriate mitigation, adaptation or opportunity capture. This process is informed by business-level value chain and life-cycle assessments and supported by senior management review and approval.
- Monitoring emerging regulatory, market and technological developments; assessing implications for the sector and strengthening readiness through targeted training and capacity-building initiatives, supported by documented policy and regulatory readiness tracking.
- Proposing sector level goals, targets and KPIs for Group-level consideration; establishing baselines and measurement methodologies; tracking and reporting progress and validating the completeness, accuracy and credibility of sector data and supporting documentation to enable assurance readiness.
- Ensuring that sustainability impacts and SRROs/CRROs are explicitly considered in material investments, including implications for asset and supply-chain resilience, operating costs, value creation, transition alignment and key implementation dependencies, with documented trade-offs and mitigation measures presented for decision-makers.
- Reviewing sector sustainability reporting inputs and escalating material matters, including significant impacts, incidents, emerging risks or material deviations, in accordance with established reporting and escalation procedures.

The GMCs will take these sustainability related matters up at least quarterly with the above responsibilities forming standing agenda items.

Oversight of business level execution is exercised through a structured escalation framework as follows:

- Sector GMCs submit quarterly updates to the ESG and Sustainability Steering Committee covering sector performance, sustainability impacts, changes in SRROs and CRROs, emerging issues and progress against key deliverables.
- The ESG and Sustainability Steering Committee consolidates sector insights, applies cross-Group consistency checks and elevates material matters and recommendation from a double materiality perspective to the GEC.
- The GEC reviews material items and strategic implications and escalates issues to the Board where strategic direction or significant decisions are required.

This governance approach ensures that sector-level execution remains closely connected to Group-level oversight and decision-making, with clear escalation pathways for material sustainability impacts, SRROs and CRROs, enabling the preparation of transparent, decision useful sustainability and climate-related disclosures.

4.7.2.2 Controls and Procedures

Sustainability impacts and Sustainability and Climate-related information, are identified and captured at the business unit level and channelled through a defined reporting pathway, assessed from both an impact and financial materiality perspective, are escalated in accordance with the Group's sustainability governance framework and ERM processes. Management uses formal controls and procedures to support effective oversight of the Sustainability Management Framework, integrated ESG data management systems, internal audit and assurance processes, cross-functional coordination mechanisms and standardised risk identification, assessment and reporting practices. These controls are designed to support data quality, consistency, accountability and decision readiness across the governance structure.

4.7.3 Integration into Strategy and Decisions

The Board considers sustainability impacts, CRROs and SRROs as part of its oversight of the Group's overall strategy, major decisions and Group risk management framework and impact mitigation activities. In doing so, the

Board considers how these matters may influence the Group's business model, its corporate responsibility efforts ensuring that impacts on the economy, environment and society are managed, ensuring organisational resilience and long term value creation and ensures they are addressed through appropriate governance, policies and management actions.

The GEC assesses sustainability impacts, CRROs and SRROs when developing and refining the Group's strategic priorities. This includes evaluating how sustainability impacts, CRROs and SRROs may affect long term competitiveness across business units, considering opportunities related to energy efficiency, resource optimisation and emerging regulatory expectations and assessing the readiness of business units to support future climate ambitions, whilst ensuring responsible business operations meeting the expectations of a broad stakeholder groups including but not limited to investors.

When evaluating material investments, the GEC assessment will include exposure to physical and transition climate risks, potential impacts on operating costs, asset resilience and long term value and alignment with emerging climate-related commitments. These evaluations also consider material impacts on society and the environment, including potential trade-offs between short term financial performance and longer term impact-related outcomes.

The ESG and Sustainability Steering Committee translates Group priorities into sector-level actions, decision inputs and performance monitoring. It provides the GEC with structured analysis by consolidating cross-functional insights from operational leaders and functional experts (including finance, risk, legal/compliance, HR and operations), ensuring recommendations reflect both execution realities and governance expectations.

In practice, the ESG and Sustainability Steering Committee supports strategy by:

- supporting sector plans and key initiatives to ensure they are aligned to Group Sustainability and ESG priorities and identifying delivery gaps.
- assessing emerging SRROs and CRROs and translating these into clear implications for business plans and
- ensuring that material investment include decision useful sustainability inputs such as key impacts on broader stakeholder Groups, SRROs/CRROs affecting business operations, implementation readiness, data and metrics considerations and proposed mitigation strategies.

When material investments are reviewed, the ESG and Sustainability Steering Committee applies a consistent evaluation lens to surface what management needs to address before decisions are taken - e.g. impact to key stakeholders, society and the environment, organisational resilience considerations, cost and feasibility implications, delivery dependencies and reporting requirements. The ESG and Sustainability Steering Committee also supports the quality of trade-off discussions by setting out practical options and helping decision-makers balance short term performance with longer term commitments and risk exposure.

4.7.4 Targets, Monitoring and Remuneration

The Board of Directors oversees the development of targets related to the Group's sustainability impact topics, SRROs and CRROs and monitors progress toward those targets as they are established. The Board has delegated responsibility for the formulation and operationalisation of such targets to the GEC in collaboration with the ESG and Sustainability Steering Committee and sector GMCs, who are currently leading the development of the Group's sustainability impact targets including its climate ambitions and associated performance indicators.

During the 2025/26 reporting cycle and going forward, the GEC's focus through the ESG and Sustainability Steering Committee is on validating baseline metrics and assessing the feasibility of future targets, with periodic updates provided to the Board to support oversight and decision-making.

As permitted under SLFRS S1 transition reliefs, the Group has not yet introduced climate-related targets or linked remuneration metrics to such specific aspects although the broader ESG considerations form part of the key strategic priorities for key executives; however, the Board and the Human Resources and Compensation Committee (HRCC) shall evaluate how future sustainability-related performance measures may be incorporated into executive remuneration frameworks once targets are finalised.

The Board, through the HRCC, shall review and approve the integration of such metrics into remuneration policies when the Group's climate ambitions and transition pathways are developed by the ESG and Sustainability Steering Committee and approved following the Group approval matrix.

5. ASSURANCE MECHANISMS

The Assurance Mechanisms comprise of the various supervisory, monitoring and benchmarking elements of the JKH Group Corporate Governance System which are used to measure actuals against plan with a view to highlighting deviations, signalling the need for corrective action and quick redress when necessary. These mechanisms also act as safety nets and internal checks in the Governance system. The Group also conducts internal and external audits on a periodic basis, with a minimum frequency of one per year.

As outlined in the ensuing sections, the Group has various mechanisms in place for concerns to be escalated and raised to the GEC or to the Board as relevant and required.

5.1 Key Internal Policies

The Group maintains a robust set of internal policies and implementation procedures adopted from JKH and any changes to such polices shall be communicated to the stakeholders as relevant. The Board delegates the responsibility for monitoring compliance with such policies to the Chairperson or relevant Board Committees. The Board shall monitor adherence to the policies and where relevant, will inquire into and take requisite steps to address any material departures.

Key Internal Policies of the JKH Group

- Policy on Conduct and Business Ethics supported by the:
  - Code of Conduct, encompassing policies on gifts, entertainment, facilitation payments, the protection of proprietary, confidential and personal information, insider trading and conflicts of interest.
  - Supplier Code of Conduct, outlining expected adherence to applicable legal requirements, governance standards, ethical business practices and responsible conduct in alignment with the Group's values.
- Policy on Corporate Governance
- Policies at a Board level, including the Policy on Matters Relating to the Board of Directors (BoD), Policy on Board Committees and Policy on Nominations and Re-election
- Policy on Remuneration
- Policy on diversity, equity and inclusion, including a gender policy
- Policies on equal opportunities, non-discrimination, career management and promotions, including on employees with disabilities
- Recruitment and selection, rewards and recognition and learning and development polices
- Leave (which also encompasses the equal parental leave), flexi-hours, tele-working and agile working policies including health and safety enhancements and protocols
- Policy against sexual harassment
- Policy on forced, compulsory child labour and child protection
- Group accounting procedures and policies which includes the Policy on Control and Management of Company Assets and Shareholder Investments and the Policy on the Engagement of the External Auditor for Non-Audit Services
- Policies on fund management and foreign exchange risk mitigation
- ESG and Sustainability Policy of the Group including policies on energy, emissions, water, waste management and biodiversity conservation
- Policies on products and services
- Policies on Information Technology (IT), classification of information assets, Personal Data protection and security
- Enterprise Risk Management and Internal Controls Policy
- Policy on Anti-Bribery, Anti-Corruption, Anti-Fraud, Anti-Money Laundering, Anti-Terrorism and Proliferation Financing and Sanctions.
- Policy on Corporate Disclosures and Relations with Shareholders and Investors
- Policy on communications and ethical advertising, complemented by social media and crisis communication guidelines
- Policies on Whistleblowing (Speak up Policy), grievance handling and disciplinary procedures, including the Ombudsperson policy

The Group's policies are available to all employees via the Group's employee portal and such policies are made available to the shareholders upon a written request. These policies are approved by the Group Executive Committee with Board oversight.

During the year under review, the Group strengthened its ESG and Sustainability Policy in alignment with the implementation of SLFRS S1 and SLFRS S2 disclosure requirements. The Policy was updated to reflect the governance and process enhancements introduced as part of the implementation of these standards. No other material changes were done to the Group policies during the reporting period and all the policies were complied with and no waivers from compliance or exemptions for the internal code of conduct and business ethics were granted during the year under review.

5.1.1 The Code of Conduct

The Code of Conduct acts as a vital conduit between the JKH Group's overarching governance framework (which includes the Group's internal policies) and its employees, as it is the primary tool that operationalises the governance framework.

During the year the JKH Group revisited and updated its Code of Conduct to provide employees with a clearer, more comprehensive and practical guide that reflects the evolving regulatory landscape, strengthened compliance requirements and emerging environmental and workplace considerations. The updated Code addresses issues most relevant to employees and reinforces the Group's core values of Integrity, Trust, Excellence, Caring and Innovation, promoting ethical behaviour, accountability and a culture of responsible business practices across the organization.

The Code of Conduct is incorporated as part of the contract of employment of every employee. For new joiners in the executive and above levels, the content of the Code of Conduct and Group policies is covered via an induction to the Group and a mandatory e-learning module whilst copies of the Code are available in Sinhala and Tamil languages for employees who are more conversant in those languages.

Through the Code of Conduct, all Group policies apply to all employees and Directors. The Company Leadership, both the Board of Directors and the Group Executive Committee, spearheads the implementation of the Code.

The objectives of the Code of Conduct are strongly affirmed by the strong set of values and 4 key principles, which are enumerated below and are well institutionalised at all levels within the Group through structured communication.

JKH CODE OF CONDUCT



- Allegiance to the Company and the Group, that ensures the Group will do the right thing, by going further than the letter of any contract, the law and the Group's written policies.
- Compliance with rules and regulations applying in the territories that the Group operates in.
- Conduct all businesses in an ethical manner at all times in keeping with acceptable business practices and demonstrate respect for the communities the Group operates in and the natural environment.
- Exercise of professionalism and integrity in all business and public personal transactions.

ETHICAL BUSINESS PRACTICES OF THE JKH GROUP

- Seeks to ensure that ethical business practices are the norm from the most senior to the most junior employee, stemming from and including the Board of Directors. All companies have procedures and processes to enable the prevention and reduction of corruption and bribery. Each business unit is also expected to evaluate the risk of corruption as part of its risk management process and put in place mitigation measures to reduce such risks. Its transparent control and prevention mechanisms also extend this expectation to its value chain comprising of its customers, suppliers and business partners. The Group is required to analyse all its business units and functions and include the risk of corruption as part of its risk management process. The Group has a zero-tolerance policy towards bribery and corruption.
- Stringent checks during the recruitment process ensures that minimum age requirements are met.
- Ensures that all businesses are educated on the possible sources of forced and compulsory labour.
- Committed to upholding the universal human rights of all its stakeholders.
- Is an equal opportunity employer and has zero-tolerance for physical or verbal harassment based on gender identity, race, religion, nationality, age, social origin, disability, sexual orientation, political affiliations or opinion or any other difference.

Deep-dive into Giving and Receiving Gifts, Favours and Entertainment:

The Group's policies prohibit the giving or receiving of gifts, entertainment or favours where a reasonable person could perceive a risk to independence or impartiality or view it as an inducement for an official or business favour. This covers interactions with clients, service providers, customers, business associates, political parties, or any stakeholder and also applies to charitable donations and sponsorships. Any modest gifts or tokens of appreciation, whether given or received, are permitted when aligned with business exigencies and provided they are well-intentioned, without ulterior motives or personal gain. All such gifts must be reported to the relevant Finance Head (Chief Financial Officer or Sector Financial Controller) for clearance and are centrally recorded and monitored.

5.2 Employee Participation in Assurance

The Company and the Group are continuously working towards introducing innovative and effective modes of employee communication and employee awareness. The importance of communication top-down, bottom-up and lateral in gaining employee commitment to organisational goals has been conveyed extensively through various communications issued by the management. Whilst employees have many opportunities to interact with senior management, the Group has created the ensuing formal channels for such communication through feedback, without the risk of reprisal.

- Skip level meetings
- Exit interviews
- 360 degree evaluation
- Employee surveys
- Monthly staff meetings
- Chairperson-Direct
- Ombudsperson
- Continuous reiteration and the practice of the Open-Door policy

Additionally, the Group continued with its policies on whistle-blowing and securities trading. The Group has witnessed an increased level of communication flow from employees. Such communication and feedback received from the employees by the management are recorded, irrespective of the level of anonymity and subsequently discussed and followed up, to the extent possible, to ensure two-way communication. The respective outcomes are duly recorded.

5.3 Internal Controls

The Board has taken necessary steps to ensure the integrity of the Group's accounting and financial reporting systems and internal control systems remain robust and effective via the review and monitoring of such systems on a periodic basis.

5.3.1 Internal Compliance

A quarterly self-certification programme requires the Presidents, Chief Financial Officers of each business unit to confirm compliance

with statutory and other regulatory procedures and also to identify any significant deviations from the expected norms. The compliance statement which gets collated every quarter and tabled at the respective Audit Committee meetings is subject to periodic review and where applicable revised, to reflect and capture any material changes that drive the macro and micro operating contexts, for reporting and monitoring purposes.

5.3.2 System of Internal Control

The Board has taken steps to obtain assurance that systems, designed to safeguard the Company's assets and provide management information, are functioning according to expectations and proper accounting records are in place through the involvement of the Group Business Process Review function of our parent Company, JKH.

This also entails automated monitoring and workflow based escalation in order to facilitate timely clearing of all transactional entries including complete reconciliation, unreconciled and open entries being flagged and periodically scrutinised and formal disclosure being made to the relevant Audit Committees, efficient management and tracking of cash and cheques deposits, in line with international best practice. This also enables the continual streamlining and optimisation of the Internal Audit function via identification of focus areas, improvement opportunities and feedback reporting in order to reinforce governance and assurance.

The Group has in place two integrated frameworks, the Fraud Deterrent and Investigation Framework and the Process Review Framework that complement each other to strengthen the Group's effort to promote anti-fraud, anti-corruption and anti-bribery by proactively recognising the changing context and operating landscape. The integrated fraud deterrent and investigation framework, which enables an integrated platform for handling all aspects of fraud and stakeholder assurance, reinforces uniformity across common processes in matters relating to fraud, employs a data-driven approach to the continuous assessment of control efficacy and assesses and deploys appropriate preventive and detective controls against frauds. The Integrated Process Review Framework provides an innovative approach to internal audits, which enable audits to be specific and highly focused on matters relevant to a business entity. Emphasis is placed on use-cases and events stemming from the current business strategy, which must be facilitated by participating processes, systems and personnel which form micro-value chains with special attention to the efficacy of control and its placement to ensure the integrity of transactions as each traverse through each micro-value chain, at the time of audit reviews.

The digital system implemented for quarterly financial and operational information management, continues to perform as per expectations facilitating data capturing for compliance reporting, providing a sustainable and structured mechanism to enable top-down and bottom-up stakeholder engagement and tracking the progression of how the compliance posture at an entity level has evolved, among others. The Forensic Data Analytics platform feeds into Internal Audit Scoping and continues to be used to identify areas for process optimisation, strengthening controls and in feedback reporting to reinforce governance (management) and assurance structures.

Initiatives to Strengthen Internal Controls



- In alignment with the Group's migration to SAP S/4HANA (RISE), a high-level review of the authorisation matrix was executed to safeguard the integrity of user access controls. This exercise ensured that the transition from legacy systems to the new environment maintained a consistent and secure internal control framework. By validating access levels and rectifying anomalies prior to the "go-live" phase, the Group ensured that system security and operational continuity remained uncompromised.
- During the year, the Group strengthened its risk governance capabilities through the continued development of an Integrated Credit Risk Intelligence System under the Group-wide Forensic Data Analytics Platform initiative. The system enables a shift from reactive to proactive risk management by providing timely insights on customer creditworthiness, portfolio concentration risks, collections prioritisation and sector-level risk trends, thereby supporting faster and more informed credit decisions. Designed with strong governance and accuracy controls, the system incorporates safeguards to validate model outputs against underlying data to ensure reliability and auditability.
- In parallel, the Group initiated a structured review of key operational processes - including Order-to-Cash, Procure-to-Pay and Record-to-Report cycles - to identify opportunities for automation, digital reengineering and improved data integrity across shared services, reinforcing the Group's commitment to data-driven decision-making and responsible governance.
- During the year, the Group continued to strengthen its data governance framework to ensure compliance with the Personal Data Protection Act No. 09 of 2022, aligning practices with internal data protection principles and globally recognised standards. Dedicated Data Protection Officers (DPOs) are in place across Industry Groups, with oversight of data protection practices within their respective domains. DPOs report to Sector Data Governance Leads and Presidents and are supported by a Data Governance Steering Committee, which provides strategic direction and oversight. Building on the previously completed gap analysis by external consultants, the Group continued to enhance its technical, security and organisational controls during the year. Compliance is monitored through structured reporting channels, with regular updates submitted by DPOs and periodic reporting to the Audit Committee on compliance status, emerging risks and ongoing improvements. The Group also continues to monitor regulatory developments and engage with the Data Protection Authority of Sri Lanka to ensure alignment with evolving requirements. No substantiated complaints relating to breaches of customer privacy or loss of customer data were reported during the year.

The risk review programme covering the internal audit of the whole Group is outsourced. Reports arising out of such audits are, in the first instance, considered and discussed at the business/ functional unit levels and, after review by the Sector Head and the President of the industry group, are forwarded to the relevant Audit Committee on a regular basis. Further, the Audit Committees also assess the effectiveness of the risk review process and systems of internal control on a regular basis.

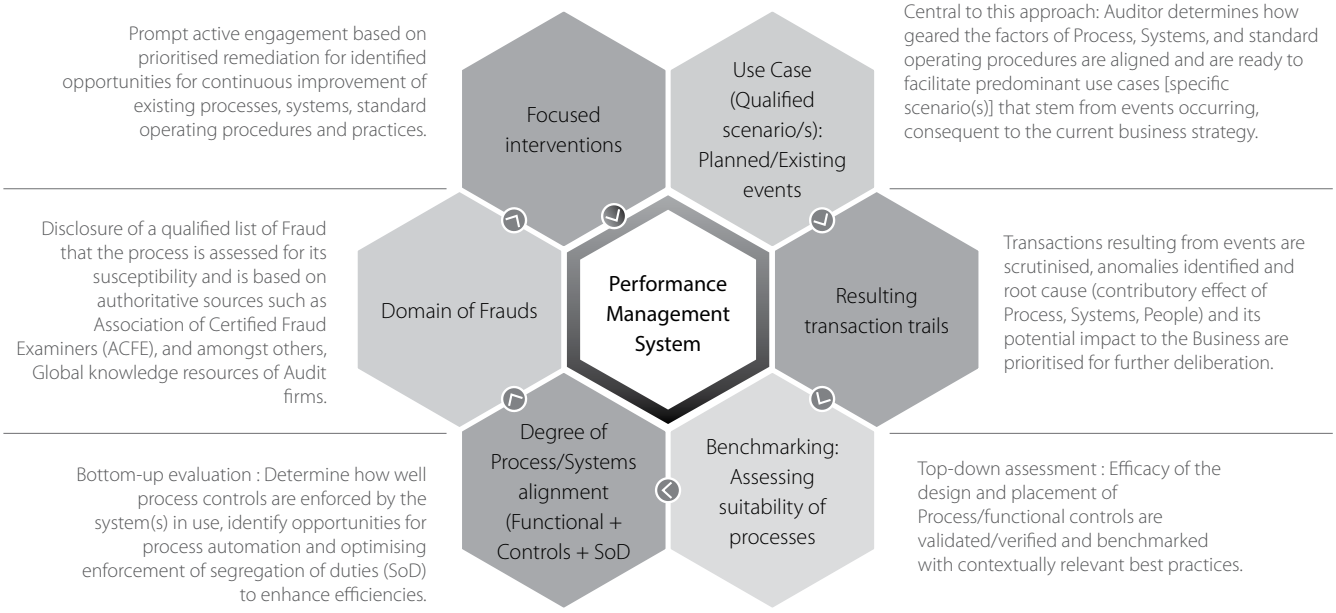
5.4 Segregation of Duties (SoD) under Sarbanes-Oxley (SOX)

The Group recognises the importance of ensuring that no individual has excessive system access to execute transactions across entire or several business processes which have critical approval linkages. With growing reliance on information technology and integrated financial controls, there is an increased risk of unintended exposures within the Group. SoD dictates that problems such as fraud, material misstatements and manipulation of financial statements have the potential to arise when the same individual is able to execute two or more conflicting, sensitive transactions. Separating disparate jobs into task-oriented roles can often result in inefficiencies and costs which do not meet the cost versus benefit criteria. Whilst the attainment of a zero SoD conflict state is utopian, the Group continues to take steps to identify and evaluate existing conflicts through the maintenance and monitoring of a SoD matrix with defined parameters for identifying, approving and reporting on conflicting roles and how they are dealt with. The residual risks and then reduced to an acceptable level under a cost versus benefit rationale. No material conflicts were reported during the year.

5.5 Internal Audit

The ensuing diagram provides a helicopter view of the Internal Audit Approach that has been rolled out within the JKH Group. Central to this approach is the business strategy and how the current processes, systems and people, are geared to efficiently and effectively handle the deliverables of the current business strategy at the time of review. The outer elements reflect the reporting elements which are noted in audit reports, either as observations and/ or value-added recommendations.

The new internal audit approach: Continuous emphasis on context



5.6 Ombudsperson

An Ombudsperson has been appointed to serve as an independent, impartial and confidential channel for addressing complaints, disputes, or grievances raised by employees, stakeholders or other parties in relation to alleged violations of the Code of Conduct. The Ombudsperson complements existing mechanisms such as Chairperson Direct and formal whistleblowing channels and may be approached where concerns are not addressed satisfactorily through internal processes.

The findings and the recommendations of the Ombudsperson, subsequent to an independent inquiry are confidentially communicated to the Chairperson or to the Senior Independent Director of JKH upon which the involvement duty of the Ombudsperson ceases.

On matters referred to him by the Ombudsperson, the Chairperson or the Senior Independent Director of JKH, as the case may be, will place before the Board:

i. the decision and the recommendations.

ii. action taken based on the recommendations.

iii. where the Chairperson-CEO or the Senior Independent Director disagrees with any or all of the findings and or the recommendations thereon, the areas of disagreement and the reasons, thereof.

In situation (iii), the Board is required to consider the areas of disagreement and determine the way forward. The Chairperson or the Senior Independent Director of JKH is expected to take such steps as are necessary to ensure that the complainant is not victimised, in any manner, for having invoked this process.

The Ombudsperson also provides periodic reports to the Board or the Audit Committee, including a summary of the number and nature of complaints received, investigation outcomes and recommendations for systemic improvements, without disclosing personal or confidential information unless required by law. Safeguards have been established to ensure that complainants are not subjected to victimisation for invoking this process. The current Ombudsperson is an attorney-of-law by profession.

Mandate and Role

(a) legal and ethical violations of the Code of Conduct for employees, but in an appellate capacity, when a satisfactory outcome using existing procedures and processes has not resulted or when the matter has been inadequately dealt with;

(b) violations referred to above by individuals at the Executive Vice President, President and Executive Director levels, including that of the Chairperson-CEO, in which case the complainant has the option of either complaining to the Ombudsperson in the first instance or first exhausting the internal remedies;

(c) sexual harassment, in which event the complainant has the option of either complaining to the Ombudsperson in the first instance or first exhausting the internal remedies.

The mandate excludes disciplinary issues from the Ombudsperson's responsibilities. The right to take disciplinary action is vested exclusively in the Chairperson-CEO and those to whom this authority has been delegated.

No issues were raised by any member of the companies in the JKPLC Group covered during the year under review.

5.7 External Audit

Ernst & Young are the external auditors of the Company. The re-appointment of these auditors was recommended by the Audit Committees.

The audit fees paid by the Company to its auditors are separately classified in the Notes to the Financial Statements of the Annual Report.

6. GOVERNANCE OUTLOOK AND EMERGING CHALLENGES

Operating in a volatile and evolving socio economic environment, the Group recognises the importance of maintaining a strong and effective corporate governance framework. Robust governance underpins accountability, transparency, fairness and sustainable value creation for stakeholders. The Board continues to assess governance readiness against emerging internal and external challenges, while aligning practices with global best standards. The key governance focus areas and challenges being continuously addressed by JKPLC group are outlined below:

6.1 Board Diversity

JKPLC values Board diversity and strives to attract skilled Directors who align with its vision and values, while understanding the complexities of its diverse business interests. The Group believes diversity enhances stakeholder insights and responsiveness. Efforts are focused on recruiting qualified individuals from various demographics, experiences and backgrounds, all within a strong culture of meritocracy.

6.2 Board Independence

Board independence remains a cornerstone of the governance framework and is fundamental to stakeholder confidence. Effective governance structures, nomination processes and safeguards are in place to promote objective decision making and minimise conflicts of interest. The Group continues to strengthen independence through balanced checks and assurance mechanisms, while ensuring alignment with its diversified conglomerate operating model.

6.3 Beneficial Ownership of the Company

The JKH Group does not have a controlling shareholder or any shareholder directly represented on the JKH Board, it recognises the importance of beneficial ownership transparency in fostering stakeholder trust. Accordingly, the Company has proactively commenced the collation and preliminary verification of relevant ownership information. Following the introduction of mandatory beneficial disclosure requirements under the Companies Act (Amendment) No. 12 of 2025, effective 30 March 2026, the Company continues to engage with shareholders and closely monitor regulatory developments to ensure full and timely compliance with the applicable framework.

6.4 Anti-Fraud, Anti-Corruption and Anti-Bribery and Financial Crime Compliance

The Group enforces a zero-tolerance stance on fraud, bribery, corruption and financial crime through its Code of Conduct and comprehensive compliance policies. Ongoing monitoring and remediation processes support the ethical conduct.

The Group continues to work with the Financial Intelligence Unit of Sri Lanka to further strengthen its compliance framework and enhance monitoring and coordination in the implementation of Anti-Money Laundering, Counter-Terrorism Financing and Counter-Proliferation Financing measures, recognising the broader implications for the country.

6.5 Increasing Emphasis on Environmental, Social and Governance (ESG) Aspects

ESG considerations continue to gain prominence among shareholders, regulators and other stakeholders. The Group integrates ESG factors into strategy, operations and decision making to support sustainable growth, responsible resource management, stakeholder well being and strong governance.

Material ESG priorities have been identified through sector specific studies, stakeholder engagement and benchmarking exercises. Following the release of IFRS S1 and S2 by the International Sustainability Standards Board and their localisation to SLFRS S1 and S2 by CA Sri Lanka, JKH implemented the standards during the year under review.

6.6 Continual Strengthening of Internal Controls

The Group continues to strengthen its internal control environment by integrating financial, operational and technology enabled controls in line with international best practice. These initiatives are intended to improve efficiency, enhance oversight, strengthen fraud detection and prevention and enable data driven monitoring and compliance.

Refer Section 5.3.2 of this Commentary for initiatives during the year aimed at strengthening internal controls and Section 4.4 for initiatives on IT Governance.

6.7 Digital Oversight and Cyber Security

As digitalisation expands across operations, the Group recognises increased exposure to cyber and technology related risks. The Board and Audit Committee place significant emphasis on digital oversight, cyber security and data protection, with these matters periodically reviewed to ensure the adequacy of infrastructure, controls and risk mitigation measures.

6.8 Data Protection, Information Management and Adoption

The Group embeds a strong culture of data privacy and responsible data stewardship, aligned with the Personal Data Protection Act No. 09 of 2022. Governance is supported by robust policies, security controls, role-based access, training and oversight by designated Data Protection Officers and the Group Data Governance Steering Committee, with regular Audit Committee updates. Continuous enhancements are guided by external assessments and regulatory developments and no substantiated customer data breaches or data losses were reported during the year.

6.9 Greater Employee Involvement in Governance

The Group recognises employees as a critical pillar of effective governance. Ongoing training on the Code of Conduct and governance policies, strengthened performance management processes, enhanced communication and increased empowerment are used to reinforce accountability, ethical behaviour and engagement across the organisation.

6.10 Need for Increased Transparency

Transparency remains an evolving journey driven by changing regulations, global best practice and stakeholder expectations. Open, balanced and relevant reporting strengthens trust, credibility and organisational legitimacy, while supporting informed stakeholder decision making. The Group continues to enhance transparency in a manner that prioritises material information and long term value creation.

7. COMPLIANCE SUMMARY

The Board, through its operating structures, strived to ensure that the Company and all its subsidiaries and associates complied with the laws and regulations of the countries they operated in. Accordingly, the Group complied with all applicable laws and regulations of the countries it operates in, including anti-corruption and anti-bribery laws.

The Board of Directors also took all reasonable steps in ensuring that all financial statements were prepared in accordance with the Companies Act No 7 of 2007, the Sri Lanka Accounting Standards (SLFRS/ LKAS) issued by CA Sri Lanka, Sri Lanka Sustainability Disclosure Standards and the requirements of the CSE and other applicable authorities. Information contained in the financial statements of the Annual Report is supplemented by a detailed Management Discussion and Analysis which explains to shareholders the strategic, operational, investment, sustainability and risk related aspects of the Company and the means by which value is created and how it is translated into the reported financial performance and is likely to influence future results.

7.1 Statement of Compliance pertaining to the Companies Act No. 7 of 2007

Mandatory Provisions - Fully Compliant

Section		Compliance Status	Reference (within the Annual Report)
168 (1) (a)	The nature of the business of the Company or classes of business in which it has an interest together with any change thereto	Yes	Corporate Information and Annual report of the Board of Directors
168 (1) (b)	Signed financial statements of the Group and the Company	Yes	Financial Statements
168 (1) (c)	Auditors' Report on financial statements	Yes	Independent Auditors' Report
168 (1) (d)	Accounting policies and any changes thereto	Yes	Notes to the Financial Statements
168 (1) (e)	Particulars of the entries made in the Interests Register	Yes	Annual Report of the Board of Directors
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company	Yes	Notes to the Financial Statements
168 (1) (g)	Total corporate donations made by the Company	Yes	Notes to the Financial Statements
168 (1) (h)	Information on the Directorate of the Company and its subsidiaries during and at the end of the accounting period	Yes	Board of Directors
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered	Yes	Notes to the Financial Statements
168 (1) (j)	Auditors' relationship or any interest with the Company and its Subsidiaries (other than as auditor)	Yes	Report of the Audit Committee/Financial Statements
168 (1) (k)	Acknowledgement of the contents of this Report and signatures on behalf of the Board	Yes	Financial Statements/Annual Report of the Board of Directors
168 (2)	Information specified in para-graphs (b) to (j) of subsection (1) in relation to Subsidiaries	Yes	Financial Statements/Annual Report of the Board of Directors

7.2 Statement of Compliance under Section 7 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosures

Mandatory Provisions - Fully Compliant

Rule		Compliance Status	Reference (within the Annual report))
(i)	The Annual Report shall comply with applicable regulatory requirements and include audited Financial Statements prepared in accordance with Sri Lanka Accounting Standards and Sri Lanka Auditing Standards, together with disclosures prepared in accordance with Sri Lanka Sustainability Disclosure Standards.	Yes	Page 72 to 73
(ii)	Principal activities of the Company and its subsidiaries during the year and any changes therein	Yes	Page 168 to 213
(iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares denominated in LKR and the percentage of such shares held	Yes	Page 215
(iv)	a) The float adjusted market capitalisation, public holding percentage (%), number of public shareholders and under which option the Listed Companies complies with the Minimum Public Holding requirement in respect of voting ordinary shares.	Yes	Page 214
	The public holding percentage in respect of non- voting Shares (where applicable).	Not Applicable	
	b) The public holding percentage in respect of Foreign Currency denominated Shares	Not Applicable	

Rule		Compliance Status	Reference (within the Annual report))
(v)	A statement of each Director's holding and CEO's holding in shares of the Company at the beginning and end of each financial year	Yes	Page 148 to 152
(vi)	Information pertaining to material foreseeable risk factors of the Company	Yes	Page 142 to 147
(vii)	Details of material issues pertaining to employees and industrial relations of the Company	Not Applicable	During the year 2025/2026 there were no material issues pertaining to employees and industrial relations of the Company.
(viii)	Extents, locations, valuations and the number of buildings of the Company's land holdings and investment properties	Yes	Page 192 to 195
(ix)	Number of shares representing the Company's stated capital	Yes	Page 214
(x)	A distribution schedule of the number of holders in each class of equity securities and the percentage of their total holdings	Yes	
(xi)	Ratios and market price information	Yes	Page 218
(xii)	Significant changes in the Company's or its subsidiaries' fixed assets and the market value of land, if the value differs substantially from the book value	Yes	Page 148 to 152
(xiii)	Details of funds raised through a public issue or further issue of securities, the manner in which the funds of such issue have been utilised, details of the number of securities, class and consideration received and the reason for the issue and any material change in the use of funds	Not Applicable	-
(xiv)	Information in respect of Employee Share Ownership or Share Purchase Schemes	Yes	Page 206 to 208
(xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules	Yes	Page 74 to 121
(xvi)	Related Party transactions exceeding 10% of the equity or 5% of the total assets of the Company as per audited financial statements, whichever is lower, with requisite de-tails	Yes	Page 211 to 212
(xvii) to (xxii)	Disclosures pertaining to Foreign Currency denominated Securities, Sustainable Bonds, Perpetual debt Securities, Infrastructure Bonds, Compliant Debt Securities and/or High Yield Corporate Debt Securities listed on the CSE	Not Applicable	-

7.3 Statement of Compliance under Section 9 of the Listing Rules of the CSE on Corporate Governance

MANDATORY PROVISIONS - FULLY COMPLIANT

CSE Rule		Compliance Status	Reference (within Annual Report)
9.1 Corporate Governance Rules			
9.1.3	A statement confirming compliance with Corporate Governance Rules	Yes	Chairperson's message
9.2 Policies			
9.2.1	Specified set of policies to be maintained together with the details relating to the imple-mentation of such policies mentioned of website		Corporate Governance Commentary – Section 5.1
9.2.2	Disclosure of any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted by Company		
9.2.3 (i) (ii)	List of policies to be disclosed along with any changes made to policies		
9.2.4	Policies to be made available on written request to shareholders		
9.3 Board Committees			
9.3.1 a/b/c/d	Maintenance of minimum required Board Committees	Yes	Corporate Governance Commentary – Section 3.2
9.3.2	Compliance with the composition, responsibilities and disclosures required in respect of the Board Committees	Yes	
9.3.3	Chairperson of the Board to not serve as the Chairperson of the Board Committees referred in 9.3.1	Yes	
9.4 Meeting procedures and the conduct of all General Meetings with shareholders			
9.4.1	Maintenance of records relating to all resolutions considered at any General meeting including requisite information. Making available copies of the same on request to the CSE and/or SEC	Yes	Corporate Governance Commentary – Section4.6.1
9.4.2 a-d	Communication and relations with shareholders and investors	Yes	Corporate Governance Commentary – Section 4.6.1
9.5 Policy on matters relating to the Board of Directors			
9.5.1 a	Balanced representation between EDs and NEDs, covering Board composition, roles of the Chairperson and CEO, Board balance and procedures for evaluating Board and CEO performance	Yes	Corporate Governance Commentary – Section 3
9.5.1 b	Rationale for combining the roles of Chairperson and CEO, terms of reference of SID and measures implemented to protect the interests of the SID in the event the Chairperson and CEO roles are combined	N/A	N/A
9.5.1 c	Require diversity in Board composition for Board effectiveness	Yes	Corporate Governance Commentary – Section 3.13-3.1.4
9.5.1 d	The rationale and the maximum number of Directors		
9.5.1 e	Frequency of Board meetings	Yes	Corporate Governance Commentary – Section 3.1.9
9.5.1 f	Establish mechanisms to keep Directors informed of Listing Rules and the Company's sta-tus of compliance/non-compliance	Yes	Corporate Governance Commentary – Section 3.1.7
9.5.1 g	Minimum number of meetings (number and percentage) that a Director must attend	Yes	Corporate Governance Commentary – Section 3.1.9
9.5.1 h	Requirements relating to trading in securities of the Company and its listed group compa-nies, including disclosure obligations	N/A	
9.5.1 i	Maximum number of director ships that may be held by Directors In listed companies	Yes	Corporate Governance Commentary – Section 3.1.13.1
9.5.1 j	Permit participation in Board and Committee meetings through audiovisual means, with such participation count ing toward the quorum		Corporate Governance Commentary – Section 3.1.9

CSE Rule		Compliance Status	Reference (within Annual Report)
9.5.2	Confirmation of compliance with policy in the annual report, with reasons for non-compliance and proposed re-medial action		Corporate Governance Commentary – Section 5.1
9.6 Chairperson and CEO			
9.6.1	Requirement for a SID if the positions of Chairperson and CEO are held by the same individual	N/A	
9.6.2	Market announcement on the Chairperson being an Executive Director and/or combination of the Chairperson-CEO Roles including the rationale	N/A	
9.6.3 a-d	Requirement for a SID	N/A	
9.6.3 e	SID shall make a signed explanatory disclosure demonstrating the effectiveness of their duties	N/A	
9.6.4	Rationale for the appointment of a SID set out in the Annual Report	N/A	
9.7 Fitness of Directors and CEO			
9.7.1	Company to take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons in terms of the rules	Yes	
9.7.2	Ensure nominees meet fit and proper criteria before shareholder approval or appointment as Director	Yes	Corporate Governance Commentary – Section 3.2.3
9.7.3	Assessment Criteria: Honesty, Integrity and Reputation, Competence and Capability and Financial Soundness	Yes	
9.7.4	Annually obtain declarations from Directors and the CEO confirming compliance with fit and proper assessment criteria	Yes	Corporate Governance Commentary – Section 3.1.13.1
9.7.5	Disclosures in the Annual Report	N/A	
9.8 Board Composition			
9.8.1	Minimum number of Directors on the Board	Yes	Corporate Governance Commentary – Section 3.1.3
9.8.2	At least two members or 1/3 of the Board, whichever is higher to be independent	Yes	
9.8.3 (i) to (ix)	Criteria for determining independence	Yes	Corporate Governance Commentary – Section 3.1.13
9.8.5 a-c	The Board to ensure that IDs annually submit declarations on independence/non-independence. Board to make an annual determination on the independence or otherwise of IDs and name the Directors who are determined to be independent Market announcement if ID independence has been impaired	Yes	Corporate Governance Commentary – Section 3.1.13.1
9.9 Alternate Directors			
a-e	Appointment of Alternate Directors to be in accordance with the Rules and such requirements to be incorporated into the Articles of Association	Yes	No Alternate Directors were appointed during the financial year.
9.10 Disclosures relating to Directors			
9.10.1	Disclose policy on the maximum number of directorships Board members are permitted to hold		Corporate Governance Commentary – Section 3.1.13.1
9.10.2/9.10.3	Market announcement upon the appointment of a new Director and any changes to the Board and Board Committee composition, including necessary details	Yes	Page 7.4
9.10.4a-i	Disclosure of details relating to the Board members	Yes	Board Profiles – section 3.1.13.1
9.11 Nominations and Governance Committee (NGC)			
9.11.1	Establishment of a NGC	Yes	Corporate Governance Commentary – Section 3.2.3
9.11.2	Formal procedure for the appointment and re-election of Directors	Yes	
9.11.3	NGC to have a written Terms of Reference	Yes	

CSE Rule		Compliance Status	Reference (within Annual Report)
9.11.4 (1) a-b	The Composition of NGC	Yes	Corporate Governance Commentary – Section 3.2.3
9.11.4 (2)	Chairperson of NGC to be an ID	Yes	
9.11.4 (3)	Disclosure of names of the NGC Chairperson and members	Yes	
9.11.5 (i) – (x)	Functions of NGC	Yes	
9.11.6 a-m	NGC Report with requisite in-formation to be disclosed in Annual Report	Yes	
9.12 Remuneration Committee (RC)			
9.12.2	Establishment of a RC		Corporate Governance Commentary – Section 3.2.2
9.12.3	RC to establish and maintain a formal and transparent procedure for developing policy on EDs and individual Director's remuneration, ensuring that no Director is involved in fixing their own remuneration	Yes	
9.12.4	Remuneration for NEDs shall be based on a policy of non-discriminatory pay practices to ensure their independence	Yes	Corporate Governance Commentary – Section 3.1.14.1
9.12.5	The RC to have written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	Yes	Corporate Governance Commentary – Section 3.2.2
9.12.6 (1)	Composition of RC	Yes	
9.12.6 (2)	Chairperson of RC to be an ID	Yes	
9.12.7	Functions of the RC	Yes	
9.12.8 a	Disclosure of names of Chairperson and members of RC	Yes	
9.12.8 b	Disclosure of statement of Remuneration policy	Yes	
9.12.8 c	Aggregate remuneration paid to EDs and NEDs	Yes	Corporate Governance Commentary – Section 3.1.14 to 3.1.14.1
9.13 Audit Committee (AC)			
9.13.1	AC to handle Risk functions where Company does not have separate Committees for Audit and Risk	Yes	Corporate Governance Commentary – Section 3.2.1
9.13.2	AC to have written Terms of Reference	Yes	
9.13.3 (1) a-b	Composition of AC	Yes	
9.13.3 (2)	The quorum for AC meeting shall require a majority of those in attendance to be IDs		
9.13.3 (3)	AC to meet as often as required, provided it meets compulsorily on a quarterly basis, at minimum, prior to recommending the release of financials	Yes	
9.13.3 (4)/(6)	ID who is a member of a recognised professional accounting body to be appointed as Chairperson of the AC	Yes	
9.13.3 (5)	CEO and the Chief Financial Officer (CFO) to attend the Audit Committee meetings by invitation.	Yes	
9.13.4	Functions of AC		
9.13.5 (1)	Report of the AC	Yes	
9.13.5 (2) a-i	Disclosures to be included in the AC report		
9.14 Related Party Transactions Review Committee (RPTRC)			
9.14.1	Establishment of a RPTRC	Yes	Corporate Governance Commentary – Section 3.2.4
9.14.2 (1)	Composition of RPTRC	Yes	
9.14.3	Functions of the RPTRC	Yes	
9.14.4 (1) – (4)	General Requirements includ-ing requirement for RPTRC to meet at least once a quarter, access to all aspects of Related Party Transactions (RPTs), RPTRC to request Board to approve RPTs reviewed by it and requirements relating to Director's material personal interest in a matter being considered at a Board meeting in relation to a RPT	Yes	

CSE Rule		Compliance Status	Reference (within Annual Report)
9.14.5	Review of RPTs by the RPTRC	Yes	Corporate Governance Commentary – Section 3.2.4
9.14.6	Shareholder Approval for RPTs	Yes	Corporate Governance Commentary – Section 4.6.1.3 During the year under review there was no requirements for Shareholder approval.
9.14.7	Immediate Disclosures	Yes	Corporate Governance Commentary – Section 3.2.4
9.14.8 (1)	Details and disclosures pertaining to Non-Recurrent RPTs in the Annual Report	Yes	Notes to the Financial Statements.
9.14.8 (2)	Details and disclosures pertaining to Recurrent RPTs in the Annual Report	Yes	
9.14.8 (3)	Report of the RPTRC	Yes	Corporate Governance Commentary – Section 3.2.4
9.14.8 (4)	Declaration by the Board of Directors as an affirmative statement of compliance with the rules pertaining to RPTs, or a negative statement otherwise	Yes	Annual Report of the Board of Directors.
9.14.9 (1)/(2)	Shareholder approval for acquisition and disposal of substantial assets	Yes	Corporate Governance Commentary – Section 4.6.1.3 During the year under review there was no requirements for Shareholder approval.
9.14.9 (4)/(5)/(6)	RPTRC to obtain competent independent advice on acquisition and disposal of substantial asset	Yes	There were no acquisition and disposal of substantial assets during the year 2025/26.
9.17 Additional Disclosures			
(i)	Directors have disclosed all material interests in contracts and have refrained from voting when materially involved		Corporate Governance Commentary – Section 3.1.13
(ii)	Directors have conducted a review of the internal controls and obtained reasonable assurance of their effectiveness and adherence	Yes	Corporate Governance Commentary – Section 5.3
(iii)	Arrangements made for Directors to be made aware of laws, rules and regulations and any changes thereto particularly to Listing Rules and applicable capital market provisions	Yes	Corporate Governance Commentary – Section 3.1.7
(iv)	Disclosure of material non-compliance with laws/regulations and fines by relevant authorities where the Company operates	N/A	N/A

7.4 Code of Best Practice of Corporate Governance 2023 Issued by CA Sri Lanka

VOLUNTARY PROVISIONS

The Company is compliant with almost the full 2023 Code of Best Practice on Corporate Governance issued by the CA Sri Lanka to the extent of business exigency and as required by the Group.

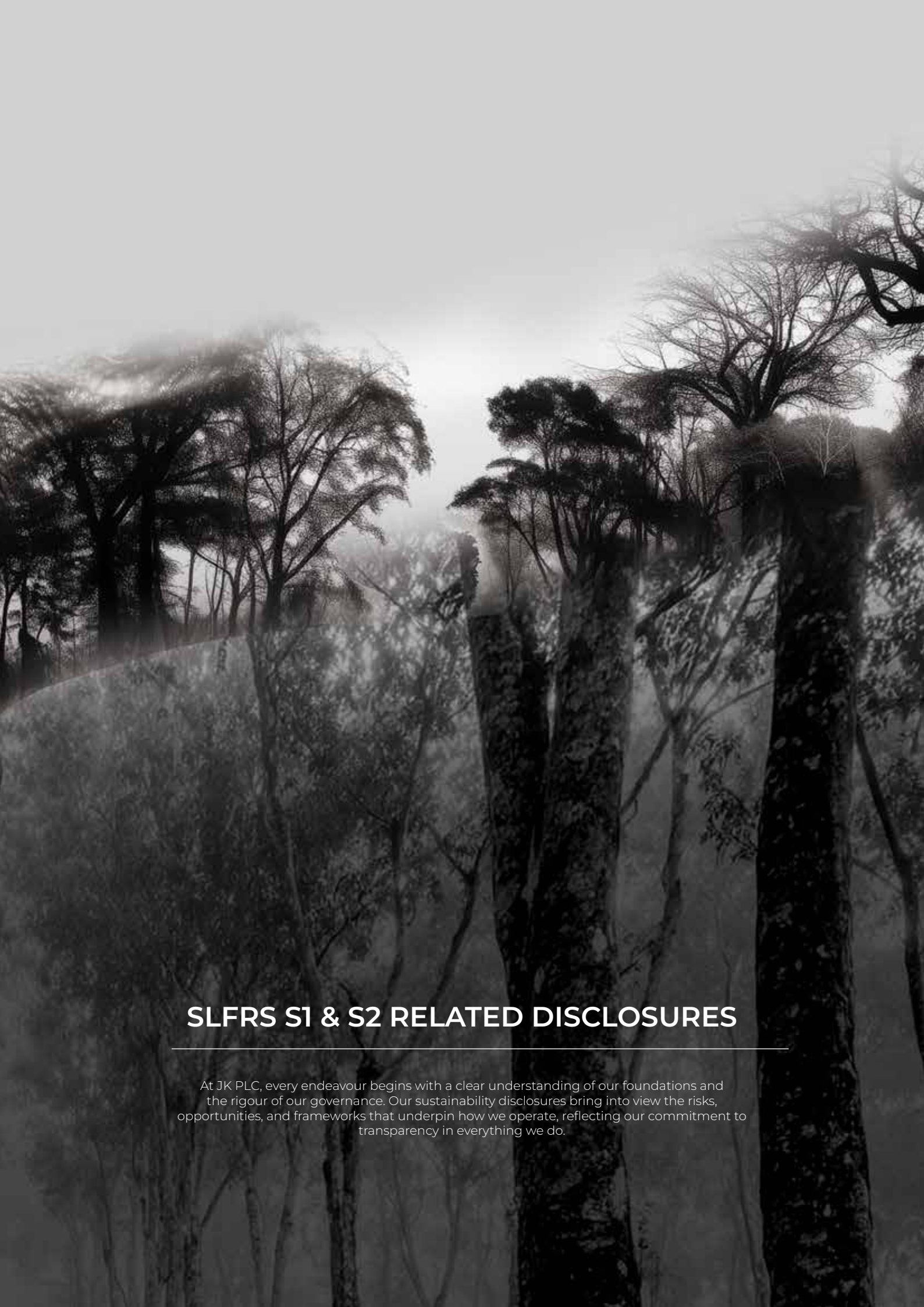
Directors	• The Company is led by an effective Board that possess the skills, experience and financial acumen enabling independent judgement on a variety of subjects. • Regular meetings of the Board are held and at the minimum once a quarter, with access to information, the advice of Company Secretaries and independent professional advice, as required. • The Board (collectively) and Directors (individually) are aware of their obligation to act in accordance with the laws of the Country. • Board balance is maintained in line with the Code. • Whilst there is a transparent procedure for Board Appointments under the oversight of the Nominations and Governance Committee, election and re-election, subject to shareholder approval, takes place at regular intervals. • Specified information regarding Directors, such as annual appraisal of the Board and the CEO is shared in the Corporate Governance Commentary.
Directors' Remuneration	• The Human Resource and Compensation Committee, consisting of exclusively NEDs is responsible for determining the remuneration of CEO and EDs. • Compensation commitments in the event of early termination, determination of NED remuneration by the Board as a whole, remuneration policy and aggregate remuneration paid is disclosed under the Director Remuneration section and is in line with the Code.
Relations with Shareholders	• There is constructive use of the AGM, as per Code. Notice of Meeting, with adequate details, is circulated to shareholders as per statute. • The Group has in place multiple channels to reach shareholders as discussed under the Stakeholder Management and Effective Communication section. • Disclosure of material transactions and requisite shareholder approvals for major transactions.
Accountability and Audit	• Interim and other price sensitive and statutorily mandated reports are disclosed to Regulators. As evident from the Annual Report of the Board of Directors, the Company carried out all business in accordance with regulations and Applicable Laws, equitably and fairly. • The Company continues to be a going concern and remedial action for any material events is in place. All related party transactions are reported under the Notes to the Financial Statements. • There is an annual review of the effectiveness of the Group's risk management and internal controls which ensures the maintenance of a sound system of internal control which is reported on under the Internal Controls section. • The internal audit function and the Audit Committee functions as stipulated by the Code and are discussed under the Audit Committee section. • A Related Party Transactions Review Committee is in place and functions in line with the Code. • There were no violations of the Group Code of Conduct, the Code of Business Conduct and Ethics during the year, which is mentioned under the Chairperson's Message section. • All Corporate Governance disclosures under the CSE rules have been complied with.
Institutional Investors	• The Company conducts regular and structured dialogue with shareholders based on a mutual understanding of objectives. This is done via the Investor Relations team and through the AGM or other General meetings as convened on a need basis.

Other Investors	• Individual shareholders investing directly in shares of the Company are encouraged to carry out adequate analysis and seek independent advice in all investing and/or divesting decisions. They are encouraged to participate at the AGM and any General meetings that are convened and to exercise their voting rights and seek clarity, whenever required.
Sustainability	• ESG (environmental, social and governance) is a pivotal consideration in the Group's decision making. In reporting performance, the Annual Report covers ESG disclosures through the <IR> framework, GRI standards and operations in conformity with the Principles of the United Nations Global Compact and United Nations Sustainable Development Goals. • The Company has established a governance framework and structure which includes conformance, performance and sustainability/ESG factors in line with the Code.
Internet and Cybersecurity	• The Board has prioritised cybersecurity by appointing a dedicated member responsible for overseeing it within the Group. The Company has implemented a group policy, conduct periodic reviews to ensure its effectiveness, discuss cybersecurity risks at the Board level and disclose the management of risks in the Annual Report. Furthermore, measures have been taken to secure connectivity for both internal and external devices.
Special Considerations for Listed Entities	• The Company maintains policies relating to its governance and matters relating to Board of Directors in line with the Listing Rules of the CSE and the Code.

Grounding

Our Craft





SLFRS S1 & S2 RELATED DISCLOSURES

At JK PLC, every endeavour begins with a clear understanding of our foundations and the rigour of our governance. Our sustainability disclosures bring into view the risks, opportunities, and frameworks that underpin how we operate, reflecting our commitment to transparency in everything we do.

BASIS OF PREPARATION

REPORTING ENTITY

This report has been prepared for John Keells PLC and its subsidiaries, including John Keells Stock Brokers (Pvt) Ltd (JKSB) and John Keells Warehouse (Pvt) Ltd (collectively referred to as "the Group"). It should be read in conjunction with the Group's consolidated financial statements to provide a cohesive view of how sustainability-related risks and opportunities impact financial position and performance.

STATEMENT OF COMPLIANCE

This Report has been prepared in accordance with SLFRS Sustainability Standards S1 and S2 issued by CA Sri Lanka which is the localised form of the IFRS Sustainability Disclosure Standards S1 and S2 as issued by the International Sustainability Standards Board.

REPORTING PERIOD AND CONNECTIVITY

This Report covers the financial year ended 31 March 2026 and aligns with the reporting period of the Group's financial statements.

The disclosures contained in this Report are designed to provide investors and other primary users of general-purpose financial reports with decision-useful information regarding sustainability-related and climate-related risks and opportunities that could reasonably be expected to affect the Company's cash flows, access to finance, financial position, financial performance and long-term resilience.

The Group and the Company have sought to ensure connectivity between sustainability-related disclosures and the financial statements by linking sustainability-related and climate-related risks and opportunities to operational performance, risk management processes, strategic priorities and financial planning activities.

REPORTING BOUNDARY

The disclosures contained in this Report relate to the operations of John Keells PLC, including activities connected to tea brokering, tea auction services, warehousing-related support activities, advisory services and related operational functions across the value chain.

The Company considered sustainability-related and climate-related matters across upstream, internal operational and downstream activities within the tea value chain when assessing material sustainability-related risks and opportunities.

Similarly, the stock brokering operations of John Keells Stock Brokers have been considered under the report as well.

SOURCES OF GUIDANCE

In preparing this Report, the Company considered the applicability of the Sustainability Accounting Standards Board (SASB) Standards and other internationally recognised sustainability reporting frameworks and guidance, where relevant.

The Company also considered guidance relating to climate-related risks, governance, enterprise risk management and sustainability-related financial disclosures in developing this Report.

MATERIALITY ASSESSMENT

The Company applied professional judgement in identifying sustainability-related and climate-related risks and opportunities that could reasonably be expected to affect the Company's business model, strategy, operations, financial performance, financial position, cash flows and access to finance over the short, medium and long term.

The assessment incorporated:

- Value chain mapping;
- Consideration of operational dependencies
- Review of stakeholder expectations
- Assessment of climate-related exposures;
- Review of enterprise risk management processes and
- Management judgement regarding financial materiality.

Following management review, the Company identified financially material sustainability-related and climate-related risks across its tea brokering operations and stock brokering operations during the reporting period.

For the tea brokering and advisory operations, the Company identified:

- Climate Physical Risk (Chronic)
- Climate Physical Risk (Acute) and
- Shortage of Skilled Staff, Auctioneers and Manufacturing Advisors.

  For the stock brokering operations of John Keells Stock Brokers, the Company identified:
- Cyber Security, Data and Privacy Risk.

No financially material sustainability-related or climate-related opportunities were identified during the reporting period.

TRANSITION RELIEFS

As permitted under the transition provisions of SLFRS S1 and SLFRS S2, the Company has applied certain transition reliefs during the reporting period, including:

- To only disclose information on Climate-Related Risk & Opportunities (CRRO) ;
- Not to disclose comparative information on CRROs
- Not to disclose Scope 3 emissions
- Not to disclose information on quantitative anticipated

ASSUMPTIONS, JUDGEMENTS AND ESTIMATES

The preparation of sustainability-related financial disclosures requires management to apply assumptions, judgements and estimates in determining material information.

Key areas requiring judgement included:

- Determination of financially material sustainability-related and climate-related risks;
- Selection of relevant climate-related assumptions
- Assessment of value-chain impacts;
- Identification of relevant risk horizons and
- Assessment of potential financial effects.

Measurement uncertainty remains inherent in sustainability-related and climate-related reporting due to evolving methodologies, data limitations and uncertainty regarding future climate conditions, regulatory developments and market responses.

DEFINITIONS OF TIME HORIZONS

The Group defines its planning horizons as follows

- Short-term - <1year
- Medium term 1-5 years
- Long-term - >5 years

JUDGEMENTS AND MEASUREMENT UNCERTAINTY

KEY JUDGEMENTS

The Company applied significant judgement in determining material sustainability-related and climate-related information for disclosure.

MATERIALITY ASSESSMENT

The Company assessed sustainability-related and climate-related matters using a financially focused materiality lens, considering matters that could reasonably be expected to influence investor decision-making or affect enterprise value.

Management judgement was applied in assessing operational dependencies across the tea value chain, including upstream cultivation exposures, logistics disruptions, labour availability and operational continuity.

CLIMATE-RELATED RISKS

Judgement was applied in identifying chronic and acute climate-related physical risks relevant to the Company's tea brokering and auction-related operations.

The Company considered:

- Rainfall variability;
- Drought conditions;
- Flooding;
- Cyclones;
- Landslides;
- Supply chain disruptions and
- Operational resilience

TIME HORIZONS

The Company classified risks using the following time horizons:

- Short term: Less than 1 year;
- Medium term: 1 to 5 years and
- Long term: More than 5 years.

MEASUREMENT UNCERTAINTY

Measurement uncertainty arises from:

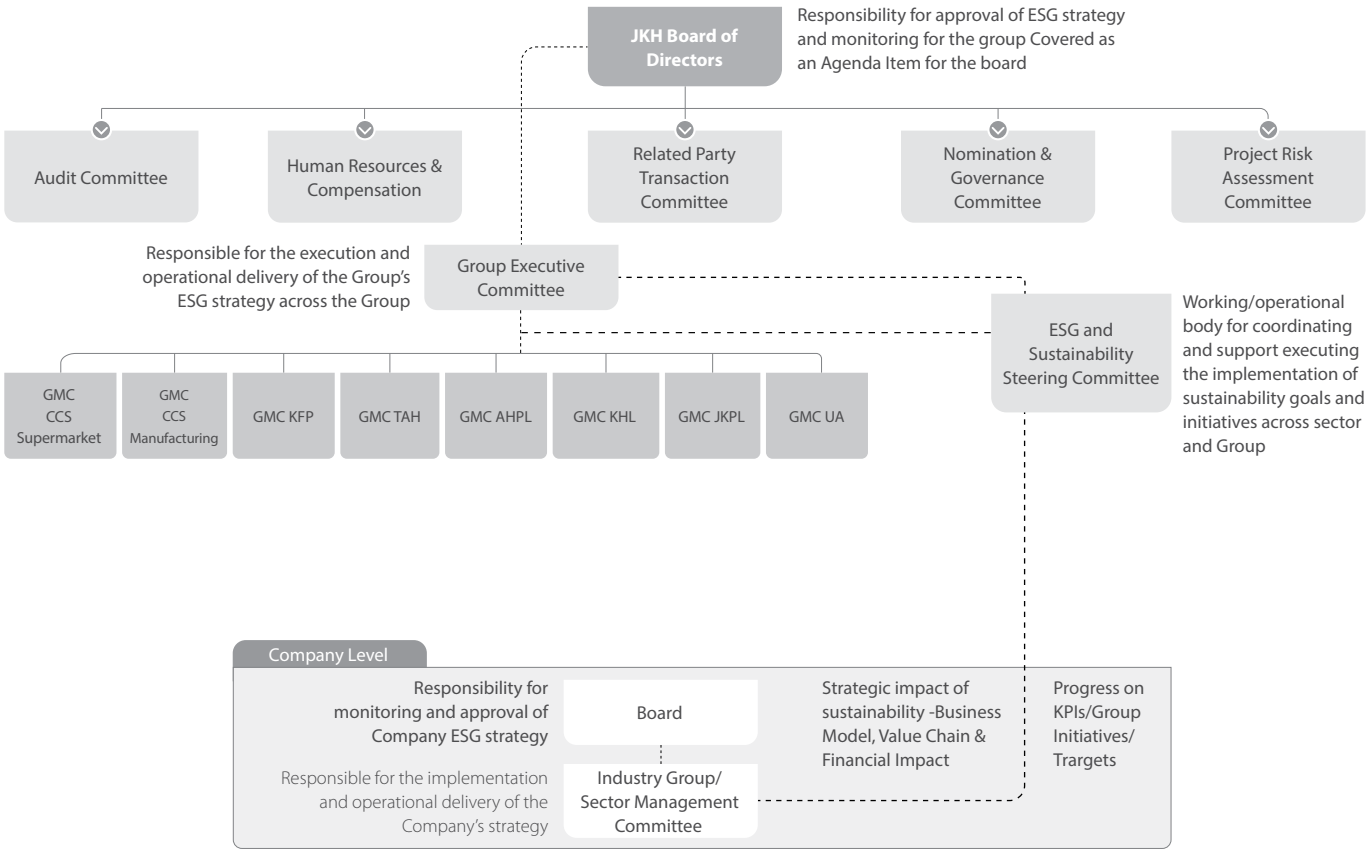
- Reliance on forward-looking assumptions;
- Limited availability of climate-related operational data;
- Dependence on external climate projections;
- Use of qualitative assessments and
- Uncertainty regarding future regulatory and economic conditions.

The Company acknowledges that sustainability-related and climate-related reporting practices are evolving and expects methodologies, assumptions and data quality to improve over time.

SUSTAINABILITY GOVERNANCE FRAMEWORK

The Board of Directors retains ultimate responsibility for oversight of sustainability-related and climate-related risks and opportunities ("SRROs" and "CRROs") that could reasonably be expected to affect the Company's strategy, operations, financial performance, financial position and resilience over the short, medium and long term.

Board oversight is supported by the Group Executive Committee (GEC), the ESG and Sustainability Steering Committee (ESSC) and Sector level Group Management Committees (GMCs), described below. This governance architecture reflects the SLFRS S1/S2 emphasis on clear processes, controls and procedures for monitoring and managing sustainability- and climate-related matters, while the same governance architecture is also utilized to manage the Group's sustainability impacts on the economy, environment and society in alignment with the GRI Standards Governance disclosures.



The governance framework established by the Company seeks to ensure that sustainability-related and climate-related considerations are integrated into strategic planning, enterprise risk management, operational oversight and decision-making processes.

The Company's sustainability governance structure incorporates oversight and management responsibilities across multiple levels of governance, including:

- The Board of Directors;
- Group Executive Committee (GEC);
- ESG and Sustainability Steering Committee (ESSC) and
- Sector-level Group Management Committees (GMCs).

This governance structure supports:

- Identification and assessment of sustainability-related and climate-related risks;
- Escalation and oversight of material matters;
- Monitoring of mitigation initiatives;
- Integration into strategic planning and enterprise risk management and
- Development of sustainability-related disclosures.

BOARD OVERSIGHT

The Board oversees the Company's sustainability related and climate-related governance arrangements and monitors material sustainability related and climate related risks and opportunities.

The Board's responsibilities include:

- Reviewing sustainability-related and climate-related matters relevant to long-term value creation;
- Overseeing integration of sustainability considerations into strategy and risk management;
- Reviewing material sustainability-related and climate-related developments;
- Monitoring governance processes, systems and controls and
- Overseeing sustainability-related disclosures.

The Board receives regular updates through structured reporting processes, including:

- Enterprise Risk Management reports;
- Sustainability dashboards;
- ESG and sustainability updates;
- Sector-level reports and
- Briefings on regulatory developments and emerging sustainability matters.

The Board meets quarterly, or more frequently where required.

SKILLS AND EXPERTISE OF THE BOARD

The Board's diverse expertise (finance, strategy, risk, governance, operations, technology and regulation), supported by structured GEC briefings, targeted training and engagement with external specialists involved in global sustainability standard-setting, ensures robust oversight of the Group's impact management and SRROs/CRROs. Refer the Board Profiles section of this Report for further details.

GROUP EXECUTIVE COMMITTEE (GEC)

The Group Executive Committee acts as the principal executive-level body responsible for implementation and oversight of sustainability-related and climate-related matters.

The GEC's responsibilities include:

- Integrating sustainability-related and climate-related considerations into strategic planning;
- Reviewing material sustainability-related and climate-related risks;
- Monitoring mitigation initiatives and disclosure readiness;
- Reviewing sustainability-related performance and reporting;
- Evaluating sustainability-related implications of investments and operational decisions and
- Overseeing alignment with governance expectations and stakeholder considerations.

The GEC receives quarterly updates from the ESSC and sector-level management.

ESG AND SUSTAINABILITY STEERING COMMITTEE (ESSC)

The ESSC supports implementation and coordination of sustainability and climate-related activities across the organisation. The ESSC is headed by the Deputy Chairperson/ Group Finance Director. The ESSC comprises of the Head of Sustainability, Head of Governance and Compliance.

The ESSC receives quarterly dashboards and formal reporting from Sector GMCs to coordinate oversight, including group-level risk reporting, sector ESG reviews and updates on disclosures, metrics, targets and methodologies

The ESSC's responsibilities include:

- Monitoring sustainability-related and climate-related risks and opportunities;
- Supporting materiality assessments;
- Coordinating cross-functional sustainability initiatives;
- Reviewing governance processes and controls;
- Supporting disclosure readiness;
- Monitoring emerging sustainability developments and
- Supporting stakeholder engagement.

The ESSC consolidates operational insights and elevates material matters to the GEC.

MANAGEMENT RESPONSIBILITIES

Management is responsible for operationalising the Group's sustainability impacts, as well as its sustainability and climate-related strategies and initiatives, through clearly defined governance structures, reporting lines and internal controls. Execution is delegated to the Group Management Committees (GMCs), with oversight maintained through structured reporting to the Group Sustainability function and the ESSC. The ESSC consolidates sector-level insights and escalates material matters to the GEC and, where necessary, onward to the Board.

DELEGATION AND OVERSIGHT

Execution of sustainability impact management strategies, along with sustainability and climate-related initiatives, is entrusted to the sector GMCs.

As the leadership body for sector-level governance, GMCs translate Group ESG objectives - established by the ESSC, overseen by the GEC and approved by the Board - into actionable, sector-specific strategies. In executing this mandate, GMCs identify sector-level ESG priorities, align them with long-term value creation and oversee their integration into capital investments, resource allocation and operational improvements to ensure responsible business conduct. Oversight is maintained through structured reporting to the Group Sustainability function and the ESSC, which consolidates sector insights and escalates material matters to the GEC and the Board.

Sector-level management committees support implementation by:

- Integrating sustainability-related matters into operational planning;
- Identifying and assessing sustainability-related and climate-related risks;
- Monitoring operational exposures;
- Reviewing regulatory developments;
- Supporting metrics development;
- Monitoring data quality and reporting and
- Escalating material matters through established governance channels.

CONTROLS AND PROCEDURES

The Company maintains structured controls and procedures to support sustainability-related and climate-related governance and reporting.

These include:

- Enterprise Risk Management processes;
- Sustainability governance frameworks;
- Cross-functional coordination mechanisms;
- ESG data collection and reporting processes;
- Internal controls and monitoring activities and
- Escalation and reporting procedures.

Sustainability-related and climate-related matters are integrated into broader enterprise risk management processes and reviewed alongside strategic, operational, financial and compliance risks.

Following management review and value chain analysis, the Company identified the following financially material sustainability-related and climate-related risks:

CLIMATE-RELATED RISKS

1. Climate Physical Risk (Chronic)

Time Horizon – Short and Medium Term

Variations in rainfall patterns including droughts or excessive rainfall can negatively impact tea cultivation. Irregular rainfall and droughts impact crop growth, green leaf availability, quality of tea produced and catalogued tea quantities. This disrupts the consistency of auction volumes, reduces warehouse stock levels and can influence tea prices at the auction.

BUSINESS MODEL AND VALUE CHAIN

(a) Current and Anticipated Effects on the Business Model and Value Chain

Chronic climate trends such as prolonged drought and irregular rainfall currently have no material impact, but are expected to reduce green leaf availability, weaken product quality and cause week to week fluctuations in production volumes. This increases auction price volatility, weakens buyer confidence and disrupts weekly supply flows, ultimately reducing overall revenue.

(b) Where the Risk Is Concentrated in the Business Model and Value Chain

The risk is mainly concentrated in upstream field operations where tea cultivation is directly exposed to long term climate stress, with secondary impacts on factory processing due to inconsistent raw leaf intake and further internal operations and downstream effects on warehousing, cataloguing and at the tea auction and sale stage and auction planning as fluctuating production volumes disrupt catalogue preparation and weaken buyer engagement.

STRATEGY AND DECISION MAKING

i. Current Effects to the Business Model

Current climate variability is beginning to affect JK PLC's upstream revenue model, which relies heavily on consistent green leaf cultivation driven by rainfall, temperature stability and soil moisture conditions. Reduced leaf availability creates fluctuations in catalogued quantities, limiting weekly auction volumes and marginally influencing brokerage income.

ii. Anticipated Changes to the Business Model

Over the next five years, JKPLC will adjust its business model to improve revenue resilience by diversifying sourcing across regions with varying climatic exposure. Resource allocation will increasingly focus on analytics, estate engagement and volume forecasting to manage climate-driven variability in supply and auction throughput.

iii. Current and Anticipated Direct Mitigation & Adaptation Efforts

Current mitigation efforts focus on reducing exposure to climate driven production variability by maintaining a diversified clientele portfolio across multiple elevations and regions, thereby avoiding reliance on any single climate zone. Anticipated mitigation efforts are strengthening collaboration with estates to improve early warning signals on production declines. Currently direct adaptation methods aren't identified. Continuous refinement of forecasting tools using historical rainfall and drought patterns is the identified anticipated adaptation effort.

iv. Current and Anticipated indirect Mitigation & Adaptation Efforts

Current indirect efforts focus on closer coordination with producers and factories to ensure timely dispatches and prevent catalogue delays during periods of climate driven production variability. JKPLC also supports estates with clearer market insights and grade mix expectations to help align manufacturing decisions with buyer demand and minimize the impact of fluctuating leaf volumes. JKPLC intends to support estates through advisory services that encourage climate-resilient agricultural practices and promote diversified supply channels to reduce dependence on climate-vulnerable regions. Industry bodies and training institutions support indirect climate adaptation by guiding estates on climate-responsive agricultural practices and strengthening system-wide knowledge to help cushion the impacts of weather-driven production variability. Over time, this approach is expected to evolve through the embedding of climate-risk considerations into long-term revenue forecasting and strategic planning, alongside a gradual reallocation of resources away from reactive production-volume management toward proactive resilience planning.

v. How the Entity Plans to Achieve Related Climate Linked Targets

Our climate targets are currently in development, informed by a detailed baseline data assessment that is underway. We remain committed to transparency and will disclose our specific targets, associated timelines and progress once the target-setting process has been finalized

FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOWS

Impact on Financial Position

Current impact:

Chronic climate variability has led to lower catalogue volumes in certain periods, reducing receivables and the active client base. While the balance sheet impact remains manageable, short term borrowings may be used to meet fixed operating costs during production shortfalls.

Anticipate impact:

Short term : Reduction in production volumes due to drought or irregular rainfall is expected to lower trade receivables reducing revenue as auctioned quantities decline. Reduced volumes may also weaken asset utilisation across warehousing and related operations.

Medium Term: Ongoing climate variability may increase volatility in working capital requirements due to fluctuating production and auction volumes. Liquidity pressure could arise during prolonged periods of lower intake, requiring greater reliance on short term financing to maintain operational stability.

Long term : Sustained exposure to chronic climate conditions may structurally weaken receivables growth and long-term asset utilisation. This could necessitate a reassessment of asset deployment and capital allocation, increasing balance sheet vulnerability and reducing long term financial resilience.

Impact on Financial Performance

Current Impact:

Lower production volumes due to drought or irregular rainfall have reduced brokerage income, while largely fixed operating costs remain unchanged, resulting in margin pressure during affected periods.

Anticipated Impact:

Short term: A decline in production and auction volumes due to drought or irregular rainfall is expected to immediately reduce brokerage revenue, while largely fixed operating costs continue to place pressure on profit margins.

Medium term: Ongoing climate variability may result in inconsistent seasonal performance, increasing revenue volatility and reducing the predictability of earnings.

Long term: Sustained climate driven production volatility may challenge long term revenue growth assumptions and weaken competitive positioning if volume instability persists.

Impact on Cash Flows

Current Impact:

Reduced catalogue quantities have lowered brokerage receipts, constraining operating cash inflows and tightening working-capital liquidity as collections slow relative to fixed expenses.

Anticipated Impact:

Short term: Reduced auction throughput arising from chronic climate variability is expected to lower operating cash inflows, tightening working capital cycles as collections fluctuate relative to ongoing operating expenses.

Medium term: Increased variability in production and auction volumes may lead to greater cash flow volatility, requiring enhanced short term liquidity management and occasional reliance on internal reserves during periods of reduced intake.

Long term : Sustained climate driven uncertainty in tea volumes may create structural cash flow instability, necessitating stronger liquidity buffers and enhanced resilience planning to support long-term operations.

Impact on Cost of Capital

Current Impact:

Production volatility linked to chronic climate conditions has slightly increased business-risk perceptions, which may influence lender sentiment and result in marginally tighter borrowing terms and this higher perceived volatility drives up weighted average cost of capital (WACC)

Anticipated Impact:

Short term: Ongoing production volatility linked to chronic climate conditions may increase perceived business risk, leading lenders to apply a higher risk premium on financing facilities.

Medium term: Sustained variability in auction volumes and revenue stability may cause banks to tighten lending terms as perceived financial stability weakens.

Long term: Persistent climate driven uncertainty may elevate long term earnings volatility, increasing the weighted average cost of capital as financiers price in higher structural risk.

2. Climate Physical Risk (Acute)

Time Horizon – Short and Medium Term

Extreme weather events such as cyclones, landslides and severe flooding can disrupt production, transportation and supply. These events may damage estates and block transport routes causing a delay in the movement of catalogued teas and hindering access to auctions. Operational interruptions reduce auction quantities and increase logistics costs, resulting in potential loss of revenue and supply instability

BUSINESS MODEL AND VALUE CHAIN

(a) Current and Anticipated Effects on the Business Model and Value Chain

The rising frequency and severity of acute climate hazards such as river floods and tropical cyclones are expected to cause recurring disruptions across upstream estates and factories, as well as internal warehousing and downstream logistics. These interruptions reduce operational continuity, delay transport to warehouses and catalogue preparation, weaken auction performance and buyer confidence due to irregular offerings and ultimately affect revenue realization throughout the value chain.

(b) Where the Risk Is Concentrated in the Business Model and Value Chain

Acute climate risks are concentrated across the respective geographical areas where estates and factories operate, storage and warehousing solutions in the internal operations, downstream, transport and export activities remain vulnerable to sudden interruptions caused by cyclones, floods and landslides.

Strategy and Decision Making

i. Current Effects to the Business Model

There is no current impact, however the business depends on upstream cultivation and sourcing of green leaf, which is disrupted by extreme rainfall, intense wind and weather events. Lower production and transport disruptions reduce catalogued quantities and brokerage revenue.

ii. Anticipated Changes to the Business Model

JKPLC's business model will increasingly incorporate operational resilience and continuity planning, with targeted resource allocation to disaster preparedness, logistics flexibility and alternative auction execution arrangements to manage sudden climate-related disruptions.

iii. Current and Anticipated Direct Mitigation & Adaptation Efforts

Current direct mitigation focuses on reducing exposure to localised disaster impacts by maintaining a diversified clientele portfolio across multiple elevations and regions. At present, there are no direct adaptation measures. Anticipated direct mitigation measures are strengthening contingency planning for auction delays or cancellations and establishment of clear escalation protocols for disaster-related disruptions in key sourcing regions. Improving coordination with logistics providers to manage transport disruptions is the identified anticipated direct adaptation effort.

iv. Current and Anticipated indirect Mitigation & Adaptation Efforts

Current indirect efforts focus on working with producers and factories to ensure timely dispatches and reduce catalogue delays during acute weather disruptions, while providing market insights and grade mix expectations to help align production with buyer demand. Industry bodies and training institutions also supports estates to adapt by promoting

climate responsive agricultural practices and strengthening system wide capacity to manage weather driven variability. Anticipated indirect mitigation methods are to engage with estates on disaster preparedness and post-event recovery planning and encourage decentralized sourcing to reduce systemic exposure to single-region events.

v. How the Entity Plans to Achieve Related Climate Linked Targets

Our climate targets are currently in development, informed by a detailed baseline data assessment that is underway. We remain committed to transparency and will disclose our specific targets, associated timelines and progress once the target-setting process has been finalized.

FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOWS

Impact on Financial Position

Current impact:

Acute climate events have the potential to disrupt transport and supply routes, reducing tea volumes available for auction and delaying receivables. Possible impairment risks if tea factories/ estates face a prolonged shutdown. Increased short-term liabilities if the Company must finance alternative logistics or operational contingencies

Anticipate impact:

Short Term: Sudden disruptions caused by cyclones, landslides, or severe floods may result in immediate reductions in receivables due to auction cancellations or delays, alongside temporary increases in short term obligations to manage operational disruptions.

Medium Term: Recurring acute events may increase balance sheet volatility, with potential impacts on the recoverability of receivables from affected estates.

Long Term: If severe events intensify or occur more frequently, the Company may face increased exposure to asset and liquidity risk, requiring greater emphasis on balance-sheet resilience and long-term financial stability planning.

IMPACT ON FINANCIAL PERFORMANCE

Current Impact:

Sudden disruptions to production and transport can sharply reduce catalogue volumes, directly lowering brokerage income. Additional expenses for rerouting, delays and communication. Profitability is pressured by prolonged production stoppages.

Anticipated Impact:

Short term: Sudden disruptions to auctions and supply flows caused by cyclones, landslides or severe floods may result in sharp but temporary declines in brokerage revenue, alongside higher operating costs related to contingency and emergency response measures.

Medium term: Repeated disaster events may suppress average annual revenue levels and erode profitability due to disruption-related inefficiencies and increased operational volatility.

Long term: An increasing frequency of extreme weather events could place structural pressure on financial performance, resulting in heightened earnings volatility and weaker long term profitability assumptions.

Impact on Cash Flows

Current Impact:

Interruptions caused by cyclones, floods or landslides can significantly reduce operating cash inflows due to stalled auctions, while unplanned cash outflows may arise from rerouting, delays and emergency operational measures.

Anticipated Impact:

Short term: Immediate reduction in cash inflows during disaster-related auction disruptions, while unplanned cash outflows may arise from logistics rerouting and operational recovery efforts.

Medium term: Recurring acute weather events may result in irregular operating cash flows, increasing the need for enhanced short-term liquidity planning to manage volatility.

Long term: Persistent exposure to severe climate events may heighten long-term liquidity risk, requiring stronger business continuity funding strategies to support operational resilience.

IMPACT ON COST OF CAPITAL

Current Impact:

Exposure to sudden and severe weather disruptions has increased operational risk perception, which may influence lenders to apply more cautious credit terms or marginally higher interest margins on short term financing. Greater uncertainty in revenue streams increases the Company's long-term cost of capital.

Anticipated Impact:

Short term: Sudden disruptions from acute climate events may increase perceived operational risk, leading lenders to apply higher interest margins on short-term credit facilities.

Medium term: Recurring disaster related disruptions could elevate business risk assessments, prompting credit providers to tighten lending terms or reassess financing conditions.

Long term: Sustained uncertainty in revenue and operations driven by frequent extreme weather events may increase the Company's long term cost of capital as financiers price in higher structural risk.

Sustainability-related Risks

3. Shortage of Skilled Staff, Auctioneers and Manufacturing Advisors
Time Horizon – Short and Medium Term

Insufficient availability of skilled labour including auctioneers, manufacturing advisors and technical staff can reduce operational efficiency and weaken production quality control. Staffing shortages can delay key manufacturing processes and limit auction volumes. This may lead to customer dissatisfaction and ultimately impact revenue.

BUSINESS MODEL AND VALUE CHAIN

(a) Current and Anticipated Effects on the Business Model and Value Chain

Addressing talent availability and capability across the value chain remains a key focus to support efficient auction-related processes and consistent service delivery. Continued investment in workforce planning and skills development will help optimize resources, reinforce broker credibility, maintain strong client relationships and support the sustainability of auction volumes and revenue over the longer term.

(b) Where the Risk Is Concentrated in the Business Model and Value Chain

Talent attraction and retention at the upstream level influence the availability of skilled auctioneers and advisory personnel. Core internal functions such as product advisory, valuation, pricing guidance and production recommendations are similarly dependent on specialised expertise. Further along the value chain, auction representation and presence are key areas where capability depth remains particularly important.

STRATEGY AND DECISION MAKING

i. Response in Strategy & Decision-Making

In response to the growing shortage of skilled tea tasters, auctioneers and manufacturing advisors, strategy and decision making efforts focus on strengthening long term talent continuity and reducing operational vulnerability. JKPLC is prioritising targeted talent development pathways by attracting and training young entrants through structured internship programmes, while enhancing succession planning for critical specialist roles. To broaden the recruitment pipeline, the Company is also engaging with universities, technical institutes and vocational programmes to raise awareness of career opportunities in brokering, encouraging more individuals to enter these specialised functions.

ii. Progress to Date

Progress to date includes targeted efforts to strengthen the pipeline for specialist roles through structured internship programmes and early career development initiatives. JKPLC has introduced succession planning measures for key positions such as tea tasters, auctioneers and manufacturing advisors, while expanding engagement with universities, technical institutes and vocational programmes to raise awareness of brokering career paths.

iii. Trade-Offs Considered

To address the shortage of skilled auctioneers, tea tasters and manufacturing advisors, JKPLC has had to balance long term talent development with short term operational demands. Investing in internships, succession planning and institutional engagement requires time and resources that could otherwise support current workloads, while relying on existing staff risks capacity strain and service inconsistencies. The Company has therefore prioritised building a sustainable talent pipeline over immediate relief measures, accepting slower short term efficiency gains in order to secure long term operational resilience in these specialised roles.

FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOWS

Impact on Financial Position

Current Impact:

Ongoing workforce optimization and flexible resourcing are supporting effective auction execution and improving receivables accuracy, while continued skills development initiatives are expected to further strengthen operational capacity.

Anticipated Impact:

Short Term: Continued shortages in skilled personnel may result in revenue pressure while increasing short term liabilities arising from overtime payments and temporary staffing arrangements, alongside reduced efficiency in asset utilisation.

Medium Term: Persistent staffing gaps may place pressure on working capital efficiency due to slower operational cycles, with increased recruitment and training related costs accumulating and being capitalised over time.

Long Term: Sustained skill shortages may weaken operational capacity and productivity, increasing exposure to strategic human capital constraints and affecting long term financial stability.

Impact on Financial Performance

Current Impact:

Lower operational efficiency arising from staffing constraints has directly reduced brokerage income, while higher staffing related costs may cause margin pressure. Cataloguing or sampling errors can weaken buyer confidence, leading to lower demand and reduced commission earnings.

Anticipated Impact:

Short Term: Operational delays and execution errors arising from skill shortages may reduce brokerage revenue, while higher staffing related costs put immediate pressure on profit margins.

Medium Term: Persistent skill gaps may dampen revenue growth and consistency, increasing cost to income ratios.

Long Term: Sustained talent scarcity may constrain service quality and scale, placing long-term pressure on profitability and increasing competitiveness risk within the broking market.

Impact on Cash Flows

Current Impact:

Reduced auction throughput and slower operational cycles have constrained operating cash inflows, while higher cash outflows from overtime payments, recruitment and training costs have increased short-term liquidity pressure.

Anticipated Impact:

Short Term: Higher operating cash outflows are expected due to increased spending on overtime, recruitment and training, while delayed auction processing may slow cash inflows from brokerage operations.

Medium Term: Continued shortages in skilled personnel may result in sustained cash flow pressure from elevated people related costs, alongside variability in operating cash generation caused by operational inefficiencies.

Long Term : Long-term cash flow resilience may become increasingly dependent on the successful execution of talent development and retention.

Impact on Cost of Capital

Current Impact:

Operational instability linked to persistent skill gaps has increased business risk perception, which may influence lender confidence and contribute to marginally higher borrowing costs. A structurally weaker talent pipeline can increase long-term strategic risk, contributing to a higher overall cost of capital.

Anticipated Impact:

Short Term: Operational instability arising from staffing constraints may increase perceived business risk, prompting lenders to apply higher risk premiums or slightly increase borrowing costs.

Medium Term: Continued concerns over workforce capacity and execution reliability may weaken credit confidence, leading financiers to tighten lending terms or reassess exposure.

Long Term: A structurally weak talent pipeline may elevate long term strategic risk, contributing to a higher overall cost of capital as lenders and financiers price in sustained human capital vulnerability.

4. Cyber Security, Data and Privacy Risk John Keells Stock Brokers
   Time Horizon Short and Medium Term

Within the stock brokering operations of John Keells Stock Brokers, the Company identified cyber security, data protection and privacy-related risks as financially material sustainability-related risks. Unauthorised access, disclosure, misuse or loss of confidential customer, employee or operational information may arise from cyber-attacks, system vulnerabilities, remote access exposures, weak data governance controls or human error. Such incidents could disrupt operations, result in legal or regulatory consequences, weaken customer trust, affect operational resilience and negatively impact financial performance and reputation.

BUSINESS MODEL AND VALUE CHAIN

(a) Current and Anticipated Effects on the Business Model and Value Chain

Current impacts arise from higher IT operating costs to maintain cybersecurity controls, meet data protection requirements and safeguard sensitive client and transaction information, with any breach posing risks of operational disruption. Looking ahead, increasing digitalisation, remote access needs and evolving cyber threats are expected to heighten business model exposure by raising compliance obligations and associated costs. Across the value chain, compliance with data protection laws requires increased IT operating expenditure to maintain strong cybersecurity and vendor controls, as failures could lead to reputational damage, heightened regulatory scrutiny and potential penalties, particularly during client acquisition, onboarding and order placement and execution stages of the value chain.

(b) Where the Opportunity Is Concentrated in the Business Model and Value Chain

The risk is concentrated within order placement & execution and client acquisition and onboarding stages of the value chain.

STRATEGY AND DECISION MAKING

i. Response in Strategy & Decision-Making

Strengthening cybersecurity resilience by enhancing access control practices, increasing the frequency of vulnerability assessments and penetration testing and reinforcing data protection policies across the organisation. Management is directing resources toward employee cybersecurity awareness training and formalising incident response, disaster recovery and crisis communication protocols to ensure rapid containment of breaches. In addition, JKSB is tightening vendor risk oversight, expanding continuous monitoring and threat intelligence capabilities and integrating business continuity planning and redundant systems into operational decision making to safeguard critical processes and maintain service reliability.

ii. Progress to Date

Progress to date includes strengthening access controls and updating data protection policies supported by employee cybersecurity awareness training. JKSB has formalised incident response and disaster recovery procedures, improved backup and restoration capabilities and established crisis communication plans for clients and regulators. Vendor risk oversight has been tightened through closer alignment with IT service providers, while continuous monitoring tools, threat intelligence subscriptions and business continuity planning have enhanced overall resilience.

iii. Trade-Offs Considered

Addressing this risk requires balancing stronger cybersecurity controls with the added cost and operational effort needed to implement them. Investments in access controls, monitoring tools, disaster recovery capabilities and training increase protection but also raise IT expenses and internal resource commitments. Enhanced reviews, audits and vendor management processes can slow operational workflows, while tighter security requirements may add steps to client onboarding and trade execution. JKSB accepts these short term efficiency impacts in favour of long term resilience, regulatory compliance and maintaining client trust.

FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOWS

Impact on Financial Position

Current Impact:

Possible recognition of provisions for penalties, legal claims, or remediation costs and capital expenditure for urgent IT upgrades.

Anticipated Impact:

Short Term: Possible recognition of provisions for regulatory penalties or legal exposures

Medium Term: Investment in IT infrastructure (capex) increasing the Company's Non-Current Assets and reduction in cash (assets) due to payment of fines.

Long Term: Investment in IT infrastructure (capex) increasing the Company's Non-Current Assets and reduction in cash (assets) due to payment of fines.

Impact on Financial Performance

Current Impact:

Increase in administrative expenses (IT-related OPEX for privacy & cybersecurity).

Anticipated Impact:

Short Term: Higher operating expenses for IT security upgrades, PDPA compliance costs and external audits and vulnerability testing. Potential one-off losses from data breaches and temporary trading disruptions.

Medium Term: Reputational damage leading to a loss in revenue and profitability and legal costs and regulatory fines which will reduce overall profitability.

Long Term: Reputational damage leading to a loss in revenue and profitability and legal costs and regulatory fines which will reduce overall profitability.

Impact on Cash Flows

Current Impact:

Cash outflows increase due to IT expenses.

Anticipated Impact:

Short Term: Cash outflows increase due to operating activities and purchasing of cyber security infrastructure may increase investing cash outflows.

Medium Term: Reputational damage leading to a loss in revenue and profitability and legal costs and regulatory fines which will reduce overall profitability.

Long Term: Reputational damage leading to a loss in revenue and profitability and legal costs and regulatory fines which will reduce overall profitability.

Impact on Cost of Capital

Current Impact:

Not separately identifiable

Anticipated Impact:

Short Term: The cost of capital may increase due to higher perceived risk from potential regulatory penalties, legal exposure, increased operating costs and one-off losses from cyber incidents.

Medium Term: The cost of capital is likely to remain elevated as reputational damage, reduced profitability and ongoing legal and compliance costs weaken investor and lender confidence despite continued IT investments.

Long Term: The cost of capital may normalize or decline if sustained cybersecurity investment improve risk management and governance; however, persistent incidents and regulatory actions would result in a structurally higher cost of capital.

CLIMATE RESILIENCE

During the reporting period, the Company did not conduct formal climate-related scenario analysis.

The Company acknowledges the importance of climate resilience assessments and climate-related scenario analysis and continues to evaluate the incorporation of such methodologies into future risk management and strategic planning activities.

TRANSITION PLAN

The Company does not currently maintain a formal climate-related transition plan. Management recognises the increasing importance of transition planning and expects future climate-related ambitions, targets and transition pathways to evolve as sustainability-related governance, data availability and operational readiness mature.

Risk Management

PROCESSES FOR IDENTIFYING, ASSESSING, PRIORATISING AND MONITORING RROS/CRROS

Enterprise Risk Management Framework

The Company and the Group maintains an integrated Enterprise Risk Management Framework ("ERMF") to support identification, assessment, prioritisation, management and monitoring of sustainability-related and climate-related risks and opportunities. Sustainability-related and climate-related matters are integrated into broader enterprise risk management processes and are assessed alongside operational, financial, strategic and compliance-related risks.

RISK IDENTIFICATION AND ASSESSMENT

The Company conducted structured assessments across its value chain to identify sustainability-related and climate-related risks and dependencies.

The assessment considered:

- Operational activities;
- Upstream tea cultivation dependencies;
- Warehousing and logistics activities;
- Workforce-related considerations;
- Regulatory developments;
- Stakeholder expectations;
- Climate-related operational exposures and
- Sustainability-related operational impacts.

INPUTS AND PARAMETERS

Sustainability and Climate Related Risk identification and assessment processes incorporate:

- Financial and operational information;
- Enterprise risk registers;
- Operational assessments;
- Regulatory developments;
- Industry and market trends;
- Sustainability-related metrics;
- Stakeholder feedback and
- Operational performance indicators.

SUSTAINABILITY AND CLIMATE RELATED RISK EVALUATION METHODOLOGY

The Company applies a structured qualitative risk assessment methodology to assess:

- Nature of risk;
- Likelihood of occurrence;
- Magnitude of impact and
- Residual risk exposure.

The assessment considers:

- Operational impacts;
- Financial impacts;
- Environmental considerations;
- Regulatory exposures;
- Reputational impacts and
- Strategic implications

MONITORING AND OVERSIGHT

Material sustainability-related and climate-related risks are monitored through:

- Risk management committees;
- Enterprise risk reporting processes;
- Sustainability governance structures;
- Internal controls and monitoring activities and
- Escalation procedures

Sector-level management provides regular updates to the ESSC, which consolidates and escalates material matters to the GEC and Board where appropriate.

CLIMATE-RELATED SCENARIO ANALYSIS

The Company does not currently utilise formal climate-related scenario analysis methodologies within its risk management processes.

Management continues to evaluate potential incorporation of scenario analysis methodologies to strengthen future climate-related risk assessment capabilities.

PRIORITISATION OF CLIMATE-RELATED RISKS

Climate-related risks are prioritised within the enterprise risk management framework based on their potential impact on operational continuity, safety, compliance, financial performance and reputation.

Acute physical risks are prioritised alongside operational and sourcing risks due to their potential to disrupt logistics, supplier performance and operations. Asset-related physical risks are treated as key operational and safety risks due to the potential for asset damage, downtime and employee safety impacts.

Workforce-related climate risks are managed as people-related operational risks due to their effect on talent availability, capability development and service quality. Product quality and customer-facing risks are prioritised alongside broader customer health, safety and compliance risks because of their regulatory and reputational implications.

Risks identified through value-chain mapping were prioritised based on likelihood, impact and the Company's ability to manage or mitigate exposure. Impact assessments considered implications for financial performance, cash flows, operational resilience and long-term sustainability across short, medium and long term horizons.

Material climate-related risks are incorporated into quarterly Risk Committee reporting and monitored alongside operational, financial, strategic and compliance-related risks.

CHANGES IN PROCESSES

The Group has retained the core processes used to identify, assess, prioritise and manage climate-related risks and opportunities during the reporting period. The existing ERM framework continues to underpin risk assessment activities across the Company.

However, several enhancements were introduced to strengthen governance, integration and alignment with evolving sustainability and climate disclosure requirements. These include:

- Enhanced governance oversight through the Board, Board Audit Committee and enterprise-wide risk and sustainability forums.
- Improved value-chain mapping to better assess physical, transition and sustainability-related risks and opportunities.
- Greater integration of climate-related opportunities into sustainability strategy and strategic planning processes.

The Company also continues to strengthen its processes through stakeholder engagement, regulatory horizon scanning, supplier due diligence, resilience assessments and internal workshops to identify and assess climate related risks and opportunities across the value chain

Metrics and Targets

METRICS

The Company continues to strengthen sustainability-related and climate-related data collection and reporting processes.

During the reporting period, management focused on establishing baseline information, governance structures and operational processes required to support future sustainability-related target setting and disclosure development.

The Company monitored a range of operational and sustainability-related indicators relevant to identified risks, including:

- Operational throughput indicators;
- Workforce and training metrics;
- Operational disruption indicators;
- Business continuity considerations;
- Liquidity and working capital indicators and
- Operational risk metrics.

TARGETS

At the reporting date, the Company had not finalised formal climate-related targets or transition-related commitments.

The Company is currently undertaking baseline assessments and evaluating future sustainability-related and climate-related targets, including climate ambitions and related performance indicators.

Once target-setting processes are completed, the Company intends to disclose:

- Climate-related targets;
- Related timelines;
- Progress against targets;
- Governance oversight arrangements and
- Performance monitoring methodologies.

REMUNERATION

The Company has not yet incorporated sustainability-related or climate-related performance metrics into executive remuneration frameworks.

The Board and relevant governance committees intend to evaluate potential integration of sustainability-related and climate-related performance considerations into remuneration structures following the formalisation of climate-related ambitions and targets.

CONCLUSION

The Company and the Group recognises the growing importance of sustainability-related and climate-related governance, transparency and risk management in supporting long-term value creation and organisational resilience.

During the reporting period, the Company and the Group strengthened its sustainability-related governance framework, integrated climate-related considerations into enterprise risk management processes and enhanced understanding of financially material sustainability-related and climate-related risks affecting the tea brokering and advisory business.

The Company and the Group intends to continue enhancing:

- Sustainability-related governance processes;
- Climate-related risk assessment capabilities;
- Data collection and reporting systems;
- Climate resilience assessments;
- Target-setting frameworks and
- Disclosure quality and maturity in future reporting periods.

Management remains committed to progressively aligning sustainability-related reporting practices with evolving SLFRS S1 and SLFRS S2 requirements and stakeholder expectations.

Table 2: Sustainability Disclosure Topics and Metrics - Professional and Commercial Services

Topic	Metric	Code	Unit of Measure	John Keells PLC
Data Security	Description of approach to identifying and addressing data security risks	SV-PS-230a.1	N/A	The business units have implemented a structured data protection and cybersecurity framework to identify, assess and mitigate risks relating to the processing of personal data in compliance with the data protection regulations. This includes periodic risk assessments, implementation of technical and organisational controls, employee awareness programmes, access management procedures, incident response mechanisms and continuous monitoring of information security practices. The business units also maintain governance and accountability measures to support the confidentiality, integrity and lawful processing of personal data. *Refer Privacy, Data and Cybersecurity section of the Intellectual Capital Review for further information – Page 49.*

<table>
<tr><th>Topic</th><th>Metric</th><th>Code</th><th>Unit of Measure</th><th>John Keells PLC</th></tr>
<tr><td rowspan="6">Data Security (Contd.)</td><td>Description of policies and practices relating to collection, usage and retention of customer information</td><td>SV-PS-230a.2</td><td>N/A</td><td>The business units maintain policies and procedures governing the collection, use, storage, disclosure and retention of customer information in compliance with data protection regulations. Customer information is collected and processed only for legitimate business and regulatory purposes, with appropriate safeguards to ensure confidentiality, integrity and lawful use of personal data. The business units maintain data retention and secure disposal practices, access controls, employee awareness programmes and ongoing compliance monitoring to support the reasonable management and protection of customer information.

Refer Privacy, Data and Cybersecurity section of the Intellectual Capital Review for further information – Page 49.</td></tr>
<tr><td>Number of data breaches</td><td rowspan="4">SV-PS-230a.3</td><td>Number</td><td>-</td></tr>
<tr><td>Percentage that involve customers' confidential business information</td><td>Percentage (%)</td><td>-</td></tr>
<tr><td>Percentage that involve . personal data breaches</td><td>Percentage (%)</td><td>-</td></tr>
<tr><td>Number of customers affected</td><td>Number</td><td>-</td></tr>
<tr><td>Number of individuals affected</td><td>Number</td><td>-</td></tr>
<tr><td rowspan="2">Workforce Diversity and Engagement</td><td>Percentage of gender representation for
a. Executive Management
b. Non-executive management
c. Other</td><td rowspan="2">SV-PS-330a.1</td><td>Percentage (%)</td><td><table><tr><th></th><th>Male</th><th>Female</th></tr><tr><td>a.</td><td>100</td><td>-</td></tr><tr><td>b.</td><td>55</td><td>45</td></tr><tr><td>c.</td><td>89</td><td>11</td></tr></table></td></tr>
<tr><td>Diversity by age group
a. Executive Management
b. Non-executive management
c. Other</td><td>Percentage (%)</td><td>A.<table><tr><th>Age group</th><th>%</th></tr><tr><td><30</td><td>-</td></tr><tr><td>30-50</td><td>100</td></tr><tr><td>>50</td><td>-</td></tr></table>B.<table><tr><th>Age group</th><th>%</th></tr><tr><td><30</td><td>26</td></tr><tr><td>30-50</td><td>61</td></tr><tr><td>>50</td><td>13</td></tr></table>C.<table><tr><th>Age group</th><th>%</th></tr><tr><td><30</td><td>10</td></tr><tr><td>30-50</td><td>11</td></tr><tr><td>>50</td><td>89</td></tr></table></td></tr>
</table>

Metrics and Targets

Topic	Metric	Code	Unit of Measure	John Keells PLC
Workforce Diversity and Engagement (Contd.)	Voluntary turnover rate for employees	SV-PS-330a.2	Percentage (%)	26
	Involuntary turnover rate for employees		Percentage (%)	5
	Employee engagement as a percentage	SV-PS-330a.3	Percentage (%)	The Employee engagement survey- EmPulse was conducted during the reporting period, with a group-wide response rate of 79%. The assessment of engagement levels, as classified by SASB, is currently in progress.
	Description of the method employed		N/A	The Group partnered with Gallup to conduct EmPulse survey, using the Q12 framework. The approach is designed to be manager-driven, with managers taking ownership of their scorecards and implementing targeted action plans based on their team results. *Refer Employee Engagement and Wellbeing section of the Human Capital Review for further information – Page 57.*
Professional Integrity	Description of approach to ensuring professional integrity	Description of approach to ensuring professional integrity	N/A	Professional integrity is upheld through the Group's Code of Conduct, which operationalises its governance framework and internal policies. The Code of Conduct is embedded in contracts, supported by structured and continual training and communication to all employees and reinforced by leadership oversight and established compliance mechanisms to ensure employees align by the John Keells Group values. It is periodically updated to reflect evolving regulatory and workplace expectations. *Refer The Code of Conduct for further information – Page 108.*
	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	SV-PS-510a.2	Presentation currency (Rs)	-

Table 2a: Activity Metrics

Activity Metric	Code	Unit of Measure	John Keells Plc
Number of Employees by categories; a. Full time Employees b. Part Time Employees c. Temporary Employees d. Contract Employees	SV-PS-000.A	Number	a. 43 b. – c. - d. 03
Employee hours worked, Percentage billable	SV-PS-000.B	Hours Percentage (%)	412 N/A

Table 3: Sustainability Disclosure Topics and Metrics – Professional and Commercial Services

<table>
<tr><th>Topic</th><th>Metric</th><th>Code</th><th>Unit of Measure</th><th>John Keells Stock Brokers (Pvt) Ltd</th></tr>
<tr><td rowspan="6">Data Security</td><td>Description of approach to identifying and addressing data security risks</td><td>SV-PS-230a.1</td><td>N/A</td><td>The business units have implemented a structured data protection and cybersecurity framework to identify, assess and mitigate risks relating to the processing of personal data in compliance with the data protection regulations. This includes periodic risk assessments, implementation of technical and organisational controls, employee awareness programmes, access management procedures, incident response mechanisms and continuous monitoring of information security practices. The business units also maintain governance and accountability measures to support the confidentiality, integrity and lawful processing of personal data.

For further information on processes and mitigation strategies refer Privacy, Data and Cybersecurity section of the Intellectual Capital Review – Page 49.</td></tr>
<tr><td>Description of policies and practices relating to collection, usage and retention of customer information</td><td rowspan="5">SV-PS-230a.2</td><td>N/A</td><td>The business units maintain policies and procedures governing the collection, use, storage, disclosure and retention of customer information in compliance with data protection regulations. Customer information is collected and processed only for legitimate business and regulatory purposes, with appropriate safeguards to ensure confidentiality, integrity and lawful use of personal data. The business units maintain data retention and secure disposal practices, access controls, employee awareness programmes and ongoing compliance monitoring to support the reasonable management and protection of customer information.

For further information Privacy, Data and Cybersecurity section of the Intellectual Capital Review – Page 49.</td></tr>
<tr><td>Percentage that involve customers' confidential business information</td><td>Percentage (%)</td><td>-</td></tr>
<tr><td>Percentage that involve personal data breaches</td><td>Percentage (%)</td><td>-</td></tr>
<tr><td>Number of customers affected</td><td>Number</td><td>-</td></tr>
<tr><td>Number of individuals affected</td><td>Number</td><td>-</td></tr>
<tr><td rowspan="2">Workforce Diversity and Engagement</td><td>Percentage of gender representation for
a. Executive Management
b. Non-Executive Management
c. Other</td><td rowspan="2">SV-PS-330a.1</td><td>Percentage (%)</td><td><table><tr><th></th><th>Male</th><th>Female</th></tr><tr><td>a.</td><td>75</td><td>25</td></tr><tr><td>b.</td><td>41</td><td>59</td></tr><tr><td>c.</td><td>-</td><td>-</td></tr></table></td></tr>
<tr><td>Diversity By Age Group
a. Executive Management</td><td>Percentage (%)</td><td>A.<table><tr><th>Age group</th><th>%</th></tr><tr><td><30</td><td>-</td></tr><tr><td>30-50</td><td>50</td></tr><tr><td>>50</td><td>50</td></tr></table></td></tr>
</table>

Metrics and Targets

<table>
<tr><th>Topic</th><th>Metric</th><th>Code</th><th>Unit of Measure</th><th>John Keells Stock Brokers (Pvt) Ltd</th></tr>
<tr><td rowspan="5">Workforce Diversity and Engagement (Contd.)</td><td>Diversity By Age Group
b. Non-Executive Management

c. Other</td><td></td><td></td><td>B.
<table><tr><th>Age group</th><th>%</th></tr><tr><td><30</td><td>27</td></tr><tr><td>30-50</td><td>55</td></tr><tr><td>>50</td><td>18</td></tr></table>
C.
<table><tr><th>Age group</th><th>%</th></tr><tr><td><30</td><td>-</td></tr><tr><td>30-50</td><td>-</td></tr><tr><td>>50</td><td>-</td></tr></table></td></tr>
<tr><td>Voluntary turnover rate for employees</td><td rowspan="2">SV-PS-330a.2</td><td>Percentage (%)</td><td>11.54</td></tr>
<tr><td>Involuntary turnover rate for employees</td><td>Percentage (%)</td><td>-</td></tr>
<tr><td>Employee engagement as a percentage</td><td rowspan="2">SV-PS-330a.3</td><td>Percentage (%)</td><td>The Employee Engagement Survey EmPulse was conducted during the reporting period, with a Group-wide response rate of 79%. Engagement levels as defined by SASB are currently being assessed.</td></tr>
<tr><td>Description of the method employed</td><td>N/A</td><td>The Group partnered with Gallup to conduct EmPulse survey, using the Q12 framework. The approach is designed to be manager-driven, with managers taking ownership of their scorecards and implementing targeted action plans based on their team results.

Refer Employee Engagement and Wellbeing section of the Human Capital Review for further information – Page 57</td></tr>
<tr><td rowspan="2">Professional Integrity</td><td>Description of approach to ensuring professional integrity</td><td>SV-PS-510a.1</td><td>N/A</td><td>Professional integrity is upheld through the Group's Code of Conduct, which operationalises its governance framework and internal policies. The Code of Conduct is embedded in contracts, supported by structured and continual training and communication to all employees and reinforced by leadership oversight and established compliance mechanisms to ensure employees live by the John Keells Group values. It is periodically updated to reflect evolving regulatory and workplace expectations.

Refer The Code of Conduct for further information – Page 108</td></tr>
<tr><td>Total amount of monetary losses as a result of legal proceedings associated with professional integrity</td><td>SV-PS-510a.2</td><td>Presentation currency (Rs.)</td><td>-</td></tr>
</table>

Table 3a: Activity Metrics

Activity Metric	Code	Unit of Measure	John Keells Stock Brokers (Pvt) Ltd
Number of Employees by categories; a. Full time Employees b. Part Time Employees c. Temporary Employees d. Contract Employees	SV-PS-000.A	Number	a. 26 b. - c. - d. -
Employee hours worked Percentage billable	SV-PS-000.B	Hours Percentage (%)	110 N/A

Enterprise Risk Management

OVERVIEW

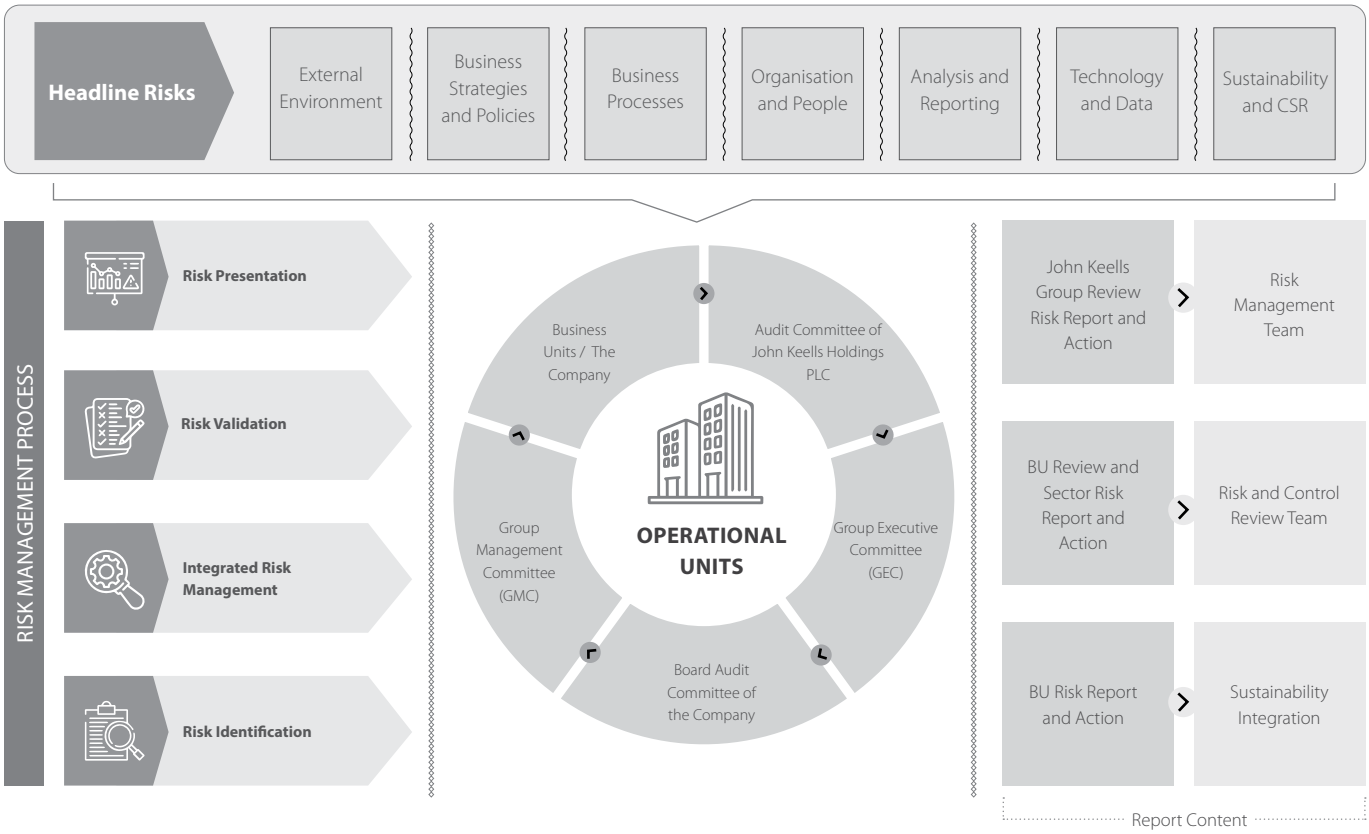
Enterprise Risk Management (ERM) encompasses the systematic identification, assessment and prioritization of risks that may impact the Group. At John Keells PLC, we maintain a continuous and proactive risk management process that aims at mitigating potential adverse effects on business operations while identifying and capitalizing on emerging opportunities. We recognize that unmanaged risks can materially affect the achievement of our strategic and operational objectives.

The Group's risk management framework is designed to support the effective execution of both short-term and long-term strategies, ensuring alignment with overall business goals. Robust risk management practices are embedded across all operational segments, including produce broking, share broking and warehousing. The Board of Directors of John Keells PLC remains firmly committed to the proactive, effective, and disciplined management of risks, with the objective of safeguarding stakeholder value and promoting sustainable growth.

THE TEAM BEHIND RISK MANAGEMENT

The risk management function within each business segment is led by its respective management committee, which serves as the segment-specific risk management team. These teams operate under the oversight of the Chief Executive Officer (CEO), ensuring alignment with the Group's overall risk management objectives.

Each team designates a Risk Champion, who acts as the primary point of contact for risk-related reporting and communication. The risk management teams and their respective Risk Champions function in accordance with the guidelines and framework established by the Sustainability and Enterprise Risk Management Division of John Keells Holdings PLC, thereby ensuring consistency and effectiveness in risk management practices across the Group.



RISK MANAGEMENT PROCESS

The annual Enterprise Risk Management (ERM) cycle is initiated through a comprehensive assessment conducted by the Company's risk management team in collaboration with the Enterprise Risk Management Division of John Keells Holdings PLC. This process involves systematic identification of risks, followed by an evaluation of their potential impact, likelihood, and velocity. Based on this assessment, appropriate mitigation strategies are developed, encompassing preventive, detective, and corrective measures to effectively address and manage the identified risks



IDENTIFICATION OF TYPES OF RISK

Risk Event

A "Risk Event" is defined as any uncertain occurrence that, if materialized, has the potential to impede a business unit from achieving its stated objectives.

Core Sustainability Risks

Core Sustainability Risks refer to those risks that, while potentially having a severe or catastrophic impact on the organization, are characterized by a low or negligible probability of occurrence.

Risk identification within each business unit is led by its respective Risk Management Team, which is responsible for recognizing risks relevant to its operational activities. In addition, employees are encouraged to proactively report potential risk scenarios, fostering a culture of inclusivity and shared responsibility. The identification process is further strengthened through the application of team expertise, intelligence gathering, safety and internal audits, and the incorporation of customer feedback.

Assessment and Rating of Risk

Identified risks are evaluated using a structured framework based on two key parameters: Impact to the Company and Likelihood of Occurrence. Each risk is assigned a rating based on this assessment matrix and recorded in the Risk Control Self-Assessment (RCSA) document, with classifications ranging from "Insignificant" to "Ultra-High."

Mitigation of Risk

The Risk Management Team is responsible for determining appropriate risk treatment strategies, which may include risk acceptance, mitigation, control, or transfer. Each identified risk is assigned to a designated Risk Owner, selected based on their functional expertise. The Risk Owner is accountable for assessing the effectiveness of implemented internal controls, as well as for the ongoing monitoring and management of emerging risks.

High-level or core risks are subject to review by the Group Management Committee (GMC), led by the Sector President, to ensure the robustness and effectiveness of the risk management process. Risk Owners are responsible for implementing agreed mitigation strategies within defined timelines and for providing regular updates to the Risk Management Committee.

Monitoring and Control

The Risk Management Team, under the leadership of the CEO, is accountable for ensuring that all risks are accurately identified, appropriate mitigation measures are implemented, and progress is monitored through periodic risk reviews. The effectiveness of operational and management controls, as well as mitigation plans, is independently verified through internal audits and oversight by the Sustainability and Enterprise Risk Management Division of John Keells Holdings PLC.

Risk Appetite and Tolerance

The Company's risk appetite and tolerance framework defines its strategic approach to risk-taking in pursuit of value creation, establishing clear thresholds within which business activities are conducted. John Keells PLC adopts a prudent approach by safeguarding its liquidity, solvency, capital base, earnings, and reputation through continuous monitoring within these defined parameters.

Risk Reporting

Regular and structured risk reporting is integral to promoting transparency and accountability across the organization. Each business unit conducts a quarterly review of its risk register, which is formally validated through the signing of operational compliance statements. These statements are endorsed by the respective Sector or President prior to submission to the Board Audit Committee (BAC).

The BAC, acting on behalf of the Board of Directors, reviews and evaluates the effectiveness of the Company's overall risk management framework and practices.

Enterprise Risk Management

The key risk areas that may impact the achievement of the Company's strategic objectives, along with the corresponding mitigation measures, are outlined below.

Risk Description and Rating	Risk Response
NON-AVAILABILITY OF KNOW YOUR CUSTOMER (KYC) DOCUMENTATION Exposes the Company to regulatory sanctions, reputational damage and potential legal risks. Risk Rating: 2025/2026 – High; 2024/2025 – High	• Conducting enhanced due diligence on Politically Exposed Persons (PEPs), including obtaining self-declarations • awareness and training programmes for Investment Advisers on PEP related risks and compliance requirements. • Implementing periodic compliance reporting mechanisms to monitor adherence to KYC requirements • Ensuring prompt reporting of relevant or suspicious transactions to the Financial Intelligence Unit (FIU), in accordance with applicable regulatory guidelines
UNAUTHORIZED ACCESS TO CRITICAL ASSETS/CYBER SECURITY Result in the loss, compromise or unauthorized disclosure of sensitive and confidential information, leading to legal liabilities or other consequences Risk Rating: 2025/2026 – High; 2024/2025 – High	• Activation and maintenance of Disaster Recovery (DR) protocols • Adherence to Group IT policies • Conducting regular internal audits • Performing periodic manual checks and user access reviews • Implementation of biometric access control systems to secure physical entry to critical areas • Ensuring robust firewall protection and other cybersecurity controls are established • Enabling remote wiping capabilities for laptops in the event of loss or theft
EXPOSURE ON LENDING Lead to a reduction in profitability due to the need for provisions Risk Rating: 2025/2026 – Medium; 2024/2025 – Medium	• Granting advances strictly within the stock values • Initiating appropriate legal action in cases of default • Management supervision over adherence to the approved credit policy, advance approval matrix and automated processing procedures • Minimizing the risk of over-advancing by enforcing shorter credit periods and strict compliance with established policy guidelines and operational procedures
MACRO-ECONOMIC ENVIRONMENT OF IMPORTING COUNTRIES Adverse macro-economic conditions including economic slowdowns and currency depreciations, may lead to fluctuations in demand and consequently impact revenue generation. Risk Rating: 2025/2026 – Medium; 2024/2025 – Medium	• Continuous monitoring of macro-economic trends and market conditions with adjustments made to the product grade mix through close coordination with manufacturing advisers to align with shifting customer requirements. • Collaborating with John Keells Logistics to facilitate storage solutions, to effectively manage inventory levels during periods of fluctuating or increased demand.

Risk Description and Rating	Risk Response
CHALLENGES IN INFORMATION GOVERNANCE AND INFORMATION SECURITY Loss of data confidentiality and integrity, as well as erosion of customer trust and confidence. Risk Rating: 2025/2026 Medium; 2024/2025 Medium	• Implementation of data and email classification protocols to ensure appropriate handling and protection of information. • Adoption of required IT security measures, including Zero Trust controls, in accordance with John Keells Holdings PLC IT policies. • Conducting ongoing staff awareness programmes to strengthen information security practices. • Maintaining an updated Privacy Policy on the Company's website, developed with the guidance of the John Keells Group Legal.
AVAILABILITY OF SKILLED STAFF Disruptions in operations and a decline in overall efficiency and productivity. Risk Rating: 2025/2026 Medium; 2024/2025 High	• Developing and strengthening a comprehensive employee engagement framework at the junior to middle management levels across the organisation, aimed at improving retention, capability development, and operational continuity.
NON-COMPLIANCE WITH STATUTORY REGULATIONS Expose the Company to legal penalties, financial losses, and reputational damage Risk Rating: 2025/2026 Low; 2024/2025 Low	• Conducting regular staff training and awareness programmes to enhance understanding of regulatory obligations and promote a culture of compliance and vigilance. • Strengthening the compliance function to ensure effective monitoring and enforcement of regulatory requirements. • Establishing robust internal controls and well-defined internal procedures to ensure adherence to applicable laws, regulations, and industry standards
LOSS OF BUSINESS DUE TO FACTORY CLOSURES Loss of business opportunities and result in financial losses to the Company. Risk Rating: 2025/2026 Low; 2024/2025 Low	• Monitoring production levels by tracking green leaf intakes to factories and maintaining records of catalogued quantities to support proactive decision-making. • Conducting comprehensive background checks when onboarding new business partners to ensure reliability and sustainability of operations.
OTHER BROKERS NOT ADHERING TO BY-LAWS Expose John Keells PLC to potential business losses and reputational risk Risk Rating: 2025/2026 Low; 2024/2025 Low	• Regular audits conducted by the Colombo Brokers Association (CBA) • Periodic reviews by John Keells PLC of other brokers' warehouse facilities and catalogues following sales.
INADEQUATE POWER SUPPLY/ADEQUACY OF FUEL Disruptions arising from inadequate power supply or fuel shortages, such as the inability to recharge truck batteries, can directly impact warehouse operations and overall supply chain efficiency. Risk Rating: 2025/2026 Low; 2024/2025 Low	• Maintaining adequate fuel stock levels at all times to ensure continuity of operations. • Expanding fuel storage capacity to enhance preparedness and minimize the impact.

Risk Description and Rating	Risk Response
NATURAL DISASTERS Damage to goods, machinery, and equipment, thereby disrupting operations and impacting business continuity Risk Rating: 2025/2026 Low; 2024/2025 Low	• Conducting regular Business Continuity Plan (BCP) testing. • Maintaining adequate insurance coverage • Reviewing and updating the BCP on a bi-annual basis
FIRE HAZARDS Damage to property and pose significant risks to personnel. Risk Rating: 2025/2026 Low; 2024/2025 Low	• Conducting regular fire drills • Maintaining up-to-date firefighting equipment at all premises
DEPENDENCE ON OUTSOURCED IT VENDORS FOR SYSTEM SUPPORT Disruptions in business processes, increased risk of data breaches or loss of confidentiality, and potential delays in response times Risk Rating: 2025/2026 Low; 2024/2025 Low	• Contract outsourced vendor to provide end-to-end IT solutions, ensuring defined service scope and accountability. • Conducting regular internal audits to evaluate the effectiveness of vendor performance and system controls. • Maintaining ongoing management supervision to ensure service delivery aligns with business requirements. • Establishing clear legal and contractual agreements with defined obligations and service level expectations
FRAUD AND CORRUPTION RISK Financial loss and adversely impact the Company's reputation, which has been built over time. Risk Rating: 2025/2026 Low; 2024/2025 Low	• Conducting diligent monitoring and evaluation processes, including Forestpin analyses, in collaboration with the Group Business Process Review function. • Maintaining appropriate insurance coverage to provide financial protection in the event of fraud or corruption-related losses. • Ensuring continuous management oversight and conducting regular internal audits to monitor, detect, and investigate any instances of fraud or deviations from established internal controls. • Enforcing strict disciplinary actions in response to any identified incidents, thereby reinforcing a strong culture of integrity and compliance.
SEXUAL HARASSMENT IN THE WORKPLACE Reputational damage to the Company and compromise the safety, well-being of employees. Risk Rating: 2025/2026 Low; 2024/2025 Low	• Conducting regular awareness and sensitization programs to promote a respectful and inclusive workplace culture and to educate employees on acceptable standards of conduct.

Risk Description and Rating	Risk Response
INCREASE IN INTEREST RATES Fluctuation in interests rates can directly impact Company's profit margins Risk Rating 2025/2026: Low 2024/2025: Low	• Maintaining regular communication with the Group Treasury and the Colombo Brokers Association (CBA) regarding prevailing minimum lending rates and market movements. • Periodically reviewing the Average Weighted Prime Lending Rate (AWPLR) and adjusting interest rates charged to clients accordingly, ensuring alignment with market conditions and protecting profitability.

Responsibility of the Board of Directors on Risk Management Report of the Company

The Board of Directors is responsible for ensuring the effectiveness of the Company's internal control and risk management systems. The Board Audit Committee (BAC), acting on behalf of the Board, reviews the risk management processes implemented across the Group and evaluates the associated reporting prior to presenting them for decision by the Board.

The Board affirms that a structured and continuous process is in place for the identification, evaluation, and management of significant risks that may impact the achievement of John Keells PLC's strategic objectives throughout the financial year. This process is aligned with the guidelines issued by the Institute of Chartered Accountants of Sri Lanka, as well as with recognized industry best practices.

In addition, in compliance with Sri Lanka Financial Reporting Standards (SLFRS), potential financial risks are appropriately disclosed in the Notes to the Financial Statements (pages 172 to 177), ensuring transparency and adherence to statutory reporting requirements.

SLFRS Sustainability Standards S1 and S2

During the year, as part of the Group's implementation of the SLFRS S1 and S2 requirements with the assistance of an international 3rd party consultant, a comprehensive life-cycle-based value chain assessment was carried out for all operating units of the Group. This value chain assessment sought to identify the dependencies, impacts sustainability risks and opportunities and climate related risks and opportunities that the Group companies were exposed to.

The prioritized sustainability related risks and opportunities and climate related risks and opportunities of the group companies were then used to establish the Group's prioritized Sustainability Related Risks and Opportunities (SRROs) and Climate Related Risks and Opportunities (CRROs). Given this being the first year of adoption of SLFRS S1 and S2, these SRROs and CRROs were recorded separately, qualitatively identifying the financial impact parameters and additional judgement based financial materiality considerations for each prioritized SRRO and CRRO. The management and mitigation of these SRROs and CRROs follow the 4 concepts of Governance, Strategy, Risk Management and Metrics and targets, and a full description of the Group's prioritized SRROs and CRROs along with the governance structures, strategies and risk management process to mitigate such risks and optimize on opportunities, can be found in the SLFRS Sections of this report (page 124)

ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Directors are pleased to present the 79th Annual Report, comprising the Audited Financial Statements of John Keells PLC (referred to as 'the Company' or 'JKPLC'), as well as the Audited Consolidated Financial Statements of the Group for the fiscal year ended 31st March 2026.

GENERAL

This report also takes into account the stipulations of the Companies Act No. 07 of 2007 (as amended), the Securities and Exchange Commission of Sri Lanka Act, No. 19 of 2021 the applicable Listing Rules of the Colombo Stock Exchange (CSE), and endorsed reporting and corporate governance standards, such as the guidelines on the Code of Best Practices concerning Related Party Transactions (2013) issued by the Securities and Exchange Commission of Sri Lanka (SEC), the Code of Best Practice on Corporate Governance (2023) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), as per the needs of the business, while also being informed by recommended best accounting procedures.

The Company was incorporated on 01st April 1960 as a Public Limited Liability Company, and the issued shares of the Company are listed on the CSE. Pursuant to the requirements of the Companies Act.

PRINCIPAL ACTIVITIES

Company

The core activities of the Company continue to revolve around providing produce broking services, with no significant changes observed.

Subsidiaries

- John Keells Stockbrokers (Private) Limited offers stock broking services.
- John Keells Warehousing (Private) Limited offers warehousing facilities.

BUSINESS REVIEW

A review of the Company and its subsidiaries' (Group) performance during the financial year is given in the Chairperson's Statement and in the Management Discussion and Analysis. These reports form an integral part of the Directors' Report and provide a fair review of the performance of the Group during the financial year ended 31st March 2026. The Segment wise contribution to Group revenue, results, assets and liabilities are provided in Note 6.1 to the Financial Statements of this Annual Report.

FINANCIAL STATEMENTS

The Financial Statements of the Company and the Group are set out on pages 160 to 166 of the Annual Report.

The accounting period is completed and signed in accordance with section 151, and any group financial statements for the accounting period are completed and signed in accordance with section 152.

AUDITORS REPORT

The Auditor's Report on the Financial Statements is given on pages 157 to 159 of the Annual Report.

ACCOUNTING POLICIES

The Accounting Policies adopted in the preparation of the Financial Statements are given on pages 168 to 213 of the Annual Report

GOING CONCERN

The Group has prepared the financial statements for the year ended 31 March 2026 on the basis that it will continue to operate as a going concern. Based on available information, the management has assessed prevailing macroeconomic conditions and their effect on the Group companies in determining the going concern basis for preparation of financial statements.

The management has formed judgment that the Company, its subsidiaries, associates and joint ventures have adequate resources to continue in operational existence for the foreseeable future driven by the continuous operationalization of risk mitigation initiatives and monitoring of business continuity and response plans at each business unit level along with the financial strength of the Group.

In determining the above, significant management judgement, estimates and assumptions, the impact of the macroeconomic uncertainties, including exchange rate volatilities, supply chain disruptions and interest rate volatilities have been considered as of the reporting date and specific considerations have been disclosed under the notes, as relevant.

The Financial Statements are prepared on the basis that the Company is a "Going Concern."

REVENUE

Revenue generated by the Company amounted to Rs. 490 million (2025 - Rs. 511 million), whilst Group revenue amounted to Rs. 1,233 million (2025 - Rs. 1,009 million). Contribution to Group revenue from the different business segments is provided in Note 6.1 to the Financial Statements on page 172.

DIVIDEND

Three Interim dividends per share of Rs. 0.45 each, totalling to Rs. 1.35, were paid on or before the 31 March 2026. The Board of Directors has now approved a final dividend of Rs.1.60 per share for the financial year 2025/26 will be paid on or before 23 June 2026 to those shareholders on the register as of the record date 05 June 2026. In accordance with the Sri Lanka Accounting Standard 10, events after the reporting period, the declared dividend has not been recognised as a liability as at 31st March 2026.

As required by Section 56(2) of the Companies Act, the Board of Directors has confirmed that the Company satisfies the solvency test in accordance with section 57 of the Companies Act and a certificate has been obtained from the Auditors, prior to declaring all dividends.

Dividend per share has been computed for all periods based on the number of shares in issue at the time of the dividend payout. The dividends paid out of taxable profits of the Company will be subjected to a withholding tax at the rate prevailing on the date of payment.

RESULTS AND APPROPRIATIONS

The profit after tax of the Company was Rs. 124 million (2025 - Rs. 178 million) whilst the Group profit attributable to equity holders of the Company for the year was Rs. 127 million (2025- Rs.171 million).

Detailed description of the results and appropriations are given below.

Profit Rs.000	GROUP		JKPLC Company	
	25/26	24/25	25/26	24/25
After making provision for bad and doubtful debts and for all known liabilities and after providing for depreciation on fixed assets, the profit/(loss) earned was	**301,104**	256,644	**175,230**	241,443
From which has to be (deducted) the provision for taxation of	**(140,710)**	(83,156)	**(51,004)**	(63,280)
Leaving a net profit/(loss) on ordinary activities after taxation of	**160,394**	173,488	**124,226**	178,163
From which the amount attributable to minority Interest was (deducted)/added	**(33,616)**	(2,978)	**-**	-
To which Other Comprehensive Income was added/(deducted)	**(627,338)**	544,279	**(660,329)**	526,950
To which share Based payment Expenses is added	**14,912**	15,032	**6,985**	6,283
And after the balance brought forward from the previous year was added	**4,723,845**	4,056,924	**3,959,058**	3,308,462
The amount available for appropriation was Appropriations	**4,238,197**	4,784,645	**3,429,940**	4,019,850
Three interim dividends of Rs. 0.45 each, totalling to Rs. 1.35 per share, were paid for 2025/26	**(82,080)**	(60,800)	**(82,080)**	(60,800)
A final dividend payment of Rs. 1.60 per share paid was paid on 24 June 2025 for 2024/25	**(97,280)**	-	**(97,280)**	-
Leaving a balance to be carried forward to the next year of	**4,058,837**	4,723,845	**3,250,580**	3,959,058

RESERVES

Total reserves as at 31st March 2026 of the Company and Group amounted to Rs. 3,251 million (2025- Rs. 3,959 million) and Rs. 4,059 million (2025- Rs. 4,724 million), respectively.

The movement and composition of the Capital and Revenue reserves is disclosed in the Statement of Changes in Equity on pages 163 to 164.

PROPERTY, PLANT AND EQUIPMENT

The book value of property, plant, and equipment as at the Reporting date amounted to Rs. 21 million (2025 - Rs. 21 million) and Rs. 920 million (2025 - Rs. 891 million) for the Company and Group, respectively.

Capital expenditure for the Company and Group amounted to Rs. 5.7 million (2025 - Rs. 4.9 million) and Rs. 26 million (2025 - Rs. 38 million), respectively. Details of property, plant and equipment and their movements are given in Note 18 to the Financial Statements on pages 192 to 195.

MARKET VALUE OF PROPERTIES

According to the specifications of SLAS40 (2005) Investment Property, all properties classified as investment property were valued. Investment property owned by the company and the Group has a carrying value of Rs. 558 million (2025-Rs. 545 million) and Rs.558 million (2025 - Rs. 545 million) respectively.

The investment property was revalued by Mr. Lochana I. Silva, Associated Chartered Valuer as at 31 December 2025.

Details of the valuation of Investment property is provided in Note 20 to the Financial Statements on pages 197 to 198.

The real estate portfolio of the Group as at 31st March 2026 is disclosed on page 198.

INVESTMENT

Investments of the Company and the Group and other external investments amounted to Rs. 2,316 million (2025 - Rs. 3,079 million) respectively.

INVESTMENT IN WATERFRONT PROPERTIES (PVT) LTD

During the year, the Company's shareholding in Waterfront Properties (Pvt) Ltd was diluted to 0.88 percent from 0.96 percent as a result of the direct equity infusion in Waterfront Properties (Pvt) Ltd by John Keells Holdings PLC (JKH) as envisaged at the outset of the project.

A detailed description of the long-term investments held as at 31st March 2026, are given in Note 24 to the financial statements on pages 202 to 203.

STATED CAPITAL

The total stated capital of the Company as at 31st March 2026 was Rs. 152 million (2025- Rs. 152 million) details of which are provided in Note 30 to the Financial Statements.

PROVISION FOR TAXATIONS

Provision for taxation has been computed at the rates given in Note 17 to the Financial Statements.

DONATIONS

During the year under review the Company donated Rs. Nil.

The majority of the CSR endeavours and undertakings within the Group are overseen by the John Keells Foundation, which receives financial backing from various entities within the JKH Group. This foundation is responsible for coordinating a variety of initiatives aimed at upholding the core value of ethical business practices and fostering sustainable growth.

The Company's contribution to John Keells Foundation was Rs. 1.09 million (2025 - Rs. 1.32 million) and the Group's contribution was Rs. 1.24 million (2025 - Rs. 1.60 million) respectively.

CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There have been no commitments or contingent liabilities other than those stated in Note 36 on page 213 of this Annual Report.

RELATED PARTY TRANSACTIONS

The transactions between the Company and related parties, as outlined in Note 35 of the Financial Statements, have adhered to the requirements of Listing Rules 9.14 of the Colombo Stock Exchange and the Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued pursuant to Section 13(c) of the Securities and Exchange Commission of Sri Lanka Act.

STOCK MARKET INFORMATION

An ordinary share of the Company was quoted on the CSE at Rs. 81.20 as at 31st March 2026 (31st March 2025 - Rs. 74.00). Information relating to public holding, earnings, dividend, net assets, market value per share and share trading is given in Key Ratios and Information on page 218 and in the Shareholders Information section on pages 214 to 215.

The Company endeavours at all times to ensure equitable treatment to all shareholders.

SUBSTANTIAL SHAREHOLDINGS

There were 2,293 registered shareholders, holding ordinary voting shares as at 31st March 2026 (1,738 registered shareholders as at 31st March 2025).

The names of the twenty largest shareholders, the number of shares held, and the percentages held are given on page 215 of the Annual Report. The distribution schedule of the shareholders and public holdings are disclosed on page 214 of the Annual Report.

DIRECTORATE

As at 31st March 2026 the Board of Directors of the Company consisted of seven Directors with wide commercial, academic knowledge and experience. The Directors profile is given on pages 72 to 73 of this Annual Report.

The Board of Directors of the Company and its subsidiaries as at 31st March 2026 are listed below.

Name of the Director	John Keells PLC	John Keells Stock Brokers (Private) Limited	John Keells Warehousing (Private) Limited
Mr. K.N.J. Balendra	✓		
Mr. J.G.A. Cooray	✓		
Mr N W R Wijewantha	✓		✓
Mr A Z Hashim	✓		✓
Mr P D Samarasinghe	✓		
Ms N A S Akuratiyagama*	✓		
Mr. P. T. Wanigasekara**	✓		
Mr. D P Gamlath		✓	
Ms. R.S. Cader		✓	
Mr. S. Rajendra***		✓	
Mr. S A J S W Jayatilake****		✓	
Mr. A.S.M. Ali		✓	
Mr. K.C. Subasinghe			✓

*Appointed to the JK PLC Board w.e.f 25 June 2025
**Appointed to the JK PLC Board w.e.f 01 July 2025
***Resigned from the JKSB Board w.e.f 31 December 2025
****Appointed to the JKSB Board w.e.f 7 January 2026

DIRECTORS' REMUNERATION

Details of the remuneration and other benefits received by the Directors are set out on page 84 of the Financial Statements.

BOARD COMMITTEES

Information relating to members of the Audit Committee, Human Resources and Compensation Committee, Nominations Committee, Related Party Transactions Review Committee and Project Risk Assessment Committee, including reports of each of the committees, where applicable, and attendance of Directors for each of the committee meetings, are disclosed in the Corporate Governance Commentary section of the Annual Report.

RETIREMENT OF DIRECTORS BY ROTATION AND RE-ELECTION

In accordance with Article 83 of the Articles of Association of the Company, Mr. J G A Cooray retires by rotation and, being eligible, offers himself for re-election at the next Annual General Meeting.

Further, in accordance with Article 90 of the Articles of Association of the Company, Ms. N A S Akuratiyagama and Mr. P T Wanigasekara retire by rotation and, being eligible, offer themselves for re-election at the next Annual General Meeting.

DIRECTORS' SHAREHOLDINGS

Name of Director / CEO As at 31st March	Number of shares	
	2026	2025
Mr. K.N.J. Balendra - Chairperson	Nil	Nil
Mr. J.G.A. Cooray	Nil	Nil
Ms. N.A.S. Akuratiyagama*	Nil	N/A
Mr. P.T. Wanigasekara**	Nil	N/A
Mr. A.Z. Hashim	Nil	Nil
Mr. N.W.R. Wijewantha	Nil	Nil
Mr. P. D. Samarasinghe	Nil	Nil
Mr. H.G.R. De Mel (CEO)	Nil	Nil

*Appointed to the Board w.e.f 25.06.2025
** Appointed to the Board w.e.f 01.07.2025

INTEREST REGISTER

The Company has maintained an Interests Register. In compliance with the requirements of the Companies Act, particulars of entries made therein are disclosed in this Annual Report. As the subsidiaries are private companies, they have, in terms of the provisions of the Companies Act, dispensed with the requirement to maintain an Interests Register.

The Interests Register of the Company is available for inspection at the Registered Office in accordance with Section 119(1)(d) of the Companies Act.

Particulars of Entries in the Interests Register

(a) Interests in contracts Income In Contracts;

The Directors have made a general disclosure to the Board of Directors as permitted by Section 192 (2) of the Companies Act and no additional interests have been disclosed by any Director.

(b) Directors Share Dealings - There have been no disclosures of share dealings during the financial year ended 31st March 2026.

(c) Indemnities and Remuneration;

i) Ms. A K Gunawardhana, Ms. B A I Rajakarier and Mr. C N Wijewardene, Independent Non-Executive Directors, retired from the Board with effect from 25 June 2025.

ii) Ms. N A S Akuratiyagama and Mr. P T Wanigasekara were appointed as Independent Non-Executive Directors to the Board with effect from 25 June 2025 and 1 July 2025 respectively, at the standard Non-Executive fees approved by the Board for Non-Executive Directors, which fees are commensurate with the market complexities of the Company.

SUPPLIER POLICY

The Group endeavours to pay for every item accurately charged in accordance with these agreed terms by applying an overall policy of agreeing and clearly communicating terms of payment as part of the commercial agreements negotiated with suppliers.

As at 31st March 2026 the trade and other payables of the Company and Group amounted to Rs. 1,387 million (2025 - Rs. 727 million) and Rs. 2,300 million (2025 - Rs. 1,285 million) respectively.

ENVIRONMENTAL PROTECTION

The Group complies with the relevant environmental laws, regulations, and endeavours to comply with the best practices applicable in the country of operation.

HUMAN RESOURCES

The number of people employed by the Company and Group as at 31st March 2026 was 75 (2025 - 75) and 140 (2025 - 142), respectively. The Group is dedicated to implementing a range of Human Resources (HR) programs aimed at fostering the personal growth of our teams while also fostering value creation for themselves, the company, and all stakeholders involved. There were no material issues pertaining to employees and industrial relations in the year under review.

CORPORATE GOVERNANCE

The Board of Directors is committed to maintaining an effective corporate governance structure and process. A more comprehensive report on corporate governance is found on pages 74 to 121.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board highlights an ongoing process for identifying, assessing, and mitigating significant risks encountered by the Group. Within the annual strategic planning cycle, each business unit undergoes evaluation and risk assessment. Both the Board and Audit Committee regularly scrutinize key risks and preventive measures. Through the participation of the risk review and control division, the Board ensures the efficacy of existing control systems. Reports on internal control reviews are provided to the Audit Committee, and the Head of the John Keells Group risk review and control division maintains direct communication with the Chairperson of the Audit Committee.

STATUTORY PAYMENTS

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its subsidiaries, all contributions, levies, and taxes payable on behalf of, and in respect of the employees of the Company and its subsidiaries, and all other known statutory dues as were due and payable by the Company and its subsidiaries as at the Reporting date have been paid or, where relevant provided for, except as specified in Note 36 to the financial statements on page 213, covering Contingent liabilities.

Annual Report of the Board of Directors

AUDITORS

Messrs. Ernst & Young, Chartered Accountants, have intimated their willingness to continue as Auditors of the Company, and a resolution to re-appoint them as Auditor and authorising the Directors to fix their remuneration will be proposed at the Annual General Meeting.

The Audit Committee reviews the appointment of the Auditor, its effectiveness, and its relationship with the Group.

Details of Audit fees are set out in Note 14 of the Financial Statement. The Auditors do not have any relationship (other than that of an Auditor) with the Company or any of its subsidiaries.

Further details on the work of the Auditor and the Audit Committee are set out in the Audit Committee Report on pages 86 to 88.

ANNUAL REPORT

The Board of Directors approved the Company and Consolidated Financial Statements on 25 May 2026. The appropriate number of copies of this report will be submitted to the CSE and to the Sri Lanka Accounting and Auditing Standards Monitoring Board.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held as a virtual meeting on 25 June 2026 at 9.00 a.m. The notice of meeting related to the 79th Annual General Meeting is given on page 220.

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

K N J BALENDRA
Chairperson

J G A COORAY
Directors

KEELLS CONSULTANTS (PRIVATE) LIMITED
Secretaries

25 May 2026

STATEMENT OF DIRECTORS RESPONSIBILITY

The responsibility of the Directors in relation to the financial statements is set out in the following statement. The responsibility of the Auditors in relation to the financial statements prepared in accordance with the provisions of the Companies Act No. 7 of 2007 is detailed in the Independent Auditors' Report on pages 157 to 159 of the Annual Report.

As per the provisions of the Companies Act No. 7 of 2007, the Directors are required to prepare, for each financial year and place before a general meeting, the financial statements which comprise of;

- The statement of profit or loss and other comprehensive income of the Company and its subsidiaries, which present a true and fair view of the financial performance of the Group for the financial year and
- a statement of financial position, which presents a true and fair view of the state of affairs of the Company and its subsidiaries as at the end of the financial year and
- a statement of changes in equity and
- a statement of cash flows for the year ended and notes to the financial statements.

The Directors have ensured that, in preparing these financial statements;

- the appropriate accounting policies have been selected and applied in a consistent manner and material departures, if any, have been disclosed and explained and
- all applicable accounting standards in accordance with the Sri Lanka Accounting Standards (SLFRSs / LKASs) have been complied with and
- reasonable and prudent judgements and estimates have been made so that the form and substance of transactions are properly reflected and
- The financial statements include all information required by and otherwise comply with the Companies Act No. 7 of 2007, the Listing Rules of the Colombo Stock Exchange, and the requirements of any other applicable regulatory authority.

The Directors have also ensured that the Company and its subsidiaries have adequate resources to continue in operation to justify applying the going concern basis in preparing these financial statements.

Furthermore, the Directors have a responsibility to ensure that the Company and maintain sufficient accounting records to disclose, with reasonable accuracy, their financial position.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and the Group and in this regard to give proper consideration to the establishment of appropriate internal control systems with a view to preventing and detecting fraud and other irregularities.

The Directors are required to prepare the financial statements and to provide the Auditors with every opportunity to take whatever steps and undertake whatever inspections they may consider to be appropriate to enable them to give their audit opinion.

As required by Section 56 (2) of the Companies Act No. 7 of 2007, the Board of Directors have confirmed that the Company, based on the information available, satisfies the solvency test immediately after the distribution, in accordance with Section 57 of the Companies Act No. 7 of 2007, and have obtained a certificate from the auditors, prior to declaring all dividend. A final dividend will be paid on or before 23 June 2026 to those shareholders on the register as of 05 June 2026 (Record Date). The Directors are of the view that they have discharged their responsibilities as set out in this statement.

COMPLIANCE REPORT:

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its subsidiaries, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and its subsidiaries, and all other known statutory dues, as were due and payable as at the reporting date have been paid or, where relevant, provided for, except as detailed in Note 36 to the financial statements, relating to contingent liabilities.

By order of the Board



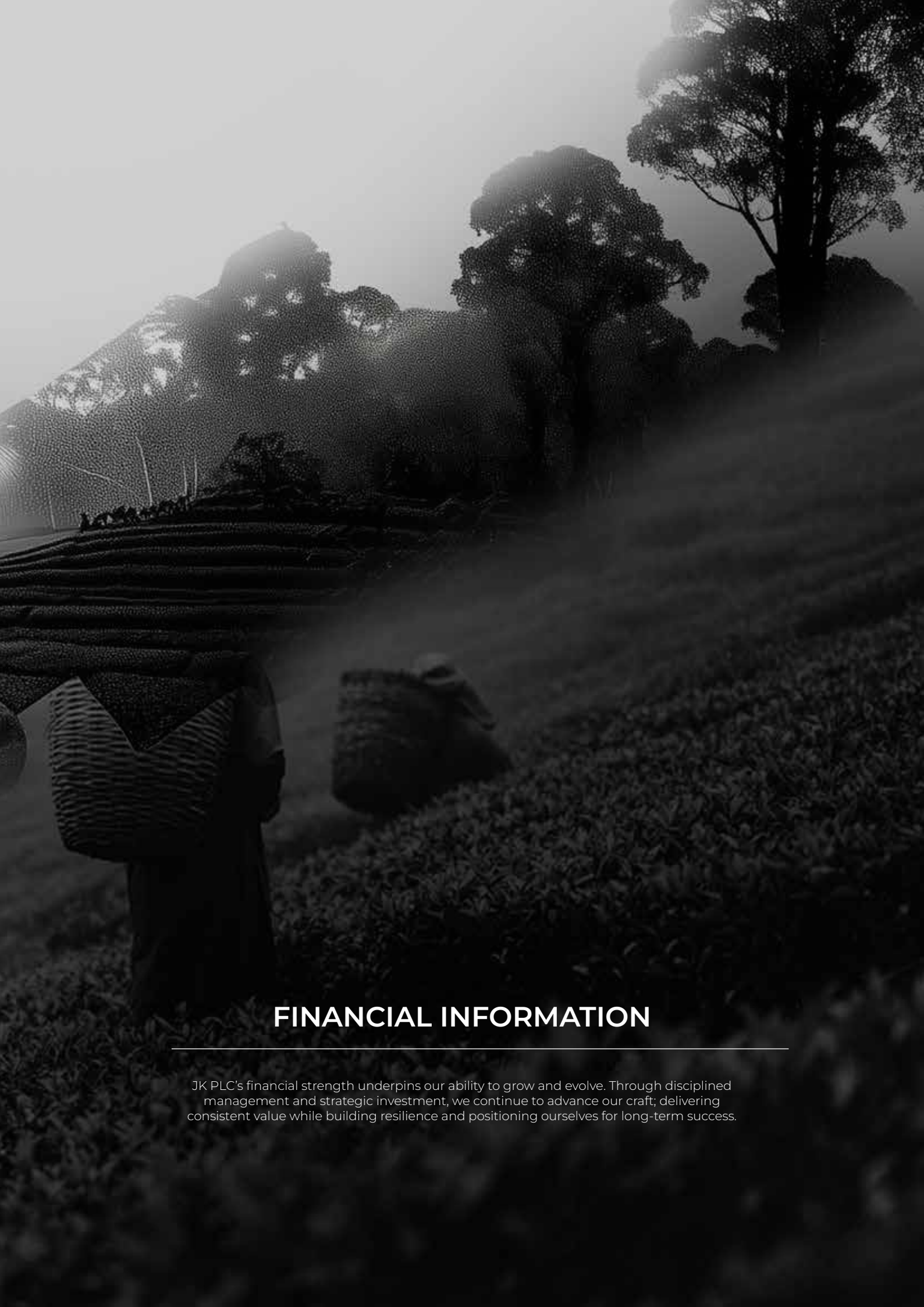
KEELLS CONSULTANTS (PVT) LTD.
Secretaries

25 May 2026

Advancing

Our Craft





FINANCIAL INFORMATION

JK PLC's financial strength underpins our ability to grow and evolve. Through disciplined management and strategic investment, we continue to advance our craft; delivering consistent value while building resilience and positioning ourselves for long-term success.

FINANCIAL CALENDAR

Interim Statements

1st Quarter 30th July 2025

2nd Quarter 4th November 2025

3rd Quarter 27th January 2026

4th Quarter 25th May 2026

Annual Reports

2025/2026 (Annual Report) 25th May 2026

2024/2025 (Annual Report) 26th May 2025

Meetings

79th Annual General Meeting 25th June 2026

78th Annual General Meeting 25th June 2025

Dividends

First Interim Dividend of Rs. 0.45 per share – paid on 04th September 2025

Second Interim Dividend of Rs. 0.45 per share – paid on 03rd December 2025

Third Interim Dividend of Rs. 0.45 per share – paid on 25th February 2026

Final Dividend of Rs. 1.60 per share - to be paid on 23 June 2026

Independent Auditors' Report

Shape the future with confidence

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

TO THE SHAREHOLDERS OF JOHN KEELLS PLC
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of John Keells PLC ("the Company"), and the consolidated financial statements of the Company and its subsidiary ("the Group"), which comprise the statement of financial position as at 31 March 2026, and the income statement and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the 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 Auditors' 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
Assessment of fair value of the equity investment classified as Fair Value through Other Comprehensive Income (FVOCI)	
Non-current financial assets of the Group consist of an unquoted equity investment in Waterfront Properties (Pvt) Ltd in accordance with the accounting policy disclosed in note 9 to the financial statements. The fair value is determined by management based on the discounted cash flow approach, which is derived based on the projected cash flows of Waterfront Properties (Pvt) Ltd. This was a key audit matter due to; • the materiality of the reported unquoted equity investment balance which amounted to Rs. 1,870 Mn and represents 27% of the Group's total assets as of the reporting date; and • the degree of assumptions, judgments and estimates associated in deriving the Discounted Cash Flows used in the unquoted equity investment valuation. Key areas of significant management judgments, estimates and assumptions used in the valuation of unquoted equity investment include cash flow projections and unobservable inputs including revenue growth rate, EBITDA margins, discount rate, etc. as further disclosed in notes 8 and 24.2 to the financial statements.	Our audit procedures focused on the valuation of the investment performed by the management, and included the following key procedures: • Assessed the appropriateness of the valuation technique and reasonableness of the cash flow forecast including significant assumptions, judgements and estimates such as revenue growth rate and EBITDA margins, discount rate, etc. used by the management to ascertain the fair value of the unquoted equity investments. Our evaluation involved the use of comparable market data considering the impacts of the economic conditions prevailing in the country. • Evaluated the appropriateness and completeness of the information included in the cashflow forecast and checked the calculations of discounted cash flows. Further, we evaluated the adequacy of the related disclosures in notes 8 and 24 to the financial statements.

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

Principals: T P M Ruberu FCMA FCCA MBA, G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

Key audit matter	How our audit addressed the key audit matter
Assessment of fair value of Land and Buildings	
Property, Plant and Equipment and investment property include land and buildings carried at fair value. The fair values of land and buildings were determined by external valuers engaged by the Group. This was a key audit matter due to; • the materiality of the reported fair value of land and buildings which amounted to Rs. 1,342 Mn representing 19% of the Group's total assets as of the reporting date; and • the degree of assumptions, judgements and estimation uncertainties associated with fair valuation of land and buildings using the market approach and depreciated replacement cost approach. Key areas of significant judgments, estimates and assumptions used in assessing the fair value of land and buildings, as disclosed in notes 8, 18 and 20 to the financial statements, included judgements involved in ascertaining the appropriate valuation techniques and estimates such as: • Estimate of per perch value of the land. • Estimate of the per square foot value of the building.	Our audit procedures included the following key procedures: • Assessed the competence, capability and objectivity of the external valuer engaged by the Group. • Read the external valuer's report and understood the key estimates made and the valuation approaches taken by the valuer in determining the valuation of each property. • Assessed the reasonableness of significant assumptions, judgements and estimates made by the valuer such as per perch value, per square foot value, and valuation techniques as relevant in assessing the fair value of each Property. We also assessed the adequacy of the disclosures made in notes 8,18 and 20 to the financial statements.
Assessing the carrying value of Loans and Advances given to Tea Sellers	
As at 31 March 2026, the carrying value of Group Loans and Advances given to Tea Sellers amounted to Rs. 746 Mn, with an accumulated provision for impairment of Rs 568 Mn, as disclosed in Notes 26, 24 and 7 to the financial statements. This was a key audit matter due to; • the degree of management assumptions, judgements and estimates associated with evaluating the provision for impairment, as disclosed in Note 26 to the financial statements. The key areas of significant assumptions, judgements and estimates included the amount and timings of future cash flows, collateral values, history of the length of business relationship between the Tea Sellers and the Company, estimated production and demand for Tea.	Our audit procedures included the following key procedures: • Evaluated the reasonableness of credit quality assessments and checked that the disbursements and the recording of Loans and Advances are in accordance with the standard operating procedures for Loans and Advances given to Tea sellers. • Obtained an understanding of the process for impairment assessment for Loans and Advances given to Tea sellers, including; compliance with the contractual obligations and subsequent settlements of the Loans and Advances. • Testing the computation of the provision of impairment and assessing the reasonableness of the judgements, assumptions and estimates used by the management with regard to the future cash flows, collateral values, estimated production and demand for Tea. We also assessed the adequacy of the disclosures in notes 26, 24 and 7 to the financial statements regarding impairment for Loans and Advances given to Tea sellers.

Other information included in the Group's 2025/2026 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditors' 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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 auditors' 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 auditors' report is 2097.



25 May 2026
Colombo

Income Statement

For the year ended 31 March		Group		Company	
In Rs.'000s	Note	2026	2025	2026	2025
Continuing operations					
Services transferred at a point of time	10	1,233,194	1,009,382	489,877	510,634
Revenue from contract with customers		1,233,194	1,009,382	489,877	510,634
Cost of sales		(491,422)	(473,616)	(203,813)	(214,138)
Gross profit		741,772	535,766	286,064	296,496
Dividend income	11	-	-	132,576	78,297
Other operating income	12.1	1,190	14,731	488	2,542
Other operating expenses	12.2	(10,008)	(5,702)	(5,394)	(89)
Selling and distribution expenses		(122,559)	(38,973)	(117,024)	(35,048)
Administrative expenses		(404,442)	(363,458)	(158,660)	(142,436)
Results from operating activities		205,953	142,364	138,050	199,762
Finance cost	13.2	(5,625)	(18,080)	(1,056)	(10,683)
Finance income	13.1	81,740	69,290	25,336	21,864
Net finance income / (expense)		76,115	51,210	24,280	11,181
Changes in fair value of investment property	20.1	12,900	30,500	12,900	30,500
Share of results of equity accounted investees (net of tax)	23.2	6,136	32,570	-	-
Profit before tax	14	301,104	256,644	175,230	241,443
Tax expense	17.1	(140,710)	(83,156)	(51,004)	(63,280)
Profit for the year		160,394	173,488	124,226	178,163
Attributable to:					
Equity holders of the parent		126,778	170,510		
Non- controlling interests		33,616	2,978		
		160,394	173,488		
		Rs.	Rs.	Rs.	Rs.
Earnings per share					
Basic	15	2.09	2.80	2.04	2.93
Dividend per share	16	2.95	1.00	2.95	1.00

Figures in brackets indicate deductions.
The accounting policies and notes as set out on pages 168 to 213 form an integral part of these financial statements.

Statement of Comprehensive Income

For the year ended 31 March		Group		Company	
In Rs.'000s	Note	2026	2025	2026	2025
Profit for the year		160,394	173,488	124,226	178,163
Other comprehensive income not to be reclassified to income statement in subsequent periods					
Net (loss) / gain on equity instruments at fair value through other comprehensive income	8.2	(653,571)	519,700	(653,571)	519,700
Revaluation of buildings	18.1	49,188	23,357	-	-
Re-measurement gain /(loss) on defined benefit plans	32.2	(11,552)	11,756	(9,654)	10,358
Net other comprehensive income not to be reclassified to income statement in subsequent periods		(615,935)	554,813	(663,225)	530,058
Tax on other comprehensive income	17.2	(11,403)	(10,534)	2,896	(3,108)
Other comprehensive income for the period, net of tax		(627,338)	544,279	(660,329)	526,950
Total comprehensive income for the period, net of tax		(466,944)	717,767	(536,103)	705,113
Attributable to:					
Equity holders of the parent		(500,560)	714,789		
Non - controlling interests		33,616	2,978		
		(466,944)	717,767		

Figures in brackets indicate deductions.

The accounting policies and notes as set out on pages 168 to 213 form an integral part of these financial statements.

Statement of Financial Position

As at 31st March		Group		Company	
In Rs.'000s	Note	2026	2025	2026	2025
ASSETS					
Non-current assets					
Property, plant and equipment	18	919,949	890,517	21,195	20,554
Right of use assets	19	28,223	29,312	-	-
Investment properties	20	557,650	544,750	557,650	544,750
Intangible assets	21.3	13,588	7,878	-	-
Investments in subsidiaries	22	-	-	158,570	158,570
Investments in equity accounted investees	23	24,156	64,420	24,000	24,000
Non-current financial assets	24	2,316,312	3,079,098	2,291,717	3,062,389
Deferred tax assets	17.4	12,686	10,608	-	-
Other non - current assets		10,872	16,358	5,257	8,373
		3,883,436	4,642,941	3,058,389	3,818,636
Current assets					
Inventories	25	1,316	996	549	372
Trade and other receivables	26	1,370,995	1,118,777	931,333	810,309
Amounts due from related parties	35.1	25,244	11,766	2,625	2,999
Other current assets	27	14,505	11,928	5,319	2,756
Short term investments	28	822,538	533,450	-	-
Cash in hand and at bank	29.1	847,369	217,536	825,701	191,570
		3,081,967	1,894,453	1,765,527	1,008,006
Total assets		6,965,403	6,537,394	4,823,916	4,826,642
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Stated capital	30.1	152,000	152,000	152,000	152,000
Revenue reserves		2,961,800	3,022,206	2,761,039	2,822,931
Other components of equity	30.2	945,037	1,549,639	337,541	984,127
		4,058,837	4,723,845	3,250,580	3,959,058
Non-controlling interests		70,854	59,862	-	-
Total equity		4,129,691	4,783,707	3,250,580	3,959,058
Non-current liabilities					
Deferred tax liabilities	17.5	284,711	284,571	68,198	68,361
Interest-bearing loans and borrowings	19.3	-	32,800	-	-
Employee benefit liabilities	32.6	97,678	75,485	52,622	38,948
		382,389	392,856	120,820	107,309
Current liabilities					
Trade and other payables	33	2,299,533	1,285,276	1,387,274	727,163
Amounts due to related parties	35.2	16,357	18,085	14,329	15,960
Income tax liabilities	17.3	47,746	17,977	12,429	13,096
Other current liabilities	34	24,690	3,178	6,287	1,342
Short term borrowings	19.3	32,800	33,600	-	-
Bank overdrafts	29.2	32,197	2,715	32,197	2,714
		2,453,323	1,360,831	1,452,516	760,275
Total equity and liabilities		6,965,403	6,537,394	4,823,916	4,826,642

I certify that the financial statements comply with the requirements of the Companies Act No. 7 of 2007.

Mr. N.W.R Wijewantha
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Mr K.N.J. Balendra
Director

Mr. J. G. A. Cooray
Director

The accounting policies and notes as set out on pages 168 to 213 form an integral part of these financial statements.
25th May 2026
Colombo

Statement of Changes in Equity

Group In Rs. '000s	Note	Attributable to equity holders of the parent							
			Other components of equity						
		Stated capital	Revaluation reserves	Fair value reserve of financial assets at FVOCI *	Other capital reserves	Revenue reserves	Total	Non -controlling interest	Total equity
As at 1 April 2024		152,000	482,971	355,362	162,324	2,904,267	4,056,924	54,784	4,111,708
Profit for the year		-	-	-	-	170,510	170,510	2,978	173,488
Other comprehensive income		-	16,350	519,700	-	8,229	544,279	-	544,279
Total comprehensive income		-	16,350	519,700	-	178,739	714,789	2,978	717,767
Share based payments	31	-	-	-	12,932	-	12,932	2,100	15,032
Interim dividend paid - 2024/25	16	-	-	-	-	(60,800)	(60,800)	-	(60,800)
As at 31 March 2025		152,000	499,321	875,062	175,256	3,022,206	4,723,845	59,862	4,783,707
As at 1 April 2025		152,000	499,321	875,062	175,256	3,022,206	4,723,845	59,862	4,783,707
Profit for the year		-	-	-	-	126,778	126,778	33,616	160,395
Other comprehensive income		-	34,057	(653,571)	-	(7,824)	(627,338)	-	(627,338)
Total comprehensive income		-	34,057	(653,571)	-	118,953	(500,560)	33,616	(466,943)
Share based payments	31	-	-	-	14,912	-	14,912	2,503	17,415
Final dividend paid 2024/2025	16	–	–	–	–	(97,280)	(97,280)	-	(97,280)
Interim dividend paid - 2025/26	16	-	-	-	-	(82,080)	(82,080)	-	(82,080)
Subsididiary dividend to non - controlling interest		-	-	-	-	-	-	(25,128)	(25,128)
As at 31 March 2026		152,000	533,378	221,491	190,168	2,961,800	4,058,837	70,853	4,129,691

* Fair value through other comprehensive income

Figures in brackets indicate deductions.

The accounting policies and notes as set out on pages 168 to 213 form an integral part of these financial statements.

Statement of Changes in Equity

Company In Rs.'000s	Note	Stated capital	Other components of equity		Revenue reserves	Total equity
			Other capital reserves	Fair value reserve of financial assets at FVOCI *		
As at 1 April 2024		152,000	92,710	365,434	2,698,318	3,308,462
Profit for the year		-	-	-	178,163	178,163
Other comprehensive income		-	-	519,700	7,250	526,950
Total comprehensive income		-	-	519,700	185,413	705,113
Share based payments	31	-	6,283	-	-	6,283
First interim dividend paid - 2024/25	16	-	-	-	(60,800)	(60,800)
As at 31 March 2025		152,000	98,993	885,134	2,822,931	3,959,058
As at 1 April 2025		**152,000**	**98,993**	**885,134**	**2,822,931**	**3,959,058**
Profit for the year		-	-	-	**124,226**	**124,226**
Other comprehensive income		-	-	**(653,571)**	**(6,758)**	**(660,329)**
Total comprehensive income		-	-	**(653,571)**	**117,468**	**(536,103)**
Share based payments	31	-	**6,985**	-	-	**6,985**
Final dividend paid 2024/25		-	-	-	**(97,280)**	**(97,280)**
Interim dividend paid - 2025/26	16	-	-	-	**(82,080)**	**(82,080)**
As at 31 March 2026		**152,000**	**105,978**	**231,563**	**2,761,039**	**3,250,580**

* Fair value through other comprehensive income

Figures in brackets indicate deductions.

The accounting policies and notes as set out on pages 168 to 213 form an integral part of these financial statements.

Statement of Cash Flow

For the year ended 31 March In Rs. '000s	Note	Group		Company	
		2026	2025	**2026**	2025
OPERATING ACTIVITIES					
Profit before tax		301,104	256,644	175,230	241,443
Adjustments for:					
Share of results of equity accounted investees	23.2	(6,136)	(32,570)	-	-
Finance income	13.1	(74,588)	(63,931)	(18,184)	(16,505)
Dividend income - FVOCI financial assets	13.1	(7,152)	(5,359)	(7,152)	(5,359)
Dividend income - subsidiaries	11	-	-	(132,576)	(78,297)
Finance expenses	13.2	5,625	18,080	1,056	10,683
Change in fair value of investment properties	20.1	(12,900)	(30,500)	(12,900)	(30,500)
Depreciation of property, plant and equipment	14	45,917	41,889	5,032	3,781
Amortisation of right-of-use assets	19.1	1,089	1,089	-	-
Amortisation of intangible assets	21.2	4,581	3,353	-	-
Provision for impairment allowance for loans and advances given to tea sellers		105,530	25,852	105,530	25,852
Loss on derecognition of intangible assets		4,222	-	-	-
(Profit) / loss on sale of property, plant and equipment		(479)	(12,114)	-	-
Share based payment expenses	31	17,415	15,032	6,985	6,283
Employee benefit provision and related costs	32.3	13,467	17,025	6,838	9,448
Profit before working capital changes		397,695	234,490	129,859	166,829
Working capital adjustments					
Decrease / (increase) in inventories		(320)	1,777	(177)	1,776
Decrease / (increase) in trade and other receivables		(357,748)	212,483	(226,554)	178,686
Decrease / (increase) in other non - current assets		114,836	84,066	120,224	76,951
Decrease / (increase) in amounts due from related parties		(13,478)	(1,743)	374	2,522
Decrease / (increase) in other current assets		(2,577)	(7,058)	(2,563)	(2,695)
Increase / (decrease) in trade and other payables		1,014,256	38,367	660,111	(76,284)
Increase / (decrease) in amounts due to related parties		(1,728)	(1,714)	(1,631)	1,904
Increase / (decrease) in other current liabilities		21,512	(26,441)	4,946	(11,770)
Cash generated from operations		1,172,448	534,227	684,589	337,918
Finance income received	13.1	74,588	63,931	18,184	16,505
Finance cost paid	13.2	(5,625)	(18,080)	(1,056)	(10,683)
Dividend income - subsidiaries	11	39,440	59,427	132,576	78,297
Income tax paid and setoff	17.3	(117,451)	(83,203)	(48,942)	(60,626)
Gratuity paid/transfers (net)	32.2	(2,826)	(29,414)	(2,819)	(14,012)
Net cash flow from operating activities		1,160,574	526,888	782,532	347,399
INVESTING ACTIVITIES					
Acquisition of property, Plant and Equipment	18.1	(26,164)	(38,030)	(5,676)	(4,888)
Purchase of intangible assets	21.1	(14,514)	(2,659)	-	-
Dividend income- FVOCI financial assets	13.1	7,152	5,359	7,152	5,359
Proceeds from sale of property plant & equipment		479	12,114	-	-
Net cash flow from / (used in) investing activities		(33,047)	(23,216)	1,476	471

Statement of Cash Flow

For the year ended 31 March In Rs. '000s	Note	Group		Company	
		2026	2025	**2026**	2025
FINANCING ACTIVITIES					
Dividend paid		(179,360)	(60,800)	(179,360)	(60,800)
Dividend paid to shareholders with non-controling interest		(25,128)	-	-	-
Repayment of long term borrowings	19.3	(33,600)	(33,600)	-	-
Proceeds from short term borrowings		-	100,000	-	-
Net cash flow from / (used in) financing activities		(238,088)	5,600	(179,360)	(60,800)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		889,439	509,272	604,648	287,070
CASH AND CASH EQUIVALENTS AT THE BEGINNING		748,271	238,999	188,856	(98,214)
CASH AND CASH EQUIVALENTS AT THE END		1,637,710	748,271	793,504	188,856
ANALYSIS OF CASH AND CASH EQUIVALENTS					
Favourable balances					
Cash in hand and at bank		847,369	217,536	825,701	191,570
Short term investments		822,538	533,450	-	-
		1,669,907	750,986	825,701	191,570
Unfavourable balances					
Bank overdrafts		(32,197)	(2,715)	(32,197)	(2,714)
Cash and cash equivalents		1,637,710	748,271	793,504	188,856

Figures in brackets indicate deductions.
The accounting policies and notes as set out in pages 168 to 213 form an integral part of these financial statements.

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Notes to The Financial Statements

1. CORPORATE INFORMATION

Reporting entity

John Keells PLC is a public limited liability company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at 117, Sir Chittampalam A Gardiner Mawatha, Colombo 02 and the principal place of business of the Company is located at 186, Vauxhall Street, Colombo 02

Ordinary shares of the Company are listed on the Colombo Stock Exchange.

Consolidated financial statements

The financial statements for the year ended 31 March 2026, comprise "the Company" referring to John Keells PLC as the holding company and "the Group" referring to the companies that have been consolidated therein.

Approval of financial statements

The financial statements for the year ended 31 March 2026 were authorised for issue by the Directors on 25 May 2026.

Principal activities and nature of operations

Holding company

The principal activities of the Group's holding company is commodity broking.

Subsidiaries and associate

The companies within the Group and its business activities are described in the Group structure on page 7 of the Annual Report. There were no other significant changes in the nature of the principal activities of the Company and the Group during the financial year under review.

Parent entity and ultimate parent entity

The Company's parent entity is John Keells Holdings PLC in the opinion of the Directors, which is incorporated in Sri Lanka.

Responsibility for financial statements

The responsibility of the Board of Directors in relation to the financial statements is set out in 'The Statement of Directors' Responsibility on page 153 of the Annual report

Statements of compliance

The financial statements which comprise the income statement, statement of financial position, statement of changes in equity, statement of comprehensive income and the statement of cash flows, together with the accounting policies and notes (the "financial statements") have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and in compliance with the Companies Act No. 7 of 2007.(As amended)

2. BASIS OF PREPARATION AND OTHER SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention except for investment properties, land and building and financial instruments measured at fair value through other comprehensive income that have been measured at fair value.

Going Concern

The Group has prepared the financial statements for the year ended 31 March 2026 on the basis that it will continue to operate as a going concern. Based on available information, the management has assessed prevailing macroeconomic conditions and its effect on the Group Companies in determining the going concern basis for preparation of financial statements. The management has formed judgment that the Company, its subsidiaries and associate have adequate resources to continue in operational existence for the foreseeable future driven by the continuous operationalisation of risk mitigation initiatives and monitoring of business continuity and response plans at each business unit level along with the financial strength of the Group. In determining the above, significant management judgement, estimates and assumptions, the impact of the macroeconomic uncertainties, including exchange rate volatilities, supply chain disruptions and interest rate volatilities have been considered as of the reporting date and specific considerations have been disclosed under the notes, as relevant.

Offsetting

Assets and liabilities or income and expenses, are not offset unless required or permitted by Sri Lanka Accounting Standard

Comparative information

The presentation and classification of the financial statements of the previous years have been amended, where relevant for better presentation and to be comparable with those of the current year.

Presentation and functional currency

The consolidated financial statements are presented in Sri Lankan Rupees (Rs.), the Group's functional and presentation currency, which is the primary economic environment in which the holding Company operates. Each entity in the Group uses the currency of the primary economic environment in which they operate as their functional currency.

All values are rounded to the nearest rupees thousand (Rs. '000) except when otherwise indicated.

The significant accounting policies are discussed with relevant individual notes.

3. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2026. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has

the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

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

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

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

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Loss of control

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in the income statement. Any investment retained is recognised at fair value.

The total profits and losses for the year of the Company and of its subsidiaries included in consolidation are shown in the consolidated income statement and consolidated statement of comprehensive income and all assets and liabilities of the Company and of its subsidiaries included in consolidation are shown in the consolidated statement of financial position.

Non-controlling interest (NCI)

Non-controlling interest which represents the portion of profit or loss and net assets not held by the Group, are shown as a component of profit for the year in the consolidated income statement and the statement of comprehensive income and as a component of equity in the consolidated statement of financial position, separately from equity attributable to the shareholders of the parent. The consolidated statement of cash flow includes the cash flows of the Company and its subsidiaries.

Transactions eliminated on consolidation

All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

4. SIGNIFICANT ACCOUNTING JUDGEMENT, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements of the Group require the management to make judgments, estimates and assumptions, which may affect the amounts of income, expenditure, assets, liabilities and the disclosure of contingent liabilities, at the end of the reporting period.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Group's accounting policies, management has made various judgements. Those which management has assessed to have the most significant effect on the amounts recognised in the consolidated financial statements have been discussed in the individual notes of the related financial statement line items.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual notes to the financial statements. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The line items which have most significant effect on accounting, judgements, estimate and assumptions are as follows;

a) Going Concern
b) Valuation of property, plant and equipment and investment property
c) Impairment of non-financial assets
d) Share based payments
e) Taxes
f) Employee benefit liability
g) Provision for impairment allowance for loans and advances given to tea Sellers

5 SUMMARY OF MATERIAL ACCOUNTING POLICIES

Accounting Policy

Changes in accounting standards
Summary of material accounting policies have been disclosed along with the relevant individual notes in the subsequent pages.

Those accounting policies presented with each note, have been applied consistently by the Group.

Other material accounting policies not disclosed with individual notes
Following accounting policies, which have been applied consistently by the Group, are considered to be material but not covered in any other sections.

Current versus non-current classification
The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is classified as 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
* There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

5.1 Changes in accounting standards

The following amendments and improvements are not expected to have a significant impact on the Group's financial statements

Amendments to LKAS 21: Lack of Exchangeability

Amendments to SLFRS 9 and

SLFRS 7: Classification and Measurement of Financial Instruments

SLFRS 19 : Subsidiaries without public accountability Disclosures

5.2 Standards issued but not yet effective

SLFRS 18: Presentation and Disclosure in Financial Statements

The Group is currently assessing the potential impact of SLFRS 18 on its financial statements and related disclosures. A comprehensive evaluation, including transition planning and implementation activities, is expected to be completed prior to the adoption of the standard.

5.3 Business combinations & goodwill

Business combinations are accounted for using the acquisition method of accounting. The Group measures goodwill at the acquisition date as the fair value of the consideration transferred including the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

When the fair value of the consideration transferred including the recognised amount of any non-controlling interests in the acquiree is lower than the fair value of net assets acquired, a gain is recognised immediately in the income statement. The Group selects on a transaction by transaction basis whether to measure non-controlling interests at fair value, or at their proportionate share of the recognised amount of the identifiable net assets, at the acquisition date. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration which is deemed to be an asset or liability, which is a financial instrument and within the scope of LKAS 39, is measured at fair value with changes in fair value either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity.

In instances where the contingent consideration does not fall within the scope of LKAS 39, it is measured in accordance with the appropriate SLFRS/LKAS.

Goodwill is initially measured at cost being the excess of the consideration transferred over the Group's net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired the difference is recognised in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value maybe impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Impairment is determined by assessing the recoverable amount of the cash generating unit to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than the carrying amount, an impairment loss is recognised. The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets pro-rata to the carrying amount of each asset in the unit.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed off, the goodwill associated with the operation disposed is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed in this circumstance is measured based on the relative values of the operation disposed off and the portion of the cash generating unit retained.

6 OPERATING SEGMENT INFORMATION

Accounting Policy

The Group's internal organisation and management is structured based on individual services which are similar in nature and process and where the risk and returns are similar. The operating segments represent the Group's business structure. The activities of each operating business of segments of the Group are detailed in the Group structure of the Annual report.

The Group's operating business segments are as follows

Produce Broking
provision of tea and rubber broking services.

Warehousing
provision of warehousing of tea services.

Share Broking
provision of stock broking services.

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group.

No operating segments have been aggregated to form the above reportable operating segments. An individual segment manager is determined for each operating segment and the results are regularly reviewed by the Board of Directors. The Board of Directors monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the operating segments information, is measured differently from operating profit or loss in the consolidated financial statements. Transfer prices between operating segments are carried out on an arm's -length basis in the ordinary course of business in a manner similar to transactions with third parties.

6.1 Business segments

Group For the year ended 31 March In Rs.'000s	Produce broking		Warehousing		Share broking		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
Disaggregation of revenue								
Total revenue from continuing operations	489,877	510,634	186,600	161,428	565,517	344,787	1,241,994	1,016,849
Elimination of inter segment revenue	-	-	-	-	-	-	(8,800)	(7,467)
Net revenue	489,877	510,634	186,600	161,428	565,517	344,787	1,233,194	1,009,382
Segment results	5,475	121,465	47,802	42,319	152,676	(21,420)	205,953	142,364
Finance income	25,336	21,864	4,692	4,657	51,713	42,769	81,740	69,290
Finance cost	(1,056)	(10,683)	(4,568)	(7,390)	(1)	(7)	(5,625)	(18,080)
Net finance (expenses)/ income	24,280	11,181	124	(2,733)	51,712	42,762	76,115	51,210
Changes in fair value of investment property	12,900	30,500	-	-	-	-	12,900	30,500
	42,655	163,146	47,926	39,586	204,388	21,342	294,968	224,074
Share of results of equity accounted investees (net of tax)							6,136	32,570
Profit before tax							301,104	256,644
Tax expense	(51,004)	(63,280)	(14,990)	(12,841)	(64,320)	(8,934)	(130,314)	(85,055)
Unallocated tax expenses							(10,396)	1,898
Total tax expenses	(51,004)	(63,280)	(14,990)	(12,841)	(64,320)	(8,934)	(140,710)	(83,157)
Profit after tax							160,394	173,488
Purchase and construction of PPE*	5,676	4,887	19,226	32,119	1,262	1,024	26,164	38,030
Addition to intangible assets	-	-	-	-	14,514	2,659	14,514	2,659
Depreciation of PPE*	5,032	3,781	39,434	36,707	1,451	1,400	45,917	41,889
Amortisation of intangible assets	-	-	-	-	4,581	3,353	4,581	3,353
Amortisation of right of use assets	-	-	1,089	1,089	-	-	1,089	1,089
Employee benefit provision and related cost	6,838	9,448	339	377	6,290	7,200	13,467	17,025

6.2 Business segments

Segment assets	4,665,504	4,708,494	1,024,100	995,411	1,275,799	833,489	6,965,403	6,537,394
Segment liabilities	1,555,507	862,756	299,933	308,237	980,272	582,694	2,835,712	1,753,688

*PPE-property, plant & equipment

7 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Accounting Policy

The Group and Company have loans and other receivables, trade and other receivables and cash and short-term deposits that arise directly from its operations. The Group and Company also hold other financial instruments such as available for sale and fair value through profit or loss financial instruments. The Group's and Company's principal financial liabilities, comprise of loans and borrowings, trade and other payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's and Company's operations and to provide guarantees to support their operations. The financial risk governance framework provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Group and Company are exposed to credit risk, liquidity risk, market rate risk and interest risk.

7.1 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group and Company are exposed to credit risk from their operating activities (primarily trade receivables) and from their financing activities, including deposits with banks and financial institutions and other financial instruments.

The Group and Company trade only with recognised, creditworthy third parties. It is the Group's and Company's policy that all clients who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and proactive steps taken to reduce the risk.

With respect to credit risk arising from the other financial assets of the Group, such as cash and cash equivalents, available-forsale financial investments, the exposure to credit risk arises from default of the counterparty. The Group and Company manage their operations to avoid any excessive concentration of counterparty risk and the Group and Company take all reasonable steps to ensure that the counter parties fulfil their obligations.

7.1.1 Risk exposure

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts (without consideration of collateral, if available). Following Table shows the maximum risk positions.

Group As at 31 March 2026 Rs.'000s	Notes	Other non current financial assets	Cash in hand and at bank	Trade and other receivables	Other investments	Amounts due from related parties	Total	% of allocation
Government securities	7.1.1.1	-	-	-	766,640	-	766,640	14%
Loans to executives	7.1.1.2	32,929	-	9,096	-	-	42,025	1%
Trade receivables	7.1.1.3	-	-	1,183,316	-	-	1,183,316	22%
Loans given to Tea sellers	7.1.1.4	-	-	-	-	-	-	0%
Advance given to Tea sellers	7.1.1.4	-	-	178,583	-	-	178,583	3%
Amounts due from related parties	7.1.1.5	-	-	-	-	25,244	25,244	0%
Cash in hand and at bank	7.1.1.6	-	847,369	-	-	-	847,369	16%
Deposit with Bank	7.1.1.8	-	-	-	55,898	-	55,898	1%
Deposit with CSE		1,000	-	-	-	-	1,000	0%
Total credit risk exposure		33,929	847,369	1,370,995	822,538	25,244	3,100,075	58%
Financial assets at fair value through OCI	7.1.1.7	2,282,383	-	-	-	-	2,282,383	42%
Total equity risk exposure		2,316,312	847,369	1,370,995	822,538	25,244	5,382,458	100%

Group As at 31 March 2025 Rs.'000s	Notes	Other non current financial assets	Cash in hand and at bank	Trade and other receivables	Other investments	Amounts due from related parties	Total	% of allocation
Government securities	7.1.1.1	-	-	-	470,302	-	470,302	8%
Loans to executives	7.1.1.2	32,672	-	8,794	-	-	41,466	1%
Trade receivables	7.1.1.3	-	-	837,472	-	-	837,472	17%
Loans given to Tea Sellers	7.1.1.4	109,472	-	9,331	-	-	118,803	2%
Advance given to Tea Sellers	7.1.1.4	-	-	263,180	-	-	263,180	5%
Amounts due from related parties	7.1.1.5	-	-	-	-	11,766	11,766	0%
Cash in hand and at bank	7.1.1.6	-	217,536	-	-	-	217,536	4%
Deposit with Bank	7.1.1.8	-	-	-	63,148	-	63,148	1%
Deposit with CSE		1,000	-	-	-	-	1,000	0%
Total credit risk exposure		143,144	217,536	1,118,777	533,450	11,766	2,024,673	40%
Financial assets at fair value through OCI	7.1.1.7	2,935,954	-	-	-	-	2,935,956	60%
Total equity risk exposure		3,079,098	217,536	1,118,777	533,450	11,766	4,960,629	100%

Company As at March 2026 In Rs.'000s	Notes	Other non current financial assets	Cash in hand and at bank	Trade and other receivables	Other investments	Amounts due from related parties	Total	% of allocation
Loans to executives	7.1.1.2	9,334	-	3,634	-	-	12,968	0%
Trade receivables	7.1.1.3	-	-	749,136	-	-	749,136	19%
Loans given to tea sellers	7.1.1.4	-	-	-	-	-	-	0%
Advance given to tea sellers	7.1.1.4	-	-	178,563	-	-	178,563	5%
Amounts due from related parties	7.1.1.5	-	-	-	-	2,625	2,625	0%
Cash in hand and at bank	7.1.1.6	-	825,701	-	-	-	825,701	20%
Total credit risk exposure		9,334	825,701	931,333	-	2,625	1,768,993	44%
Financial assets at fair value through OCI	7.1.1.7	2,282,383	-	-	-	-	2,282,383	56%
Total equity risk exposure		2,291,717	825,701	931,333	-	2,625	4,051,396	100%

Company As at March 2025 In Rs.'000s	Notes	Other non current financial assets	Cash in hand and at bank	Trade and other receivables	Other investments	Amounts due from related parties	Total	% of allocation
Loans to executives	7.1.1.2	16,963	-	3,840	-	-	20,803	1%
Trade receivables	7.1.1.3	-	-	533,958	-	-	533,958	13%
Loans given to tea sellers	7.1.1.4	109,472	-	9,331	-	-	118,803	3%
Advance given to tea sellers	7.1.1.4	-	-	263,180	-	-	263,180	6%
Amounts due from related parties	7.1.1.5	-	-	-	-	2,999	2,999	0%
Cash in hand and at bank	7.1.1.6	-	191,570	-	-	-	191,570	5%
Total credit risk exposure		126,435	191,570	810,309	-	2,999	1,131,313	28%
Financial assets at fair value through OCI	7.1.1.7	2,935,954	-	-	-	-	2,935,954	72%
Total equity risk exposure		3,062,389	191,570	810,309	-	2,999	4,067,267	100%

7.1.1.1 Government securities

As at 31 March 2026, as shown in the table above, 100% (2025-100%) of Government securities includes investments in government securities consist of repo investments. Government securities are usually referred to as risk free due to the sovereign nature of the instrument.

7.1.1.2 Loans to executives

Loans to executive portfolio is largely made up of vehicle loans which are given to staff at assistant manager level and above. The respective business units have obtained the necessary Power of Attorney/promissory notes as collateral for the loans granted.

7.1.1.3 Trade and other receivables

As at 31 March In Rs.'000s	Group		Company	
	2026	2025	2026	2025
Neither past due nor impaired	335,833	226,276	3,634	3,840
Past due				
0–30 days	854,697	775,453	748,263	691,899
31–60 days	996	1,247	-	-
61–90 days	12	1,025	-	-
> 91 days	746,949	576,736	746,926	576,531
Gross carrying value	1,938,486	1,580,738	1,498,823	1,272,270
Gross carrying value provision for impairment of allowance for loan and advances given to tea sellers (Note 7.1.1.3.1)	(567,491)	(461,961)	(567,491)	(461,961)
Total	1,370,995	1,118,777	931,332	810,309

The Group has obtained customer deposits from major customers by reviewing their past performance and credit worthiness, as collateral. The requirement for an impairment is analysed at each reporting date on an individual basis for major customers and uses a provision matrix to calculate Expected Credit Loss (ECL) for the balance. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix was initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The Group considers a financial asset including trade and receivable in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

7.1.1.3.1 Movement in the provision for impairment of allowance for loans and advances given to tea sellers.

For the year ended 31 March In Rs.'000s	Group	Company
As at 01 April 2024	440,263	440,263
Charge for the year	36,981	36,981
Write off	(4,126)	(4,126)
Recoveries	(11,157)	(11,157)
As at 31 March 2025	461,961	461,961
Charge for the year	110,180	110,180
Write off	-	-
Recoveries	(4,650)	(4,650)
As at 31 March 2026	567,491	567,491

7.1.1.4 Loans and advances given to tea sellers

The Group and Company have advanced money to tea producers by reviewing their past performance and credit worthiness.

7.1.1.5 Amounts due from related parties

The Group's and Company's amount due from related parties mainly consists of the balance due from affiliate Companies and Companies under common control.

7.1.1.6 Credit risk relating to cash and cash equivalents

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

7.1.1.7 Financial Assets at fair value through OCI

All unquoted/quoted equity investments are made after obtaining Board of Directors' approvals.

7.1.1.8 Deposits with banks

Deposits with bank mainly consist of fixed deposits. As at 31 March 2026.

7.2 Liquidity Risk

The Group's and Company's policy is to hold cash and undrawn committed facilities at a level sufficient to ensure that the Company has available funds to meet its medium term capital and funding obligations, including organic growth and acquisition activities, and to meet any unforeseen obligations and opportunities. The Company holds cash and undrawn committed facilities to enable the Company to manage its liquidity risk.

The Group and Company monitors its risk to a shortage of funds using a daily cash management process. This process considers the maturity of both the Company's financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations.

The Group's and Company 's objective is to maintain a balance between continuity of funding and flexibility through the use of multiple sources of funding including bank loans, loan notes and overdrafts.

7.2.1 Net (debt)/ cash

As at 31 March	Group		Company	
In Rs.'000s	2026	2025	2026	2025
Cash in hand and at bank	**847,369**	217,536	**825,701**	191,570
Short term investments	**822,538**	533,450	**-**	-
Liquid assets	**1,669,907**	750,986	**825,701**	191,570
Interest-bearing loand and borrowings	**(32,800)**	(66,400)	**-**	-
Bank overdrafts	**(32,197)**	(2,715)	**(32,197)**	(2,714)
Liquid liabilities	**(32,197)**	(2,715)	**(32,197)**	(2,714)
Net debt / (cash)	**1,604,910**	681,871	**793,504**	188,856

7.2.2 Liquidity risk management

The Group and Company has implemented a mixed approach that combines elements of the cash flow matching approach and the liquid assets approach. The business units matched cash outflows in each time bucket against the combination of contractual cash inflows plus other inflows that can be generated through the sale of assets or other secured borrowings.

Maturity analysis

The table below summarises the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted payments.

Group	2026				2025			
As at 31 March In Rs.'000s	Less than 3 months	3 to 12 months	More than 12 months	Total	Less than 3 months	3 to 12 months	More than 12 months	Total
Trade and other payables	**2,299,533**	**-**	**-**	**2,299,533**	1,285,276	-	-	1,285,276
Interest-bearing Loans and borrowings	**-**	**32,800**	**-**	**32,800**	-	33,600	32,800	66,400
Amounts due to related parties	**16,357**	**-**	**-**	**16,357**	18,085	-	-	18,085
Bank overdrafts	**32,197**	**-**	**-**	**32,197**	2,715	-	-	2,715
Total	**2,348,087**	**32,800**	**-**	**2,348,087**	1,306,076	33,600	32,800	1,372,476

Company	2026				2025			
As at 31 March In Rs.'000s	Less than 3 months	3 to 12 months	More than 12 months	Total	Less than 3 months	3 to 12 months	More than 12 months	Total
Trade and other payables	**1,387,274**	**-**	**-**	**1,387,274**	727,163	-	-	727,163
Amounts due to related parties	**14,329**	**-**	**-**	**14,329**	15,960	-	-	15,960
Bank overdrafts	**32,197**	**-**	**-**	**32,197**	2,714	-	-	2,714
Total	**1,433,800**	**-**	**-**	**1,433,800**	745,837	-	-	745,837

7.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. The financial instruments affected by the Company is financial assets designated at FVOCI which include equity securities.

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

The Group has managed the risk of volatile interest rates by having a balanced portfolio of borrowings at fixed and variable rates.

7.3.1 Equity price risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.

7.3.2 Financial assets at fair value through other comprehensive income

All quoted equity and unquoted equity investments are made after obtaining Board of Directors' approval.

7.3.3 Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the market index, with all other variables held constant, of the Group's and Company's profit before tax and equity due to changes in the fair value of the listed equity securities.

As at 31 March	Change in year end market price index	Effect on profit before tax	Effect on equity
			Rs. '000
Group			
2026	10%	-	41,235
	-10%	-	(41,235)
2025	10%	-	43,487
	-10%	-	(43,487)
Company			
2026	10%	-	41,235
	-10%	-	(41,235)
2025	10%	-	43,487
	-10%	-	(43,487)

7.4 Capital management

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

The Company manages its capital structure, and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares, have a rights issue or buy back shares.

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
Debt/equity	1.60%	1.45%	0.99%	0.07%

8 FAIR VALUE MEASUREMENT AND RELATED FAIR VALUE DISCLOSURES

Fair value measurement

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are only, disclosed are reflected in this note. Aside from this note, additional fair value related disclosures, including the valuation methods, significant estimates and assumptions are also provided in:

· Investment in unquoted equity shares	Note 24.2
· Property, plant and equipment under revaluation model	Note 18.8
· Investment properties	Note 20
· Financial Instruments (including those carried at amortised cost)	Note 9

8 FAIR VALUE MEASUREMENT AND RELATED FAIR VALUE DISCLOSURES

Accounting Policy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

· In the principal market for the asset or liability, or
· In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted equity instruments, and for non-recurring measurement, such as assets held for sale in discontinued operations. External valuers are involved for valuation of significant assets, such as land and building and investment properties, and significant liabilities, such as insurance contracts. Selection criteria for external valuers include market knowledge, reputation, independence and whether professional standards are maintained. The Group decides, after discussion with the external valuers, which valuation techniques and inputs to use for individual assets and liabilities. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above.

8.1 Financial Assets by Fair Value Hierarchy

The Group and Company held the following financial instruments carried at fair value in the statement of financial position.

Financial Assets

Group		Level 1		Level 2		Level 3	
As at 31 March Rs.'000s	Date of valuation	**2026**	2025	**2026**	2025	**2026**	2025
Non-listed equity investments							-
Waterfront Properties (Pvt) Ltd	31.03.2026	-	-	-	-	**1,870,029**	2,501,084
Listed equity investments							
Keells Food Products PLC	31.03.2026	**412,355**	434,870	-	-	-	-
Total		**412,355**	434,870	-	-	**1,870,029**	2,501,084

Company As at 31 March In Rs.'000s	Date of valuation	Level 1 2026	 2025	Level 2 2026	 2025	Level 3 2026	 2025
Non-listed equity investments							
Waterfront Properties (Pvt) Ltd	31.03.2026		-	-	-	1,870,029	2,501,084
Listed equity investments							
Keells Food Products PLC	31.03.2026	412,355	434,870	-	-	-	-
Total		412,355	434,870	-	-	1,870,029	2,501,084

During the reporting period ended 31 March 2026, there were no transfers between Level 1 and Level 2 fair value measurements.

8.2 Reconciliation of financial assets at fair value through OCI

As at 31 March In Rs.'000s	Group	Company
As at 1st April 2024	2,416,253	2,416,253
Waterfront Properties (Pvt) Ltd - Non-listed equity investments	463,090	463,090
Keells Food Products PLC - Listed equity investments	56,610	56,610
Total movement	519,700	519,700
As at 1st April 2025	2,935,953	2,935,953
Waterfront Properties (Pvt) Ltd - Non-listed equity investments	(631,055)	(631,055)
Keells Food Products PLC - Listed equity investments	(22,516)	(22,516)
Total movement	(653,571)	(653,571)
As at 31 March 2026	2,282,381	2,282,381

8.3 Non - financial assets by fair value hierarchy
Non financial assets

Group As at 31 March In Rs.'000s	Date of valuation	Level 1 2026	 2025	Level 2 2026	 2025	Level 3 2026	 2025
Fair value hierarchy non - financial assets							
Assets measured at fair value							
Investment property	31.12.2025	-	-	-	-	557,650	544,750
Buildings on leasehold land	31.12.2025	-	-	-	-	783,163	750,322

Company As at 31 March In Rs.'000s	Date of valuation	Level 1 2026	 2025	Level 2 2026	 2025	Level 3 2026	 2025
Fair value hierarchy non - financial assets							
Assets measured at fair value							
Investment property	31.12.2025	-	-	-	-	557,650	544,750

In determining the fair value, highest and best use of the property has been considered including the current condition of the properties , future usability and associated redevelopment requirements have been considered. Also the valuers have made reference to market evidence of the transaction prices for similar properties, with appropriate adjustments for the size and location. The appraised fair value are rounded within the range of values.

Reconciliation of fair value measurements of level 3 financial instruments

The Company carries unquoted equity shares as equity instruments designated at fair value through OCI classified as Level 3 within the fair value hierarchy. A reconciliation of the beginning and closing balances including movements is summarised below:

As at 31 March In Rs.'000s	Group	Company
As at 1 April 2025	2,501,084	2,501,083
Remeasurement gain/(loss) recognised for the year	(631,055)	(631,055)
As at 31 March 2026	1,870,029	1,870,029

8.4 **Basis of valuation of financial and non - financial assets - Group / Company**

The unquoted equity investment has been fair valued using the Discounted Cash Flow Method of the investee, Waterfront Properties (Private) Limited (WPL).

The value per share of WPL as at 31st March 2026 was Rs.9.76 (2025: Rs.13.05). The valuation of WPL is carried out in LKR terms in accordance with the functional currency of WPL, which was transitioned from US Dollars to LKR given the commencement of operations of the Cinnamon Life hotel during the year.

The Company shareholding in WPL as at the reporting date was 0.88% (2025: 0.96%).

Details of the valuation as at 31st March 2026 are given below;

The valuation of the investment in WPL has been conducted based on the Discounted Cash Flow Method.

Discounted Cash Flow Method

Estimates the fair market value of the entity considering the future cash flow generation of WPL, and all its integrated components. Projected cash flows are discounted to arrive at the net present value of the investment.

Key assumptions used in the Discounted Cash Flow Method are noted below.

Forecast Horizon

Cash Flows have been forecasted for 5 years, with the terminal value based on an appropriate terminal growth rate in line with the market.

Revenue and EBITDA margins

Revenue and EBITDA margins have been adjusted for project specific aspects and the margin projections are based on the expected steady-state operations post ramp-up, peer comparisons and independent market studies, as applicable, and the performance of similar integrated properties regionally. The cash flows are forecasted under a base case scenario, considering all aspects and prospects of the integrated resort offering. A minority discount has also been factored in given the Company's shareholding percentage in WPL, which is relatively low on a standalone basis.

Discount Rate

The LKR cost of equity reflects the current and expected discount rates, while taking into account the long-term nature of the investment.

Details of the valuation as at 31st March 2025 are given below;

The valuation of the investment in Waterfront Properties (Pvt) Ltd (WPL) has been conducted based on the Discounted Cash Flow Method.

Discounted Cash Flow Method

Estimates the fair market value of the entity considering the future cash flow generation of WPL, and all its integrated components. Projected cash flows are discounted to arrive at the net present value of the investment.

Key assumptions used in the Discounted Cash Flow Method are noted below.

Forecast Horizon

Cash Flows have been forecasted for 5 years, with the terminal value based on an appropriate terminal growth rate in line with the market.

Revenue and EBITDA margins

Revenue and EBITDA margins have been adjusted for project specific aspects and the margin projections are based on the expected steady-state operations post ramp-up, peer comparisons and independent market studies, as applicable, and the performance of similar integrated properties regionally. The cash flows are forecasted under a base case scenario, considering all aspects and prospects of the integrated resort offering. A minority discount has also been factored in given the Company's shareholding percentage in WPL, which is relatively low on a standalone basis.

Discount Rate

The LKR cost of equity reflects the current and expected discount rates, while taking into account the long-term nature of the investment.

9 FINANCIAL INSTRUMENTS

Accounting Policy

i) Financial instruments - initial recognition and subsequent measurement

Financial assets within the scope of SLFRS 9 are classified as amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. This assessment is referred to as the SPPI test and is performed at an instrument level. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient financial assets are measured at the transaction price.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

The Group's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables quoted and unquoted financial instruments and derivative financial instruments.

Subsequent measurement

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

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

Debt instruments

Financial assets at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. The Group measures financial assets at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the Group's effective interest rate.

For trade receivables, the Group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial assets at fair value through OCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and;The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and;

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as a separate line item in the income statement.

The Group does not have debt instruments at fair value through OCI.

Equity instruments

Financial assets designated at fair value through OCI

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

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

The Group does not have financial assets at fair value through profits or loss.

Financial assets - instruments

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Impairment of financial assets

For trade receivables, the group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, carried at amortised cost. This includes directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

The Group does not have financial liabilities at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Group. 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.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

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 Income statement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid prices for long position and ask price for short positions), without any deductions for transaction costs. For instruments not traded in an active market , the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is subsequent and is substantially the same; a discounted cash flow analysis or other valuation models. An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 9.

9.1 Financial assets and liabilities by categories

Group As at 31 March Rs.'000s	Financial assets/liabilities at amortised cost		Financial assets/liabilities at fair value through OCI with recycling of cumulative gains and losses		Financial assets/liabilities designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
Financial instruments in non-current assets/non-current liabilities								
Interest bearing loans and borrowings	-	32,800	-	-	-	-	-	32,800
Other non-current financial assets	**33,929**	143,144	-	-	**2,282,383**	2,935,954	**2,316,312**	3,079,098
Financial instruments in current assets/ current liabilities								
Trade & other receivables	**1,192,412**	846,266	-	-	-	-	**1,192,412**	846,266
Loans and advances given to tea sellers	**178,583**	272,511	-	-	-	-	**178,583**	272,511
Trade and other payables	**(2,299,533)**	(1,285,276)	-	-	-	-	**(2,299,533)**	(1,285,276)
Amount due from related parties	**25,244**	11,766	-	-	-	-	**25,244**	11,766
Amount due to related parties	**(16,357)**	(18,085)	-	-	-	-	**(16,357)**	(18,085)
Cash in hand and at bank	**847,369**	217,536	-	-	-	-	**847,369**	217,536
Interest bearing loans and borrowings	**32,800**	33,600	-	-	-	-	**32,800**	33,600
Bank overdrafts	**(32,197)**	(2,715)	-	-	-	-	**(32,197)**	(2,715)

Company As at 31 March Rs.'000s	Financial assets/liabilities at amortised cost		Financial assets/liabilities at fair value through OCI with recycling of cumulative gains and losses		Financial assets/liabilities designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
Financial instruments in non-current assets/non-current liabilities								
Other non-current financial assets	**9,334**	126,435	-	-	**2,282,383**	2,935,954	**2,291,717**	3,062,389
Financial instruments in current assets/ current liabilities								
Trade & other receivables	**752,769**	537,798	-	-	-	-	**752,769**	537,798
Loans and advances given to tea sellers	**178,583**	272,511	-	-	-	-	**178,583**	272,511
Trade and other payables	**(1,387,274)**	(727,163)	-	-	-	-	**(1,387,274)**	(727,163)
Amount due from related parties	**2,625**	2,999	-	-	-	-	**2,625**	2,999
Amount due to related parties	**(14,329)**	(15,960)	-	-	-	-	**(14,329)**	(15,960)
Cash in hand and at bank	**825,701**	191,570	-	-	-	-	**825,701**	191,570
Bank overdrafts	**(32,197)**	(2,714)	-	-	-	-	**(32,197)**	(2,714)

The fair value of loans and receivables is not significantly different from the value based on amortised cost methodology.

The management assessed that, cash and short-term deposits, trade receivables, trade payables, loans and advances given to tea sellers, bank overdrafts and other current financial liabilities approximate their carrying amounts largely due to the shortterm maturities of these instruments.

9 FINANCIAL INSTRUMENTS (Contd.)

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 following methods and assumptions were used to estimate the fair values:

Fair value of quoted equities are based on price quotations in an active market at the reporting date

10 REVENUE

Accounting Policy

Revenue from contracts with customers
Revenue from contracts with customer is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services.

Services transferred at the point of time
Under SLFRS 15, revenue is recognised upon satisfaction of a performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally, on delivery of the goods. For each performance obligation satisfied overtime, the Group recognises the revenue at the point of time by measuring the progress towards complete satisfaction of that performance obligation.

10.1 Disaggregation of revenue

For the year ended 31 March	Group		Company	
In Rs.'000s	2026	2025	2026	2025
Brokerage fee	964,462	744,798	398,945	400,010
Warehousing income	186,600	161,427	-	-
Other	41,313	38,611	41,313	38,611
Total revenue from contract with customers	1,192,375	944,836	440,258	438,621
Interest earned on loans and advances	42,996	69,960	42,996	69,960
Rental income earned	6,623	2,053	6,623	2,053
Inter segement revenue	(8,800)	(7,467)	-	-
Total revenue	1,233,194	1,009,382	489,877	510,634

10.2 Reconciliation of revenue

Reconciliation between revenue from contracts with customers and revenue information that is disclosed for each reportable segments has been provided in the operating segment information section.

11 DIVIDEND INCOME

Accounting Policy

Dividend income is recognised when right to receive the payment is established.

For the year ended 31 March	Company	
Rs.'000s	2026	2025
Dividend income from investment in subsidiaries	132,576	78,297
	132,576	78,297

12 OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Accounting Policy

Gains and losses

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other non-current assets, including investments in subsidiaries, are accounted for in the income statement, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

Gains and losses arising from activities incidental to the main revenue generating activities and those arising from a group of similar transactions, which are not material are aggregated, reported and presented on a net basis.

12.1 Operating Income

For the year ended 31 March	Group		Company	
In Rs.'000s	2026	2025	2026	2025
Sundry income	711	2,617	488	2,542
Net gain on disposal of property, plant and equipment	479	12,114	-	-
	1,190	14,731	488	2,542

12.2 Operating Expenses

For the year ended 31 March	Group		Company	
In Rs.'000s	2026	2025	2026	2025
Exchange loss	-	89	-	89
Other overheads	10,008	5,614	5,394	-
	10,008	5,702	5,394	89

13 FINANCE INCOME AND FINANCE COST

13.1 Finance income

Accounting Policy

Finance income comprises interest income on funds invested dividend income, gains on the disposal of fair value through OCI financial assets, fair value gains on financial assets at fair value through profit or loss, gains on the remeasurement to fair value of any preexisting interest in an acquiree that are recognised in the income statement.

Interest income is recorded as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the income statement.

Finance Income

For the year ended 31 March	Group		Company	
In Rs.'000s	2026	2025	2026	2025
Interest income	66,961	53,951	14,317	13,015
Dividend income on financial assets at FVOCI Keells Foods Products PLC	7,152	5,359	7,152	5,359
Realised gain on financial assets at fair value through profit or loss	7,627	9,980	3,867	3,490
Total finance income	81,740	69,290	25,336	21,864

13 FINANCE INCOME AND FINANCE COST (Contd.)

13.2 Finance costs

Accounting Policy

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, losses on disposal of financial assets at FVOCI, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables) that are recognised in the income statement.

Interest expense is recorded as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial liability.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Finance Cost

For the year ended 31 March	Group		Company	
In Rs.'000s	2026	2025	2026	2025
Interest expense on borrowings	(5,625)	(18,080)	(1,056)	(10,683)
Total finance cost	(5,625)	(18,080)	(1,056)	(10,683)
Net finance income / (expenses)	76,115	51,210	24,280	11,181

14 PROFIT BEFORE TAX

Accounting Policy

Expenditure recognition

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

For the purpose of presentation of the income statement, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the Group's and Company's performance.

For the year ended 31 March	Group		Company	
In Rs.'000s	2026	2025	2026	2025
Profit before tax is stated after charging all expenses including the following;				
Administration expenses				
Remuneration to non executive directors	15,857	15,074	11,954	11,457
Audit fees	4,832	3,598	1,910	1,950
Amortisation of right of use assets	1,089	1,089	-	-
Personnel costs includes				
Defined benefit plan cost	13,467	17,025	6,838	9,448
Defined contribution plan cost - EPF and ETF	45,868	39,142	17,138	14,778
Other staff cost	476,712	385,902	184,530	161,055
Depreciation of property, plant and equipment	45,917	41,889	5,032	3,781
Amortization of intangible assets	4,581	3,353	-	-
Other long term employee benefits cost	17,415	15,032	6,985	6,283
CSR	1,662	1,317	1,662	1,317
Selling and distribution expenses				
Impairment (recoveries) of trade receivables	105,530	25,852	105,530	25,852

15 EARNINGS PER SHARE

Accounting Policy

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

For the year ended 31 March	Group		Company	
In Rs.'000s	2026	2025	2026	2025
Basic earnings per share				
Profit attributable to equity holders of the parent (In Rs.'000s)	**126,778**	170,510	**124,226**	178,163
Weighted average number of ordinary shares (In Rs.'000s)	**60,800**	60,800	**60,800**	60,800
	Rs	Rs	Rs	Rs
Basic earnings per share	**2.09**	2.80	**2.04**	2.93
Amount used as denominator				
Ordinary shares at the beginning of the year (In 000's)	**60,800**	60,800	**60,800**	60,800
Ordinary shares at the end of the year (In 000's)	**60,800**	60,800	**60,800**	60,800

16 DIVIDEND PER SHARE

For the year ended 31 March	Company			
	2026		2025	
	Rs.	Rs.'000s	Rs.	Rs.'000s
Equity dividend on ordinary shares				
Declared and paid during the year				
Out of dividends received - free of tax	1.08	65,685	0.99	60,476
Out of profits -liable for tax	1.87	113,675	0.01	324
Total dividend	2.95	179,360	1.00	60,800

17 TAXES

Accounting Policy

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the 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 country where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and for items recognised in other comprehensive income shall be recognised in other comprehensive income and not in the income statement. 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.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arising from the initial recognition of goodwill or 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 the taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and unused tax credits and tax losses carried forward, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the unused tax credits and tax losses carried forward can be utilised except:

- Where the deferred income 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; and·
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the year when the asset is realised or liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax relating to items recognised outside the income statement is recognised outside the income statetment. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income 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 when the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

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

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

17.1 Tax expense

For the year ended 31 March	Group		Company	
In Rs.'000s	2026	2025	2026	2025
Current income tax	147,220	70,143	48,271	52,411
Adjustments in respect of current income tax of previous year	(128)	196	-	196
Deferred income tax				
Relating to origination and reversal of temporary differences (17.2)	(6,382)	12,817	2,733	10,673
	140,710	83,156	51,004	63,280

17.2 Deferred tax expense

For the year ended 31 March	Group		Company	
In Rs.'000s	2026	2025	2026	2025
Income statement				
Deferred tax expense arising from;				
Accelerated depreciation for tax purposes	(2173)	(1,167)	69	154
Revaluation of investment property to fair value	3,870	9,150	3,870	9,150
Retirement benefit obligation	(3,274)	3,716	(1,206)	1,369
Benefit arising from tax losses	1,235	6,346	-	-
Undistributed profits of investment in associate & subsidiaries	(6,040)	(5,228)	-	-
Deferred tax charge/ (release)	(6,382)	12,817	2,733	10,673
Statement of comprehensive income				
Deferred tax expense arising from;				
Revaluation of building at fair value	14,704	7,007	-	-
Actuarial losses on defined benefit obligations	(3,301)	3,527	(2,896)	3,108
Deferred tax charge / (reversal) directly to OCI	11,403	10,534	(2,896)	3,108

The Group has computed deferred tax at the rates based on substantively enacted rate which is the rate legislated as of the reporting date specified in the Inland Revenue Act, No. 24 of 2017

17.3 Income tax liabilities/refunds

31 March	Group		Company	
In Rs.'000s	2026	2025	2026	2025
At the beginning of the year	17,977	31,037	13,096	21,453
Charge for the year	147,220	70,143	48,271	52,411
(Over)/under provision of current tax of previous years	(128)	196	-	196
Payments and set off against refunds	(117,323)	(83,399)	(48,942)	(60,964)
At the end of the year	47,746	17,977	12,429	13,096
Income tax liability	47,746	17,977	12,429	13,096

17.4 Deferred tax asset

31 March	Group		Company	
In Rs.'000s	2026	2025	2026	2025
At the beginning of the year	10,608	19,774	-	-
(Charge) and release	1,622	(8,934)	-	-
(Charge) and release other - comprehensive income	456	(232)	-	-
At the end of the year	12,686	10,608	-	-
The closing deferred tax asset balances relate to the following;				
Accelerated depreciation for tax purposes	32	(940)	-	-
Losses available for offset against future taxable income	-	1,236	-	-
Employee retirement benefit liability	12,654	10,312	-	-
	12,686	10,608	-	-

17.5 Deferred tax liabilities

For the year ended 31 March	Group		Company	
In Rs.'000s	2026	2025	2026	2025
At the beginning of the year	284,571	280,873	68,361	54,580
Charge and (release)	(11,719)	(6,604)	2,733	10,673
(Charge) and release other - comprehensive income	11,859	10,302	(2,896)	3,108
At the end of the year	284,711	284,571	68,198	68,361
The closing deferred tax liability balances relate to the following;				
Accelerated depreciation for tax purposes	270,787	217,730	3,120	3,050
Revaluation of investment property to fair value	14,787	84,002	80,865	76,995
Employee retirement benefit liability	(863)	(12,333)	(15,787)	(11,684)
Impact on consolidation of associates retained earnings	-	(4,828)	-	-
	284,711	284,571	68,198	68,361

17.6 Reconciliation between tax expense and the product of accounting profit

For the year ended 31 March	Group		Company	
In Rs.'000s	2026	2025	2026	2025
Profit / (loss) before tax	301,104	256,644	175,230	241,442
Dividend income from group companies	(139,729)	(83,655)	(139,729)	(83,655)
Fair value change in investment properties	(12,900)	(30,500)	(12,900)	(30,500)
Share of results of associate	(6,136)	(32,570)	-	-
Other consolidation adjustments	189,208	3,330	-	-
Adjusted accounting profit /(loss) chargeable to income tax	331,547	113,249	22,602	127,287
Disallowable expenses	206,649	132,675	142,901	67,852
Allowable expenses	(44,659)	(77,254)	(4,599)	(20,436)
(Utilisation)/ un-utilisation of tax losses	(2,805)	-	-	-
Taxable income	490,732	168,670	160,904	174,703
Income tax charged at				
Standard rate 30%	147,220	70,143	48,271	52,411
(Over)/under provision for previous years	(128)	196	-	196
Current tax charge	147,092	70,339	48,271	52,607

17.7 **Reconciliation between tax expense and the product of accounting profit**

Profit / (loss) before tax	301,104	256,644	175,230	241,442
Income tax not liable for income tax	(152,629)	(114,155)	(152,629)	(114,155)
Accounting profit / (loss) chargeable to income taxes	148,475	142,489	22,601	127,287
Tax effect on chargeable profits / losses	95,828	60,074	6,780	38,186
Tax effect on non deductible expenses	43,501	20,998	39,315	16,487
Tax effect on deductions claimed	(2,362)	(2,034)	1,039	(739)
Income tax on other comprehensive income	3,870	9,150	3,870	9,150
Current and deferred tax share of associate	-	(5,228)	-	-
(Over)/under provision for previous years	(128)	196	-	196
	140,709	83,156	51,004	63,280
Income tax charged at				
Standard rate 30%	147,220	70,143	48,271	52,411
(Over)/under provision for previous years	(128)	196	-	196
Charge for the year	147,092	70,339	48,271	52,607
Deferred tax charge/(reversal) (note 17.2)	(6,382)	12,817	2,733	10,673
Total income tax expense	140,710	83,156	51,004	63,280

Group tax expense is based on the taxable profit of individual companies within the Group. At present the tax laws of Sri Lanka do not provide for Group taxation.

18 PROPERTY,PLANT AND EQUIPMENT

Accounting Policy

Basis of recognition

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be reliably measured

Basis of measurement

Property, plant and equipment except for land and buildings are stated at cost less accumulated depreciation and any accumulated impairment loss. Such cost includes the cost of replacing component parts of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. 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 income statement as incurred.

Buildings are measured at fair value less accumulated depreciation on buildings and impairment charged subsequent to the date of the revaluation. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statement, in which case the increase is recognised in the income statement. A revaluation deficit is recognised in the income statement, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. Where land and buildings are subsequently revalued, the entire class of such assets is revalued at fair value on the date of revaluation.

Derecognition

An item of property, plant and equipment is derecognised upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in the income statement in the year the asset is derecognised.

Depreciation

Depreciation is calculated by using a straight-line method on the cost or valuation of all property, plant and equipment, other than freehold land in order to write off such amounts over the estimated useful economic life of such assets

The estimated useful life of assets is as follows:

Assets	Years
Buildings on leasehold land	over the Lease period
Plant and machinery	2-10
Equipment	6-8
Furniture and fittings	5-8
Motor vehicles	5
Computer Equipment	5
Other	5

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

In Rs.'000s	Buildings on Leasehold Land	Plant and machinery	Furniture and fittings	Motor vehicles	Computer equipment	Office equipment	Others	Capital work in progress	**Total 2026**	Total 2025
Group										
18.1 **Cost/valuation**										
At the beginning of the year	750,322	53,348	180,835	29,181	28,937	13,924	1,805	-	1,058,352	1,034,803
Additions	12,516	5,822	2,312	-	4,029	1,485	-	-	26,164	38,030
Revaluation	49,188	-	-	-	-	-	-	-	49,188	23,357
Disposals	-	(7,353)	-	-	(706)	-	-	-	(8,059)	(10,655)
Transfers	(28,863)	-	-	-	-	-	-	-	(28,863)	(27,183)
At the end of the year	783,163	51,817	183,147	29,181	32,260	15,409	1,805	-	1,096,782	1,058,352
18.2 **Accumulated depreciation and impairment**										
At the beginning of the year	(7,302)	(35,026)	(70,961)	(22,020)	(19,516)	(11,258)	(1,752)	-	(167,834)	(163,784)
Charge for the year	(29,456)	(4,099)	(7,596)	-	(3,683)	(1,035)	(48)	-	(45,917)	(41,889)
Disposals	-	7,353	-	-	706	-	-	-	8,059	10,665
Transfers	-	-	-	-	-	-	-	-	-	-
Transfer of accumulated depreciation on asset revaluation	28,863	-	-	-	-	-	-	-	28,863	27,183
At the end of the year	(7,895)	(31,772)	(78,557)	(22,020)	(22,493)	(12,293)	(1,800)	-	(176,829)	(167,835)
18.3 **Carrying value**										
As at 31 March 2026	775,268	20,044	104,590	7,161	9,769	3,116	5	-	919,949	-
As at 31 March 2025	743,020	18,322	109,874	7,161	9,421	2,666	53	-	-	890,517

During the financial year, the Group acquired plant and equipment to the aggregate value of Rs 26.16 Mn (2025 - Rs 38.03 Mn) cash payments amounting to Rs 26.16 Mn (2025 - Rs 38.03 Mn) was made during the year for the acquisition of plant and equipment.

Company In Rs.'000s	Plant and machinery	Furniture and fittings	Motor vehicles	Computer equipment	Office equipment	Others	**Total 2026**	Total 2025
18.4 **Cost**								
At the beginning of the year	3,890	9,540	29,181	11,325	2,388	1,078	57,402	55,723
Additions	235	1,850	-	2,782	809	-	5,676	4,888
Disposals	-	-	-	-	-	-	-	(3,209)
At the end of the year	4,125	11,390	29,181	14,107	3,197	1,078	63,078	57,402
18.5 **Accumulated depreciation and impairment**								
At the beginning of the year	(1,433)	(5,018)	(22,021)	(6,229)	(1,069)	(1,078)	(36,848)	(36,276)
Charge for the year	(723)	(1,839)	-	(2,065)	(405)	-	(5,032)	(3,781)
Disposals	-	-	-	-	-	-	-	3,209
At the end of the year	(2,156)	(6,857)	(22,021)	(8,294)	(1,474)	(1,078)	(41,880)	(36,848)

In Rs.'000s	Plant and machinery	Furniture and fittings	Motor vehicles	Computer equipment	Office equipment	Others	**Total 2026**	Total 2025
18.6 **Carrying value**								
As at 31 March 2026	1,969	4,533	7,160	5,813	1,723	-	**21,195**	-
As at 31 March 2025	2,457	4,522	7,160	5,096	1,319	-	**-**	20,554

During the financial year, the Company acquired plant and equipment to the aggregate value of Rs. 5.68 Mn (2025 Rs. 4.89 Mn) cash payments amounting to Rs 5.68 Mn (2025 Rs. 4.89 Mn) was made during the year for the acquisition of plant and equipment.

18.7 Carrying value of property, plant and equipment

As at 31 March	Group		Company	
In Rs.'000s	**2026**	2025	**2026**	2025
At cost	**144,681**	147,497	**21,195**	20,554
At valuation	**775,268**	743,020	**-**	-
	919,949	890,517	**21,195**	20,554

18.8 Revaluation of land and buildings

Accounting judgements, estimates and assumptions

The Group uses the revaluation model of measurement of land and buildings. The Group engaged independent expert valuers to determine the fair value of its land and buildings. Fair value is determined by reference to market-based evidence of transaction prices for similar properties. Valuations are based on open market prices, adjusted for any difference in the nature, location, or condition of the specific property. These valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The most recent revaluation was carried out on 31 December 2025.

The changes in fair value are recognised in other comprehensive income and in the statement of changes in equity

18.9 Details of group's buildings stated at valuation are indicated below

Property	Location	Valuation technique	Significant unobservable Inputs	Estimates for unobservable input	Sensitivity of fair value to unobservable inputs	Property Valuer	Effective date of valuation
Building on leasehold land John Keells Warehousing (Pvt) Ltd	93, 1st Lane, Mthurajawela Hendala Wattala	Depreciated replacement cost	Estimated price per sq. ft.	Rs. 2,550 to Rs.6,150 (2025- Rs.2,500 to Rs 6,000)	Positively correlated sensitivity	Loachana I Silva -Chartered Valuers (Pvt) Ltd.	31st December 2025

Summary description of valuation methodology;

1. Comparable Market approach (CMA)

This method may be adopted when the rental value is not available from the property concerned, but there are evidences of sale price of properties as a whole. In such cases, the capitalised value of the property is fixed by direct comparison with capitalised value of similar property in the locality.

2. Depreciated replacement cost (DRC)

The replacement cost method is used to value properties which do not generally exchange on the open market and for which comparable evidence therefore does not exist. The valuations are based on two components, the depreciated cost of the building element and the market value of the land. Current building costs and often the land will be established by comparison.

18.10 The carrying amount of revalued land and buildings if they were carried at cost less depreciation, would be as follows;

As at 31 March	Group	
In Rs.'000s	2026	2025
Property, plant and equipment /Cost	151,778	151,778
Accumulated depreciation and impairment	(60,971)	(57,935)
Carrying Value	90,807	93,843

19 RIGHT OF USE ASSETS AND LEASE LIABILITY

Accounting Policy

Right of use assets

The Group recognises right of use assets when the underlying asset is available for use. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right of use assets are subject to impairment

Lease liabilities

As at the reporting date all rental payments relating to SLFRS 16 leases have been paid in advance as such, there are no lease liabilities as at the reporting date.

Short-term leases and leases of low-value assets

The Group did not have any short term or low value lease assets.

19.1 Amounts recognised in the statement of financial position and income statement

Set out below, are the carrying amounts of the Group's right of use assets and the movements for the period ended 31 March 2026.

Right of use assets

As at 31 March	Group	
In Rs.'000s	2026	2025
Right of use assets - lease hold properties		
Cost		
At the beginning of the year	35,846	35,846
Additions	-	-
At the end of the year	35,846	35,846
Accumulated amortisation and impairment		
At the beginning of the year	(6,534)	(5,445)
Amortisation	(1,089)	(1,089)
At the end of the year	(7,623)	(6,534)
At the end of the year	28,223	29,312

The following are the amounts recognised in profit or loss:

Right of use assets

For the year ended 31 March	Group	
In Rs. '000s	2026	2025
Amortisation expense of right-of-use assets	1,089	1,089
Total amount recognised in profit or loss	1,089	1,089

No expenses relating to short term leases and leases of low value assets has been recognised in profit or loss.

19.2 Property

Details of right of use assets

As at 31st March In Rs. '000s	Land extent	Lease period	2026	2025
Land - Muthurajawela	A - 6 and P - 30	50 years from 1 March 2002	28,223	29,312

19.3 Interest bearing loans and borrowings

as at 31st March	Group	
In Rs. '000s	2026	2025
Movement during the year		
Balance as at beginning of the year	66,400	-
Loans obtained	-	100,000
Loans repaid	(33,600)	(33,600)
Balance as at end of the year	32,800	66,400
Repayable within one year	(32,800)	(33,600)
Repayable between one to five years	-	(32,800)
Repayable after five years	-	-

Repayment terms

As part of its capital investment strategy, the JKW secured a term loan facility amounting to rupees 100 million from Sampath Bank PLC in April 2024.

The facility is structured over a three-year tenure, with repayment through equal monthly installments of rupees 2.8 million. The interest rate is variable, pegged to the Average Weighted Prime Lending Rate (AWPLR) plus a margin of 0.5%, subject to monthly review.

20 INVESTMENT PROPERTIES

Accounting Policy

Basis of recognition

Investment properties are measured initially at cost, including transaction costs.

Basis of measurement

The carrying value of an investment properties includes the cost of replacing part of an existing investment properties, at the time that cost is incurred if the recognition criteria are met and excludes the costs of day to- day servicing of the investment properties. Subsequent to initial recognition, the investment properties are stated at fair values, which reflect market conditions at the reporting date. Gains or losses arising from changes in fair value are included in the income statement in the year in which they arise. Fair values are re valuated at least every 3 years by an accredited external, independent valuer. The most recent revaluation was carried out on 31 December 2025.

Derecognition

Investment properties are derecognised when disposed, or permanently withdrawn from use because no future economic benefits are expected. Any gains or losses on retirement or disposal are recognised in the income statement in the year of retirement or disposal.

Transfer of Investment properties

Transfers are made to or from investment properties only when there is a change in use for a transfer from investment property to owner occupied property or inventory (WIP), the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property or inventory (WIP), the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. Where Group companies occupy a significant portion of the investment property of a subsidiary, such investment properties are treated as property, plant and equipment in the consolidated financial statements, and accounted for using accounting policy for property, plant and equipment.

20.1 Investment Property

As at 31 March	Group		Company	
In Rs.'000s	**2026**	2025	**2026**	2025
At the beginning of the year	**544,750**	514,250	**544,750**	514,250
Net gain/(loss) from fair value remeasurement	**12,900**	30,500	**12,900**	30,500
At the end of the year	**557,650**	544,750	**557,650**	544,750
Rental income earned - Group and Company	**6,623**	2,053	**6,623**	2,053
Direct operational expenses incurred	**-**	-	**-**	-
Direct operating expenses that did not generate rental income	**-**	-	**-**	-

20.2

Location	Land in perches	Valuation amount Rs	Date	Name of valuer
50, Minuwangoda Road Ekala, Ja- Ela	603.90	556,400,000	31.12.2025	Loachana I Silva - Chartered Valuers (Pvt) Ltd.
58, Kirulapone Avenue Colombo 6	12.56	1,250,000	31.12.2025	Loachana I Silva - Chartered Valuers (Pvt) Ltd.
		557,650,000		

Investment properties are stated at fair value which has been determined based on a valuation performed by Loachana I Silva - Chartered Valuers (Pvt) Ltd. using the Market comparable method based on estimated price per perch and price per sq ft positively correlated to the fair value.

Location	Valuation technique	Significant unobservable inputs	Estimates for unobservable inputs	Sensitivity of fair value to un observable inputs
50, Minuwangoda Road Ekala, Ja- Ela	Market comparable Method	Estimated price per perch	Rs 921,345	Positively correlated sensitivity
58, Kirulapone Avenue Colombo 6	Book value maintained until the vacant possession of the land is obtained	Estimated price per perch	Rs 100,000	Zero correlated

Real Estate Portfolio

As at 31 March Owning company and location	No Of buildings	Buildings in (Sq. Ft)	Land in extent		Net book value at valuation	
			Freehold	Lease hold	2026	2025
PROPERTIES IN COLOMBO						
58, Kirulapone Avenue, Colombo 5.	1	1,200	12.56 Perches	-	1,250	1,250
PROPERTIES OUTSIDE COLOMBO						
50, Minuwangoda Road Ekala, Ja- Ela	-	-	603.9 Perches	-	556,400	543,500
93, First Avenue, Muthurajawela, Hendala, Wattala	3	146,743	-	A-6 and P-30	775,268	743,040

21 INTANGIBLE ASSETS

Accounting Policy

Basis of recognition

An Intangible asset is recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

Basis of measurement

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised, and expenditure is charged against income statement in the year in which the expenditure is incurred.

Useful economic lives, amortization and impairment

The useful lives of intangible assets are assessed as either finite or indefinite lives. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end and such changes are treated as accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement.

Intangible assets with indefinite useful lives are not amortised but tested for impairment annually, or more frequently when an indication of impairment exists either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Software license

Software license costs are recognised as an intangible asset and amortised over the period of expected future usage of related ERP systems

Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

21.1 Cost

Software licenses

For the year ended 31 march	Group		Company	
In Rs.'000s	**2026**	2025	**2026**	2025
At the beginning of the year	23,448	20,789	4,263	4,263
Additions	14,514	2,659	-	-
Derecognition	(12,926)	-	-	-
At the end of the year	25,036	23,448	4,263	4,263

21.2 Accumulated amortisation and impairment

At the beginning of the year	(15,570)	(12,217)	(4,263)	(4,263)
Amortisation	(4,581)	(3,353)	-	-
Derecognition	8,703	-	-	-
At the end of the year	(11,448)	(15,570)	(4,263)	(4,263)

21.3 Carrying value

As at 31 March 2026	13,588	-	-	-
As at 31 March 2025	-	7,878	-	-

Group Intangible assets with a cost of Rs. 4.58 Mn (2025 - Rs. 3.35Mn) have been fully amortised and continue to be in use by the Group.

22 INVESTMENTS IN SUBSIDIARIES

Accounting Policy

Investment in subsidiaries are initially recognised at cost in the financial statements of the Company. Any transaction cost relating to acquisition of investment in subsidiaries is immediately recognised in the income statement. Following the initial recognition, Investments in subsidiaries are carried at cost less any accumulated impairment losses.

As at 31 March In Rs.'000s	Note	Company 2026	 2025
22.1 Carrying value			
Investments in subsidiaries			
Unquoted	22.2	**158,570**	158,570
		158,570	158,570

As at 31 March	Number of shares 000'	Additions	Number of shares	Effective holding %	2026 Rs. '000	2025 Rs. '000
22.2 Group unquoted investments in subsidiaries						
John Keells Stock Brokers (Pvt) Ltd.	1,140	-	1,140	76	**38,570**	38,570
John Keells Warehousing (Pvt) Ltd.	12,000	-	12,000	100	**120,000**	120,000
					158,570	158,570

23 INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

Accounting Policy

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but does not control or jointly control those policies. Associate company of the Group which has been accounted for under the equity method of accounting is:

Name	Country of Incorporation
Keells Realtors Ltd	Sri Lanka

The investments in associates are carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill relating to an associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate."

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the 'share of results of equity accounted investees' in the income statement.

The income statement reflects the share of the results of operations of the associate. Changes, if any, recognised directly in the equity of the associate, the Group recognises its share and discloses this, when applicable in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

Accounting Policy

The share of profit of an associate is shown on the face of the income statement. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associate.

The Group ceases to recognise further losses when the Group's share of losses in an associate equals or exceeds the interest in the undertaking, unless it has incurred obligations or made payments on behalf of the entity. The accounting policies of associate companies confirm to those used for similar transactions of the Group.

Equity method of accounting has been applied for associate financial statements using their respective 12 month financial period. Upon loss of significant influence over the associate, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in income statement.

As at 31 March	Number of shares (000)	Holding %	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
23.1 Carrying value						
Unquoted ordinary shares						
Keells Realtors Ltd	2,400	32	**24,000**	24,000	**24,000**	24,000
Share of profit as at the beginning of the year			**40,420**	77,763	-	-
Cumulative profit/(loss) accruing to the group net of dividend			**(40,264)**	(37,343)	-	-
Net of dividend			**156**	40,420	-	-
Net assets at the end of the year			**24,156**	64,420	**24,000**	24,000

As at 31 March In Rs.'000s	Company 2026	Company 2025
23.2 Summarised financial information of associate		
Revenue	2,610	6,264
Cost of sales	(275)	(1,078)
Gross Profit	2,335	5,186
Total operating expenses	(2,574)	(3,475)
Financial income	2,145	523
Change in fair value of investment property	-	(487)
Profit on Sale of Investment Property	25,487	1,000
Income tax expenses	(8,219)	99,035
Profit for the year	19,175	101,782
Group share of profit for the year	6,136	32,570
Group share of other comprehensive income	-	-
Share of results of equity accounted investee	6,136	32,570
Non - current assets	-	211,513
Current assets	76,182	6,159
Total assets	76,182	217,672
Non - current liabilities	-	(14,974)
Current liabilities	690	(2,123)
Total Liabilities	690	(17,097)
Net assets	75,492	200,575

As at 31 March	Company	
In Rs.'000s	2026	2025
Group share of net assets	24,157	64,420
Cashflow Operating Activities	(19,696)	(10,027)
Cashflow Investing Activities	162,256	230,000
Cashflow Financing Activities	(145,000)	(218,480)

The share of results of equity accounted investees in the Income Statement and the Statement of Other Comprehensive Income are shown net of all related taxes. The Group and the Company have neither contingent liabilities nor capital and other commitments towards its associates and joint ventures.

24 NON CURRENT FINANCIAL ASSETS

As at 31 March		Group		Company	
In Rs.'000s	Note	2026	2025	2026	2025
Other quoted equity investments	24.1	412,355	434,870	412,355	434,870
Other unquoted equity investments	24.2	1,870,029	2,501,084	1,870,029	2,501,084
Loans to executives	24.4	32,929	32,672	9,334	16,963
Loans and advances given to Tea Sellers	24.3	-	109,472	-	109,472
Deposits with Colombo Stock Exchange		1,000	1,000	-	-
		2,316,312	3,079,098	2,291,717	3,062,389

24.1 Other quoted equity investments

As at 31 March	Number of shares	Holding	Group		Company	
			2026	2025	2026	2025
	000's	%	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Keells Food Products PLC						
At the beginning of the year	2,573	10.09	134,599	134,599	134,599	134,599
At the end of the year	2,573	10.09	134,599	134,599	134,599	134,599
Market Value						
Keells Food Products PLC			412,355	434,870	412,355	434,870

The market value of quoted investments amounts to Rs. 412.36 Mn (2025 - 434.87 Mn).

24.2 Other unquoted equity investments

As at 31 March	2026 Number of shares	2025 Number of shares	Group		Company	
In Rs.'000s			2026	2025	2026	2025
Ceylon Cold Stores PLC - Preference Share	1	1	1	1	1	1
Waterfront Properties (Pvt) Ltd (000's)	191,638	191,638				
At the beginning of the year			2,501,084	2,037,993	2,501,084	2,037,993
Remeasurement gain recognised for the year			(631,055)	463,090	(631,055)	463,090
			1,870,029	2,501,084	1,870,029	2,501,084

The unquoted equity investment has been fair valued using the Discounted Cash Flow Method of the investee, Waterfront Properties (Private) Limited (WPL).

The value per share of WPL as at 31st March 2026 was Rs.9.76 (2025: Rs.13.05). The valuation of WPL is carried out in LKR terms in accordance with the functional currency of WPL, which was transitioned from US Dollars to LKR given the commencement of operations of the Cinnamon Life hotel during the year.

The Company shareholding in WPL as at the reporting date was 0.88% (2024: 0.96%).

Details of the evaluation as at 31st March 2026 is given below

The valuation of the investment in Waterfront Properties (Pvt) Ltd (WPL) has been conducted based on the Discounted Cash Flow Method.

Discounted Cash Flow Method

Estimates the fair market value of the entity considering the future cash flow generation of WPL, and all its integrated components. Projected cash flows are discounted to arrive at the net present value of the investment.

Key assumptions used in the Discounted Cash Flow Method are noted below;

Forecast Horizon

Cash Flows have been forecasted for 5 years, with the terminal value based on an appropriate terminal growth rate in line with the market.

Revenue, EBITDA Margins and Cashflow Projections

Revenue and EBITDA margins have been adjusted for project specific aspects, including the perspectives from seeing a full year of operating performance of the integrated resort. The margin projections are based on the expected steady-state operations post ramp-up, peer comparisons and independent market studies, as applicable, and the performance of similar integrated properties regionally. The cash flows are forecasted under a base case scenario, considering all aspects and prospects of the integrated resort offering. A minority discount has also been factored in given the Company's shareholding percentage in WPL, which is relatively low on a standalone basis.

Discount Rate

The LKR cost of equity reflects the current and expected discount rates, while taking into account the long-term nature of the investment.

24.3 Other non equity investments

	Group		Company	
In Rs.'000s	2026	2025	2026	2025
Loans to executives	32,929	32,672	9,334	16,963
Loans and advances given to sellers	-	109,472	-	109,472
Deposits with Colombo Stock Exchange	1,000	1,000	-	-
	33,929	143,144	9,334	126,435

24.4 Loans to executives

	Group		Company	
In Rs.'000s	2026	2025	2026	2025
At the beginning of the year	41,466	47,407	20,803	25,342
Loans granted	16,000	4,500	-	4,500
Recoveries/ transfers	(15,441)	(10,441)	(7,835)	(9,039)
At the end of the year	42,025	41,466	12,968	20,803
Receivable within one year	9,096	8,794	3,634	3,840
Receivable after one year				
Receivable between one and five years	32,929	32,672	9,334	16,963
	42,025	41,466	12,968	20,803

25 INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price less estimated costs of completion and the estimated costs necessary to make the sale.

The costs incurred in bringing inventories to its present location and condition, are accounted for as follows:

Other inventories - at actual cost

As at 31 March	Group		Company	
In Rs.'000s	**2026**	2025	**2026**	2025
INVENTORIES				
Consumables and spares	**1,316**	996	**549**	372
	1,316	996	**549**	372

26 TRADE AND OTHER RECEIVABLES

Accounting Policy

A receivable represents the Group's right to an amount of consideration that is unconditional. Trade receivables are on no interest bearing and are generally on the term of 30 to 90 days.

The Group has obtained customer deposits from major customers by reviewing their past performance and credit worthiness, as collateral. The requirement for an impairment is analysed at each reporting date on an individual basis for major customers and uses a provision matrix to calculate Expected Credit Loss (ECL) for the balance. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix was initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The Group considers a financial asset including trade and receivable to be in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

As at 31 March	Group		Company	
In Rs.'000s	2026	2025	2026	2025
Trade receivables	**1,181,518**	834,755	**748,243**	532,106
Advances and loans given to Tea/Rubber sellers	**746,074**	734,472	**746,074**	734,472
Less: allowance for loans and advances given to Tea Sellers	**(567,491)**	(461,961)	**(567,491)**	(461,961)
Other receivables	**1,798**	2,717	**873**	1,852
Loans to executives (Note 24.4)	**9,096**	8,794	**3,634**	3,840
	1,370,995	1,118,777	**931,333**	810,309

Significant judgements on advances and loans given to Tea sellers

The measurement of provision for impairment allowance requires judgement, in particular, the amount and timing of future cash flows and collateral values when determining impairment losses. Elements that are considered accounting judgements mainly include the length of business relationship between the Tea Sellers and Company and the global demand and anticipated production of Tea.

27 OTHER CURRENT ASSETS

As at 31 March	Group		Company	
In Rs.'000s	2026	2025	2026	2025
Prepayments and non cash receivable	14,505	11,928	5,319	2,756
	14,505	11,928	5,319	2,756

28 SHORT TERM INVESTMENTS

As at 31 March	Group		Company	
In Rs.'000s	2026	2025	2026	2025
Government securities (Less than 3 Months)	766,640	470,302	-	-
Fixed deposits (Less than 3 Months)	55,898	63,148	-	-
	822,538	533,450	-	-

29 CASH IN HAND AND AT BANK

Accounting Policy

Cash and short-term deposits in the statement of financial position comprise cash at banks and in hand and short-term deposits with a maturity of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

29.1 Favourable cash and bank balances

As at 31 March	Group		Company	
In Rs.'000s	2026	2025	2026	2025
Cash in hand and at bank	847,369	217,536	825,701	191,570
	847,369	217,536	825,701	191,570
29.1.1 Short term investments (Less than 3 months)				
Short term investments	822,538	533,450	-	-

29.2 Unfavourable cash and bank balances

Bank overdrafts	(32,197)	(2,715)	(32,197)	(2,714)
	(32,197)	(2,715)	(32,197)	(2,714)
Net cash and cash equivalents	1,637,710	748,271	793,504	188,856

30 STATED CAPITAL AND OTHER COMPONENTS OF EQUITY

Accounting Policy

The ordinary shares of John Keells PLC are quoted on the Colombo Stock Exchange. Holders of ordinary shares are entitled to receive dividends as declared from time to time, and are eligible to one vote per share at the General Meeting of the Company.

Fair Value reserve of financial assets at FVOCI included changes of fair value of equity instruments
Revaluation reserve consist of the net surplus on the revaluation of property, plant and equipment and present value of acquired in - force business (PVIB).

The other capital reserve is used to recognise the value of equity - settled share based payments provided to employees, including key management personnel, as part of their remuneration.

30.1 Stated capital

As at 31 March	2026		2025	
	Number of shares '000	Value of shares Rs.000	Number of shares '000	Value of shares Rs.000
Fully paid ordinary shares				
At the beginning of the year	**60,800**	**152,000**	60,800	152,000
At the end of the year	**60,800**	**152,000**	60,800	152,000

30.2 Other components of equity

As at 31 March	Group		Company	
In Rs.'000s	2026	2025	2026	2025
Fair value reserve of financial assets at FVOCI	**221,491**	875,062	**231,563**	885,134
Revaluation reserve	**533,378**	499,321	**-**	-
Other Capital reserves	**190,168**	175,256	**105,978**	98,993
	945,037	1,549,639	**337,541**	984,127

31 SHARE BASE PAYMENT PLANS

Accounting Policy

Employees of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). The Company applied SLFRS 02 Share Based Payments in accounting for employee remuneration in the form of shares from 2013/14 financial year onwards.

Equity-settled transactions
The cost of equity-settled transactions is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and service conditions are fulfilled. The cumulative expense recognised for equitysettled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in the share based payment plan note.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Accounting Policy

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled award and the new award are treated as if they were a modification of the original award, as described in the previous paragraph.

Share Based Payments- Employee Share Option Scheme

Estimating fair value for share-based payment transactions require determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The John Keells Group measures the cost of equity settled transactions with employees relevant to the entire Group by reference to the fair value of the equity instruments on the date at which they are granted. The same assumptions have been used by the Company as John Keells Group's Employee Share Option Scheme applies to the Company.

The expected life of the share options is based on the historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome either.

The following information which are relevant to the John Keells Holdings PLC was used and results were generated using binomial model for ESOP

The following information were used and results were generated using binomial model for ESOP

As at 31st March	**2026** Plan no 12 Award 1	2025 Plan no 11 Award 3	2024 Plan no 11 Award 2.1	2024 Plan no 11 Award 2	2023 Plan no 11 Award 1	2022 Plan no 10 Award 3
Dividend yield (%)	**1.00**	1.46	2.07	2.54	2.90	3.28
Expected volatility (%)	**22.71**	24.54	25.05	24.99	24.15	22.37
Risk free interest rate (%)	**9.56**	12.76	14.49	26.92	23.10	8.87
Expected life of share options (Years)	**5**	5	5	5	5	5
Weighted average share price at the grant date (LKR)	**22.93**	194.00	158.36	137.83	119.85	132.63
Weighted average remaining contractual life for the share options outstanding (Years)	**3**	3	3	3	3	3
Weighted average fair value of options granted during the year (LKR)	**7.64**	64.67	52.79	45.94	39.95	44.21
Exercise price for options outstanding at the end of the year (LKR)	**-**	200.74	145.59	137.86	121.91	136.64
Exercise price for options outstanding at the end of the year (LKR)*	**21.80**	20.03	14.53	13.76	12.17	13.64

* Post adjustment for corporate actions at JKH since the grant date

Further, The JKH Group has an Employee Share Option Scheme. Since, Share Options are potential ordinary shares, these may have a dilutive impact on the EPS.

31 SHARE BASE PAYMENT PLANS (Contd.)

As at 31 March	Group		Company	
In Rs.'000s	**2026**	2025	**2026**	2025
Expense arising from equity-settled share-based payment transactions	**17,415**	15,032	**6,985**	6,283
Total expense arising from share-based payment transactions	**17,415**	15,032	**6,985**	6,283

Movements in the year

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	Group				Company			
	2026	2026	2025	2025	2026	2026	2025	2025
	No.	WAEP	No.	WAEP	No.	WAEP	No.	WAEP
As at 31st March		Rs		Rs		Rs		Rs
Outstanding at the beginning of the year	9,075,982	14.91	858,274	138.97	2,836,687	14.86	237,450	134.62
Granted during the year	2,147,050	21.80	212,100	20.03	656,050	21.80	62,100	20.03
Exercised during the year	(995,347)	13.31	(141,800)	-	(644,520)	13.33	(3,800)	13.76
Adjusted - sub division	-	-	8,160,158	N/A	-	-	2,553,687	N/A
Lapsed/forfeited during the year	(250,590)	13.26	(12,750)	13.76	-	-	(12,750)	13.76
Outstanding at the end of the year	9,977,095	16.62	9,075,982	14.91	2,848,217	16.81	2,836,687	14.86
Exercisable at the end of the year	5,304,344	14.28	4,383,603	13.24	1,322,616	14.14	1,386,266	13.31

Fair value of the share option and assumptions

The fair value of the share options is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the share options were granted

The valuation takes into account factors such as stock price, expected time to maturity, exercise price, expected volatility of share price, expected dividend yield and risk free interest rate.

32 EMPLOYEE BENEFIT LIABILITIES

Accounting Policy

32.1 Employee Contribution Plan - EPF/ETF

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with respective statutes and regulations. The companies contribute the defined percentages of gross emoluments of employees to an approved Employees' Provident Fund and to the Employees' Trust Fund respectively, which are externally funded.

32.2 Employee Defined Benefit Plan - Gratuity

The liability recognised in the statement of financial position is the present value of the defined benefit obligation at the reporting date using the projected unit credit method. Any actuarial gains or losses arising are recognised immediately in the statement of other comprehensive income statement.

As at 31 March	Group		Company	
In Rs.'000s	2026	2025	2026	2025
EMPLOYEE BENEFIT LIABILITIES				
At the beginning of the year	75,485	99,630	38,948	53,871
Current service cost	5,300	5,397	2,554	2,983
Past service cost	-	-		
Transfers	-	(166)	-	(166)
Interest cost on benefit obligation	8,167	11,629	4,285	6,464
Payments	(2,826)	(29,249)	(2,819)	(13,846)
(Gain)/loss arising from changes in assumptions or due to (over)/under provision in the previous year	-	-	-	-
	11,552	(11,756)	9,654	(10,358)
At the end of the year	97,678	75,485	52,622	38,948

The employee benefit liability of listed Company and John Keells Warehousing (Pvt) Ltd is based on the actuarial valuations carried out by Messrs. Actuarial & Management Consultants (Pvt) Ltd., Actuarial valuation for John keells Stock Brokers (Pvt) ltd was carried out by Smiles Global (Pvt) Ltd.

32.3 The expenses are recognised in the income statement in the following line items;

As at 31 March	Group		Company	
In Rs.'000s	2026	2025	2026	2025
Cost of Sales	7,769	8,935	5,772	6,922
Administrative Expenses	5,698	7,757	1,066	2,193
Cost reimbursement for shared employees	-	333	-	333
	13,467	17,025	6,838	9,448

32.4 The principal assumptions used in determining the cost of employee benefits were:

	Group		Company	
In Rs.'000s	2026	2025	2026	2025
Discount rate	10.0%	11.0%	10%	11%
Future salary increases	7.0%	6.0%	7%	6%

Retirement Age; Executive staff and sales representatives as of 17th November 2021, employees who have attained the age of;

	Group		Company	
In Rs.'000s	2026	2025	2026	2025
Less than 52 years	60 years	60 years	60 years	60 years
53 years	59 years	59 years	59 years	59 years
54 years	58 years	58 years	58 years	58 years
55 years	57 years	57 years	57 years	57 years

The Management tested several scenario based calculations on possible changes of the assumptions due to the prevailing macro-economic conditions. Based on those calculations, the management has concluded that there is no material impact to retirement benefit obligations liability of the Group and the Company.

32.5 Sensitivity of assumptions used

A one percentage change in the assumptions would have the following effects:

	Group				Company			
As at 31 March	Discount rate		Salary increment		Discount rate		Salary increment	
In Rs.'000s	2026	2025	2026	2025	2026	2025	2026	2025
Effect on the defined benefit obligation liability								
Increase by one percentage point	(3,747)	(3,015)	10,600	3,561	-2,067	-1,659	2,364	1,939
Decrease by one percentage point	4,181	3,270	5,176	(3,331)	2,240	1,806	-2,217	-1,807

32.6 Maturity analysis of the payments

The following payments are expected on employee benefit liabilities in future years

As at 31 March In Rs.'000s	Group		Company	
	2026 Defined Benefit Obligation	2025 Defined Benefit Obligation	2026 Defined Benefit Obligation	2025 Defined Benefit Obligation
Within the next 12 months	11,074	6,734	9,429	5,496
Between 1-2 years	14,086	14,856	13,287	9,310
Between 2-5 years	47,224	15,530	16,307	11,648
Between 5-10 years	20,481	34,780	9,393	9,230
Beyond 10 years	4,813	3,585	4,205	3,264
Total	97,678	75,485	52,622	38,948

The average duration of the defined benefit plan obligation at the end of the reporting period is 4.90 years for the Company (2025 - 4.9 years)

The average duration of the defined benefit plan obligation at the end of the reporting period is 4.92 years for John Keells Stock Brokers (Pvt) Ltd (2025 - 5.80 years)

The average duration of the defined benefit plan obligation at the end of the reporting period is 5.40 years for John Keells Warehousing (Pvt) Ltd (2025 - 5.47 years)

32.7 Employee benefit liabilities

In Rs.'000s	Group		Company	
	2026	2025	2026	2025
Employee defined benefit plan - gratuity (note 32.2)	**97,679**	75,485	**52,621**	38,948
At the end of the year	**97,679**	75,485	**52,621**	38,948

33 TRADE AND OTHER PAYABLES

Accounting Policy

Trade payables are the aggregate amount of obligations to pay for goods and services, that have been acquired in the ordinary course of business.

As at 31 March In Rs.'000s	Group		Company	
	2026	2025	2026	2025
Trade payables	**2,206,098**	1,197,190	**1,343,392**	684,297
Sundry creditors including accrued expenses	**93,435**	88,086	**43,882**	42,866
	2,299,533	1,285,276	**1,387,274**	727,163

Trade and other payables are normally non - interest bearing and settled within one year.

34 OTHER CURRENT LIABILITIES

Accounting Policy

Group classifies all non financial current liabilities under other current liabilities.

These include non refundable deposits and other tax payables. These liabilities are recorded at amounts expected to be set off at the reporting date.

As at 31 March	Group		Company	
In Rs.000's	2026	2025	2026	2025
OTHER CURRENT LIABILITIES				
Other tax payables	24,690	3,178	6,287	1,342
Other payables	-	-	-	-
	24,690	3,178	6,287	1,342

35 RELATED PARTY TRANSACTIONS

Terms and conditions of transactions with related parties

Transactions with related parties are carried out in the ordinary course of business. Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Non - recurrent related party transactions

There were no non -recurrent related party transactions which in aggregate value exceeds 10 percent of equity or 5 percent of total assets which ever is lower of the Company as per 31st March 2026 audited financial statements, which required additional disclosure in the 2025/2026 Annual Report under Colombo Stock Exchange listing rule 9.14.8 and Code of Best Practice on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13 (c) of the Securities and Exchange Commission Act.

Recurrent related party transactions

There were no recurrent related party transactions which in aggregate value exceeds 10 percent of the consolidated revenue of the Group as per 31st March 2026 audited financial statements, which required additional disclosure in the 2025/2026 Annual Report under Colombo Stock Exchange listing rule 9.14.8 and Code of Best Practice on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13 (c) of the Securities and Exchange Commission Act.

35.1 Amounts due from related parties

As at 31 March	Group		Company	
In Rs.'000s	2026	2025	2026	2025
Ultimate parent	86	2,948	86	2,948
Parent	8,805	8,767	-	-
Companies under common control	16,352	51	2,539	51
Key management personnel	-	-	-	-
Close family members of KMP	-	-	-	-
	25,244	11,766	2,625	2,999

35.2 Amounts due to related parties

Ultimate parent	3,698	4,138	3,105	3,605
Parent	1,078	1,220	-	-
Companies under common control	11,581	12,727	11,224	12,355
Key management personnel	-	-	-	-
Close family members of KMP	-	-	-	-
	16,357	18,085	14,329	15,960

35.3 Transactions with related parties

For the year ended 31 March	Note	Group		Company	
		2026 Rs '000s	2025 Rs '000s	2026 Rs '000s	2025 Rs '000s
Ultimate Parent - John Keells Holdings PLC					
Receiving of services for which fees are paid		57,781	53,900	29,267	27,072
Providing of services for which fees are received		-	-	-	-
Companies under common control					
Purchase of goods for a fee		4,107	1,374	2,730	1,374
Receiving of services for which fees are paid		39,005	36,201	21,364	17,747
Lending money for which interest is received		41,618	28,073	-	-
Renting of office space for which rent is received		(9,840)	(9,419)	(6,485)	(1,952)
Providing of services for which fees are received		(13,775)	(35,522)	-	(35,522)
Subsidiaries					
Renting of stores space for which rent is paid		-	-	8,800	7,720
35.4 Key management personnel					
Short term employee benefits		3,903	3,617	-	-
Share based payments		-	-	-	-
Brokerage commission earned on share transactions		11,831	5,589	-	-
35.5 Close family members of KMP					
(Receiving) / rendering of services		-	-	-	-
Companies controlled / jointly controlled / significantly					
Influenced by KMP and their close family members					
(Purchases) / Sales of goods		-	-	-	-
35.6 Post employment benefit plan					
Contributions to the provident fund		9,563	13,342	9,563	13,342

Key management personnel include members of the Board of Directors of John keels PLC, its parent John Keells Holdings PLC and their subsidiary companies.

36 COMMITMENTS & CONTINGENT LIABILITIES

Accounting Policy

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursementis virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

All contingent liabilities are disclosed as a note to the financial statements unless the outflow of resources is remote. A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of:

- The amount that would be recognised in accordance with the general guidance for provisions above (LKAS 37) or
- Contingent assets are disclosed, where inflow of economic benefit is probable. Contingent assets are disclosed, where inflow of economic benefit is probable

36.1 Capital commitments

The Company does not have any capital commitments as at the reporting date

36.2 Financial commitments

The Company does not have any financial commitments as at the reporting date.

36.3 Contingencies

There are no significant contingent liabilities as at the reporting date.

36.4 Assets Pledged

There are no assets pledged as security against borrowings as at 31st March 2026

37 EVENTS OCCURRING AFTER THE REPORTING PERIOD

There have been no material events occurring after the statement of financial position date that require adjustment or disclosure in the financial statements other than following.

The Board of Directors has approved the payment of a final dividend of Rs 1.60 per share to be paid on or before 23rd June 2026.As required by section 56 (2) of the Companies Act, No. 07 of 2007, the Board of Directors has confirmed that the Company satisfies the solvency test in accordance with Section 57 of the Companies Act, No. 07 of 2007, and has obtained a certificate from the auditors, prior to approving the final dividend. In accordance with LKAS 10, Events after the reporting period, the final dividend has not been recognised as a liability in the Financial Statements as at 31 March 2026.

Information to Shareholders and Investors

1. Stock Exchange Listing

The issued ordinary shares of John Keells PLC are listed with the Colombo Stock Exchange of Sri Lanka. The Audited Accounts of the Company and the Consolidated Accounts for the year ended 31st March 2026 have been submitted to the Colombo Stock Exchange.

Stock Symbol - JKL.N0000 ISIN - LK0093N00001

2. Distribution of Shareholdings

Categories of	31st March 2026				31st March 2025			
	Shareholders		Holdings		Shareholders		Holdings	
	No. Shareholders	%	No. Shareholders	%	No. Shareholders	%	No. Shareholders	%
Less than or equal to 1,000	1,891	82.47	287,237	0.47	1,342	77.22	225,744	0.37
1,001 to 10,000	309	13.48	1,148,308	1.89	300	17.26	1,171,426	1.93
10,001 to 100,000	75	3.27	2,293,546	3.77	78	4.49	2,305,024	3.79
100,001 to 1,000,000	17	0.74	4,236,125	6.97	17	0.98	4,263,022	7.01
1,000,001	1	0.04	52,834,784	86.90	1	0.05	52,834,784	86.90
	2293	100.00	60,800,000	100.00	1,738	100.00	60,800,000	100.00

3. Analysis of Shareholders

Categories of	31st March 2026				31st March 2025			
	Shareholders		Holdings		Shareholders		Holdings	
	Number	%	Number	%	Number	%	Number	%
Individuals	2,225	97.03	5,023,733	8.26	1,662	95.63	5,018,694	8.25
Institutions	68	2.97	55,776,267	91.74	76	4.37	55,781,306	91.75
Total	2,293	100.00	60,800,000	100.00	1,738	100	60,800,000	100
Residents	2,276	99.26	60,664,176	99.78	1,724	99.19	60,667,539	99.78
Non-residents	17	0.74	135,824	0.22	14	0.81	132,461	0.22
Total	2,293	100.00	60,800,000	100.00	1,738	100	60,800,000	100
John Keells Holdings	1	0.04	52,834,784	86.90	1	0.06	52,834,784	86.90
Public	2,292	99.96	7,965,216	13.10	1737	99.94	7,965,216	13.10
Total	2,293	100.00	60,800,000	100.00	1,738	100	60,800,000	100

No shares are held by directors and the chief executive officer at the end of the year.

4. Public Shareholdings

As at 31 March	2025/2026	2024/2025
Number of Public Shareholders	2,292	1,737
Public Holding Percentage	13.10	13.10
The Float Adjusted Market Capitalization – Rs Billion	0.65	0.59

The Company has complied with the Rule 7.13.1 (b) option 2 of the Listing Rules of the Colombo Stock Exchange governing the minimum public holding requirement of listed entities for continuous listing requirements. As at 31st March 2026, the public holding of the Company stood at 13.10 percent surpassing the minimum requirement of 10 percent, under the relevant option.

5. Share Performance at Colombo Stock Exchange

	2025/2026	2024/2025
Highest market price	90.00	89.80
Lowest market price	68.00	60.80
Closing price as at 31st of March	81.20	74.00

6. Twenty Largest Shareholders

	Name of Shareholders	31st March 2026		31st March 2025	
		No. of Shares	Holding %	No. of Shares	Holding %
1	JOHN KEELLS HOLDINGS PLC	52,834,784	86.90	52,834,784	86.9
2	PEOPLE S LEASING AND FINANCE PLC/L.P.HAPANGAMA	884,909	1.46	857,509	1.41
3	DR. H.S.D. SOYSA	625,611	1.03	625,611	1.03
4	PEOPLE'S LEASING & FINANCE PLC/DR.H.S.D.SOYSA & MR PEOPLE'S LEASING & FINANCE PLC/DR.H.S.D.SOYSA & MRS.G.SOYSA	456,581	0.75	457,581	0.75
5	MRS. H.G.S. ANSELL HENNEDIGE	240,000	0.39	240,000	0.39
6	PEOPLE'S LEASING & FINANCE PLC/L.H.L.M.P.HARADASA	238,145	0.39	235,170	0.39
7	MRS. M.L. DE SILVA	207,872	0.34	207,872	0.34
8	BANK OF CEYLON NO. 1 ACCOUNT	197,048	0.32	197,048	0.32
9	MR. A.M. WEERASINGHE	179,792	0.30	179,792	0.30
10	CATHOLIC BISHOPS CONFERENCE IN SRI LANKA	171,416	0.28	171,416	0.28
11	EMPLOYEES TRUST FUND BOARD	169,988	0.28	169,988	0.28
12	MISS N.S. DE MEL	137,115	0.23	137,115	0.23
13	MISS M.P. RADHAKRISHNAN	136,400	0.22	20,000	0.04
14	MISS A. RADHAKRISHNAN	136,400	0.22	20,000	0.04
15	MR. A.J.M. JINADASA	133,000	0.22	115,000	0.19
16	COLOMBO FORT INVESTMENTS PLC	114,000	0.19	114,000	0.19
17	MRS. G. SOYSA	105,000	0.17	105,000	0.17
18	COLOMBO INVESTMENT TRUST PLC	102,848	0.17	102,848	0.17
19	MR. H.P.N. SOYSA	100,000	0.16	100,000	0.16
20	MISS W.K. PITIYAGE	100,000	0.16	100,000	0.16
		57,270,909	94.20	56,990,734	93.73

7. Market Information on Ordinary Shares of the Company

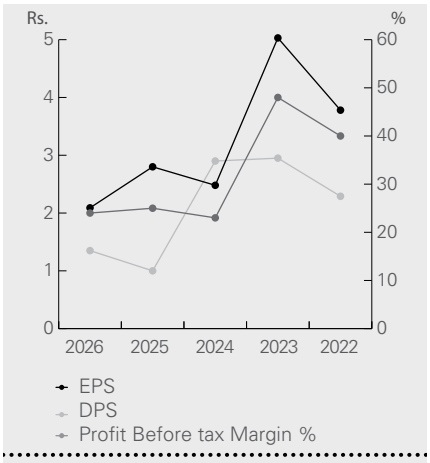
Share Information	2025/2026	Q4	Q3	Q2	Q1	2024/2025
High	90.00	86.00	88.90	90.00	90.00	89.80
Low	68.00	77.00	75.00	81.10	68.00	60.80
Close	81.20	81.20	85.00	87.50	84.50	74.00
Trading Statistics of John Keells PLC						
Number of transactions	3,717	842	870	1,028	977	2,756
Number of Shares traded	776,096	87,064	130,854	149,891	408,287	1,344,599
Value of the Shares traded (Rs. Mn)	64.32	7.25	11.00	12.76	33.31	99.19
Market Capitalisation (Rs. Mn)	4,937	4,937	5,168	5,320	5,138	4,499

Five Year Summary

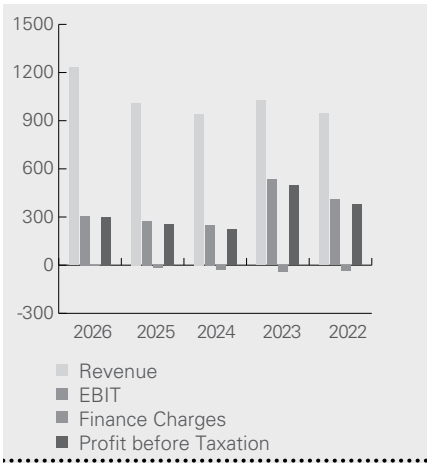
For the year ended 31st March	Group				
In Rs.'000s	2026	2025	2024	2023	2022
OPERATING RESULTS					
Gross Revenue	**1,233,194**	1,009,382	941,974	1,024,588	946,167
Operating Profit	**204,762**	159,324	144,576	360,275	301,979
Other Income	**1,190**	14,731	953	9,947	3,198
Dividend Income			-	-	-
Changes in Fair Value of Investment Property	**12,900**	30,500	30,000	60,270	30,195
Finance Charges	**(5,625)**	(18,080)	(28,360)	(37,989)	(32,074)
Finance Income	**81,740**	69,290	72,993	102,341	63,264
Share of Results of Associate	**6,136**	879	712	548	10,896
Profit before Taxation	**301,104**	256,644	220,875	495,392	377,457
Taxation based thereon	**(140,710)**	(83,157)	(76,874)	(185,895)	(111,373)
Profit after Taxation	**160,394**	173,488	144,001	309,497	266,084
Non-controlling interests	**(33,616)**	(2,978)	(7,062)	(3,647)	(36,507)
Profit attributable to John Keells PLC	**126,778**	170,510	151,063	305,850	229,577
CAPITAL EMPLOYED					
Stated Capital	**152,000**	152,000	152,000	152,000	152,000
Revenue Reserves	**2,961,800**	3,022,206	2,904,267	2,942,215	2,887,468
Other components of equity	**945,037**	1,549,639	1,000,657	1,070,615	1,285,536
	4,058,837	4,723,845	4,056,923	4,164,830	4,325,004
Non-controlling interests	**70,854**	59,862	54,784	60,105	76,589
Total Equity	**4,129,691**	4,783,707	4,111,708	4,224,935	4,401,593
Total Debt			-	-	-
	4,129,691	4,783,707	4,111,708	4,224,935	4,401,593
ASSETS EMPLOYED					
Current Assets	**3,081,967**	1,894,453	1,815,498	1,835,899	1,853,114
Current Liabilities	**(2,453,323)**	(1,360,831)	(1,528,883)	(1,453,910)	(1,503,217)
Net Current Assets/(Liabilities)	**628,644**	533,622	286,615	381,989	349,897
Fixed Assets and Investments	**3,883,436**	4,642,941	4,205,597	4,129,731	4,226,326
Long Term Liabilities					
Non-current liabilities	**(382,389)**	(392,856)	(380,503)	(286,785)	(174,630)
	4,129,691	4,783,707	4,111,708	4,224,935	4,401,593
CASH FLOW					
Net cash flows from / (used in) operating activities	**1,160,574**	526,887	7,268	362,883	286,108
Net cash flows from / (used in) investing activities	(33,047)	(23,214)	(101,846)	(15,717)	(8,206)
Net cash flows from / (used in) financing activities	(238,088)	5,600	(176,320)	(195,330)	(163,262)
Net increase / (decrease) in cash and cash equivalents	889,439	509,272	(270,897)	151,836	114,640

	Company				
	2026	2025	2024	2023	2022
	489,877	510,634	563,462	650,167	355,435
	4,986	119,012	198,663	370,136	72,958
	488	2,453	200	942	1,406
	132,576	78,297	12,750	38,000	96,960
	12,900	30,500	30,000	60,270	30,195
	(1,056)	(10,683)	(28,290)	(37,976)	(32,052)
	25,336	21,864	19,993	42,001	35,892
			-	-	-
	175,230	241,443	233,315	473,373	205,359
	(51,004)	(63,280)	(73,428)	(154,417)	(44,010)
	124,226	178,163	159,887	318,956	161,349
			-	-	-
	124,226	178,163	159,887	318,956	161,349
	152,000	152,000	152,000	152,000	152,000
	2,761,039	2,822,931	2,698,320	2,722,265	2,612,574
	337,541	984,127	458,144	680,369	1,021,217
	3,250,580	3,959,058	3,308,464	3,554,634	3,785,791
			-	-	-
	3,250,580	3,959,058	3,308,464	3,554,634	3,785,791
	3,250,580	3,959,058	3,308,464	3,554,634	3,785,791
	1,765,527	1,008,006	1,126,163	1,079,810	996,741
	(1,452,516)	(760,275)	(1,053,528)	(1,002,934)	(1,003,491)
	313,011	247,731	72,637	76,876	(6,750)
	3,058,389	3,818,636	3,344,278	3,565,583	3,843,548
	(120,820)	(107,309)	(108,451)	(87,825)	(51,007)
	3,250,580	3,959,058	3,308,464	3,554,634	3,785,791
	782,532	347,399	85,754	361,520	179,594
	1,476	472	(1,625)	(6,097)	22,742
	(179,360)	(60,800)	(176,320)	(183,330)	(145,262)
	604,648	287,071	(92,190)	172,093	57,075

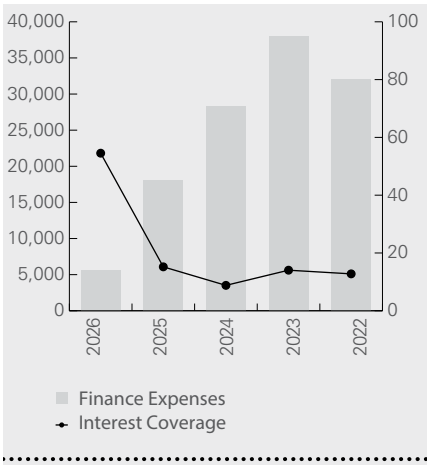
Earnings Rates-Group (Rs. 000's)



PBT Composition-Group (Rs.000's)



Utilization of Finance-Group



Key Ratios & Information

As at 31st March	Group					Company				
In Rs.'000s	**2026**	2025	2024	2023	2022	**2026**	2025	2024	2023	2022
KEY INDICATORS										
(A) Profitability & Return to Shareholders										
Annual Turnover Growth (%)	**22.17**	7.16	(8.06)	8.29	14.24	**(4.07)**	(9.38)	(13.34)	82.92	0.22
Net Profit Ratio (%)	**13.01**	17.19	15.29	30.21	28.12	**25.36**	34.89	28.38	49.06	45.39
Earnings per share (Rs.) *	**2.09**	2.80	2.48	5.03	3.78	**2.04**	2.93	2.63	5.25	2.65
Returns on Shareholders' Funds (%)	**3.65**	3.95	3.48	7.29	6.29	**3.45**	4.90	4.62	8.69	4.31
Return on Capital Employed (%)	**7.50**	5.81	5.78	12.55	8.81	**5.37**	6.36	7.34	14.05	5.80
Dividend per share (Rs.)*	**2.95**	1.00	2.90	2.95	2.29	**2.95**	1.00	2.90	2.95	2.29
Debt Equity Ratio (%)	**1.60**	1.46	4.90	2.02	7.44	**0.99**	0.07	5.99	2.37	8.12
(B) Liquidity										
Current Ratio (No. of Times)	**1.26**	1.39	1.19	1.26	1.23	**1.22**	1.33	1.07	1.08	0.99
Interest Cover (No. of Times)	**54.53**	15.20	8.79	14.04	12.77	**166.88**	23.60	9.25	13.47	7.41
(C) Investor Ratio										
Net Assets per share at year end (Rs.)*	**66.76**	77.69	67.64	68.50	71.13	**53.46**	65.12	55.33	58.46	62.27
Price Earning Ratio (Times)*	**38.94**	26.39	26.12	13.68	18.14	**39.74**	25.25	24.64	13.11	25.81
Enterprise Value (Rs. 000's)	**6,541,871**	5,213,871	4,178,838	4,692,936	4,518,887	**5,730,464**	4,688,056	3,841,625	4,177,016	3,982,713
Dividends (Rs. 000's)	**179,360**	60,800	176,320	179,360	139,232	**179,360**	60,800	176,320	179,360	139,232
Dividend Cover (Times)*	**0.89**	2.85	0.82	1.73	1.91	**0.69**	2.93	0.91	2.64	1.16
(D) Share Valuation										
Market price per share (Rs.)	**81.20**	74.00	64.80	68.80	68.50	**81.20**	74.00	64.80	68.80	68.50
Market Capitalisation (Rs. 000's)	**4,936,960**	4,499,200	3,939,840	4,183,040	4,164,800	**4,936,960**	4,499,200	3,939,840	4,183,040	4,164,800
(E) Other Information										
Number of Employees**	**69**	77	77	76	76	**47**	46	49	49	50
Turnover per employee (Rs.000's)	**17,872**	13,109	12,233	13,481	12,450	**10,423**	11,101	11,499	13,269	7,109
Value Added per Employee (Rs. 000's)	**19,340**	14,574	13,593	15,628	13,823	**11,236**	11,490	12,524	15,356	8,231

Note:

*Earnings per share, Dividends per share & Net Assets per share is based on 60,800,000 number of shares in issue as at 31st March 2026.

** Excluding contract Employees

Glossary of Financial Terms

ACCRUAL BASIS
Recording Revenues and Expenses in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period.

CAPITAL EMPLOYED
Shareholders' funds plus non-controlling interests and debt including lease liabilities.

CONTINGENT LIABILITIES
A condition or situation existing at the Balance Sheet date due to past events, where the financial effect is not recognized because:

1. The obligation is crystallized by the occurrence or non-occurrence of one or more future events or,
2. A probable outflow of economic resources is not expected or,
3. It is unable to be measured with sufficient reliability

CURRENT RATIO
Current assets divided by current liabilities

DEBT/EQUITY RATIO
Debt as a percentage of Shareholders' Funds

DIVIDEND COVER
Earnings per share over dividends per share

DIVIDEND PAYOUT RATIO
Dividend paid as a percentage of Company Profits.

DIVIDEND YIELD
Dividends adjusted for changes in number of shares in issue as a percentage of the share price (diluted) at the end of the period.

EARNINGS PER SHARE (EPS)
Profit after Tax attributable to ordinary shareholding over weighted average number of shares in issue during the period.

EARNINGS YIELD
Earnings per share as a percentage of Market price per Share at the end of the period.

EARNINGS BEFORE INTEREST AND TAX (EBIT)
Earnings before interest and tax (includes other operating income)

EFFECTIVE RATE OF TAXATION
Income Tax, (including deferred tax) over Profit before Tax

ENTERPRISE VALUE (EV)
Market capitalisation plus net debt/(net cash)

INTEREST COVER
Consolidated profit before interest and tax over interest expense.

MARKET CAPITALISATION
Number of Shares in issue at the end of the period multiplied by the market price at end of period

NET ASSETS
Total assets minus current liabilities, long-term liabilities, and non-controlling interests.

NET ASSET PER SHARE
Net assets as at a particular financial year end divided by the number of shares in issue as at the current financial year end.

NET DEBT
Total debt minus cash equivalents (cash in hand and at bank plus short-term deposits).

NET TURNOVER PER EMPLOYEE
Net turnover over average number of employees

PRICE EARNINGS RATIO
Market Price per Share over earnings per share

QUICK RATIO
Cash plus short term investments plus receivables, divided by current liabilities.

RETURN ON ASSETS
Profit after Tax over average total assets

RETURN ON EQUITY
Profit attributable to shareholders as a percentage of average shareholders' funds

RETURN ON CAPITAL EMPLOYED
EBIT as a percentage of average capital employed.

SHAREHOLDERS' FUNDS
Stated capital plus other components of equity plus revenue reserves

TOTAL ASSETS
Fixed Assets plus Investments plus Non-current Assets plus Current Assets

TOTAL DEBT
Long Term Loans plus Short Term Loans and Overdrafts

TOTAL EQUITY
Shareholders' funds plus non-controlling interest

TOTAL VALUE ADDED
The difference between revenue (including other income) and expenses, cost of materials and services purchased from external sources

WORKING CAPITAL
Capital required to finance the day-to-day operations (Current Assets minus Current Liabilities)

Notice of Meeting

Notice is hereby given that the 79th Annual General Meeting ("Meeting') of John Keells PLC (the 'Company') will be held as a virtual meeting on Thursday, 25 June 2026 at 9.00 a.m.

The business to be brought before the Meeting will be to:

1. read the Notice convening the Meeting.
2. receive and consider the Annual Report and Financial Statements for the Financial Year ended 31 March 2026 with the Report of the Auditors thereon.
3. re-elect as a Director, Mr. J G A Cooray who retires in terms of Article 83 of the Articles of Association of the Company. A brief profile of Mr. J G A Cooray is contained in the Board of Directors section of the Annual Report.
4. To re-elect as a Director, Ms. N A S Akuratiyagama who retires in terms of Article 90 of the Articles of Association of the Company. A brief profile of Ms. N A S Akuratiyagama is contained in the Board of Directors section of the Annual Report.
5. To re-elect as a Director, Mr. P T Wanigasekara who retires in terms of Article 90 of the Articles of Association of the Company. A brief profile of Mr. P T Wanigasekara is contained in the Board of Directors section of the Annual Report.
6. re-appoint the Auditors and to authorise the Directors to determine their remuneration.
7. consider any other business of which due notice has been given in terms of the relevant laws and regulations.

The Annual Report of John Keells PLC for 2025/26, is accessible via:

(1) The Corporate Website – https://johnkeellstea.com/

(2) The Colombo Stock Exchange (CSE) – https://www.cse.lk/

(3) The following QR Code (accessible through mobile devices):

Should Members wish to obtain a hard copy of the Annual Report 2025/26, they may send a request to the Company by filling the Form of Request attached to the Form of Proxy. A printed copy of the Annual Report will be forwarded by the Company within eight (8) market days from the date of receipt of the request, subject to the circumstances prevailing at the time, unless collected in person.

By Order of the Board
John Keells PLC



Keells Consultants (Private) Limited
Secretaries

25 May 2026

NOTES:

i. A Member unable to attend the Meeting is entitled to appoint a Proxy to attend and vote in their place.

ii. A Proxy need not be a Member of the Company.

iii. A Member wishing to vote by Proxy at the Meeting may use the Form of Proxy enclosed herein.

iv. Members are encouraged to vote by Proxy, through the appointment of a member of the Board of Directors, to vote on their behalf and to include their voting preferences on the resolutions to be taken up at the Meeting, in the Form of Proxy.

v. In order to be valid, the completed Form of Proxy must be lodged at the Registered Office of the Company or forwarded to the email address: keellsconsultants@keells.com or Fax No.+94 11 2439037 not less than 48 hours before the Meeting.

vi. A vote can be taken on a show of hands or by a poll. If a poll is demanded, each share is entitled to one vote. Votes can be cast in person, by proxy or corporate representatives. In the event an individual Member and their Proxy holder are both present at the Meeting, only the Member's vote is counted. If the Proxy holder's appointor has indicated the manner of voting, only the appointor's indication of the manner to vote will be used.

vii. Instructions as to attending the virtual Meeting are attached.

Notes

Form of Proxy

I/We ……..….....of
.....
..... being a member/s of John Keells PLC hereby appoint ……...……
……...…….. of ……
…….....……..or failing him/her

Mr. Krishan Niraj Jayasekara Balendra or failing him
Mr. Joseph Gihan Adisha Cooray or failing him
Mr. Ahamed Zafir Hashim or failing him
Mr. Naiemana Widanage Ravi Wijewantha or failing him
Mr. Pravir Dhanoush Samarasinghe or failing him
Ms. Nanayakkarawasam Aruni Sandamali Akuratiyagama or failing her
Mr. Pasan Thaminda Wanigasekara

as my/our proxy to represent me/us and vote on my/our behalf at the 79th Annual General Meeting of the Company to be held on 25 June 2026 at 9.00 a.m. and at any adjournment thereof, and at every poll which may be taken in consequence thereof.

I/We, the undersigned, hereby direct my/our proxy to vote for me/us and on my/our behalf on the specified Resolution as indicated by the letter 'X' in the appropriate cage:

	FOR	AGAINST	ABSTAINED
To re-elect as a Director, Mr. J G A Cooray, who retires in terms of Article 83 of the Articles of Association of the Company.	☐	☐	☐
To re-elect as a Director, Ms. N A S Akuratiyagama, who retires in terms of Article 90 of the Articles of Association of the Company.	☐	☐	☐
To re-elect as a Director, Mr. P T Wanigasekara, who retires in terms of Article 90 of the Articles of Association of the Company.	☐	☐	☐
To re-appoint the Auditors and to authorise the Directors to determine their remuneration.	☐	☐	☐

Signed on this …… day of Two Thousand and Twenty-Six.

Signature/s of Shareholder/s

NOTE: INSTRUCTIONS AS TO THE COMPLETION OF THE FORM OF PROXY ARE NOTED ON THE REVERSE.

Form of Proxy

INSTRUCTIONS AS TO COMPLETION OF PROXY

1. Please perfect the Form of Proxy by filling in legibly your full name and address, signing in the space provided and filling in the date of signature.

2. The completed Form of Proxy should be deposited at the Registered Office of the Company at No. 117, Sir Chittampalam A. Gardiner Mawatha, Colombo 2 or e-mailed to keellsconsultants@keells.com, no later than 48 hours before the time appointed for the convening of the Meeting.

3. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should accompany the completed Form of Proxy for registration, if such Power of Attorney has not already been registered with the Company.

4. If the appointor is a company or corporation, the Form of Proxy should be executed under its Common Seal or by a duly authorised officer of the company or corporation in accordance with its Articles of Association or Constitution.

5. If this Form of Proxy is returned without any indication of how the person appointed as Proxy shall vote, then the Proxy shall exercise their discretion as to how they vote or, whether or not they abstain from voting.

Please fill in the following details:

Name : .....

Address : .....

.....

.....

Jointly with : .....

Share Folio No : .....

National Identity Card No : .....

Corporate Information

Name of Company:

John Keells PLC

Company Registration Number:

PQ 11

Name of Subsidiaries

John Keells Stock Brokers (Pvt) Limited
John Keells Warehousing (Pvt) Limited

Name of Associate Company:

Keells Realtors Limited

Legal Form:

Public Limited Liability Company listed on the Colombo Stock Exchange (Incorporated in Sri Lanka in 1960)

Registered Office:

No. 117,
Sir Chittampalam A. Gardiner Mawatha
Colombo 02, Sri Lanka
Tel: 0094 11 2306000
Telefax: 0094 11 2342456
E-mail: sales.jkl@keells.com

Business Address:

No. 186, Vauxhall Street, Colombo 02.

Directors:

Mr. K N J Balendra
Mr. J G A Cooray
Mr. A Z Hashim
Mr. N W R Wijewantha
Mr. P D Samarasinghe
Mr. P T Wanigasekara
Ms. N A S Akuratiyagama

Secretaries & Registrars:

Keells Consultants (Pvt) Limited
No. 117, Sir Chittampalam A. Gardiner Mawatha, Colombo 02.

Auditors:

Messrs. Ernst & Young Chartered Accountants
Rotunda Towers,
No 109, Galle Road,
P.O. Box 101, Colombo 03.

Principal Bankers (in alphabetical order):

Bank of Ceylon
Commercial Bank of Ceylon PLC Deutsche Bank
DFCC Vardhana Bank
Hatton National Bank
Hongkong & Shanghai Banking Corporation Ltd.
Nation's Trust Bank
National Development Bank PLC
Sampath Bank PLC
Seylan Bank PLC

Designed & produced by
emagewise
Printed by Printage (Pvt) Ltd

JOHN KEELLS PLC

ANNUAL REPORT 2025/26