ANNUAL REPORT
2025/26

Browns
A Heritage of Trust

BROWN AND COMPANY PLC

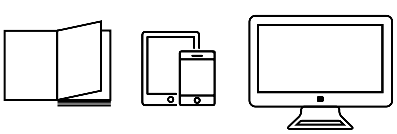
Contents

OUR VISION

To be a leading Sri Lankan conglomerate excelling through sunrise and sunshine industries with a global presence and cutting edge technology.

OUR MISSION

With generations of trust and reliability, our aim is to continuously enhance the value propositions to our stakeholders through innovative and customer-centric solutions.



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Financial Highlights

31st March	Group	2026	2025	2024	2023	2022
Results for the Year						
Revenue (Gross)	Rs.Mn	154,387	104,851	80,609	72,652	50,304
EBIT	Rs.Mn	19,252	72,258	48,309	35,779	43,137
Profit/(Loss) before Tax	Rs.Mn	(26,936)	28,085	(6,509)	(11,108)	30,304
Profit/ (Loss) after Tax	Rs.Mn	(27,004)	31,205	(8,531)	(12,528)	29,747
Group Profit/ (Loss) Attributable to Equityholders	Rs.Mn	(15,559)	32,428	2,382	(6,230)	21,589
Position at the Year end						
Shareholders' Funds	Rs.Mn	110,622	100,097	70,191	79,104	85,208
Total Assets	Rs.Mn	776,604	752,783	563,371	466,854	415,402
Market Capitalisation	Rs.Mn	31,947	33,648	23,389	25,409	28,385
Retained Earnings	Rs.Mn	71,202	76,852	33,838	36,572	43,154
Financial Ratios						
Gross Profit	%	20.29	21.80	23.03	28.55	23.33
Interest Cover	Times	0.42	1.64	0.88	0.76	3.36
Current Ratio	Times	0.36	0.33	0.33	0.39	0.47
Quick asset Ratio	Times	0.26	0.25	0.25	0.29	0.35
Price/earnings (year-end)	Times	(2.05)	1.04	9.82	(4.08)	1.31
Debt to Equity	%	67.88	60.15	60.15	62.07	59.26
Debt Service Coverage Ratio	Times	0.61	1.49	1.49	1.17	1.47
Return on Shareholders' funds	%	(14.06)	32.40	3.39	(7.88)	25.34
Per Share						
Earnings/ (Loss) per Share	(Rs.)	(73.17)	152.51	11.20	(29.30)	101.54
Market Price per Share	(Rs.)	150.25	158.27	110.00	119.52	133.52
Net Assets per Share (year-end)	(Rs.)	520.27	470.77	330.12	372.03	400.74

Rs. 154Bn
Revenue (Gross)

Rs. 19Bn
EBIT

47%
YoY Revenue Growth

Rs. 777Bn
Total Assets

Rs. 111Bn
Shareholders' Funds

Rs. 71Bn
Retained Earnings

Board of Directors

ISHARA NANAYAKKARA
Executive Chairman

Mr. Ishara Nanayakkara is a distinguished Sri Lankan entrepreneur and Executive Chairman of LOLC Holdings PLC, whose visionary leadership has transformed LOLC from a domestic financial institution into a diversified global conglomerate. Drawing on a strong business lineage and early involvement in family enterprises, he strategically entered financial services through an investment in LOLC and was appointed to its Board in 2002.

Over the ensuing decades, Mr. Nanayakkara's strategic foresight, entrepreneurial conviction and disciplined execution have driven LOLC's expansion across nine sectors, including financial services, leisure, agriculture and plantations, construction, manufacturing and trading, digital services, advanced technology, mining and renewable energy. Today, the Group spans 27 countries across Asia, Africa, Central Asia and Australia, with an international workforce of more than 56,000 employees and with total assets of approximately LKR 2.32 trillion (USD 7.4 billion).

Central to his success has been a deep commitment to microfinance and the Micro, Small and Medium Enterprise (MSME) sector. Under his direction, LOLC has established a significant financial-services presence across emerging and frontier markets, including Cambodia, Myanmar, Pakistan, Indonesia, the Philippines, India, Zambia, Nigeria, Egypt, Malawi, Tanzania, Zimbabwe, Kenya, Rwanda, the Democratic Republic of the Congo, Kyrgyzstan, Kazakhstan and Tajikistan. He was also pivotal in establishing LOLC's Life and General Insurance businesses and pioneering micro-insurance solutions that extend financial protection to underserved communities.

Beyond financial services, Mr. Nanayakkara has built a diversified portfolio across industries fundamental to emerging economies. The Group's non-financial interests include Brown & Company PLC, an institution with a 150-year heritage and established market leadership across several industries. In leisure, LOLC commands one of Sri Lanka's largest hotel portfolios, extending to the Maldives and Mauritius. Its plantation interests have developed into the world's largest tea manufacturing operation, producing more than 100 million kilograms annually across approximately 100,000 hectares in Sri Lanka, Kenya, Tanzania, China and Rwanda, complemented by interests in sugar, cinnamon, rubber, commercial timber and value-added products including targeted fertilizers for safer harvests and overall food security for the nation.

Innovation remains a defining dimension of his leadership. As a former Chairman of the Sri Lanka Institute of Nanotechnology, Mr. Nanayakkara has championed advanced scientific ventures, including the conversion of high-purity graphite into graphene and its potential applications across various industries. His strategic interests further extend to renewable energy and initiatives aimed at broadening access to affordable electric mobility.

Complementing this commercial vision is a commitment to social and environmental stewardship. Through LOLC Divi Saviya, the Group has delivered large-scale humanitarian assistance, providing a complete set of essentials for students and educational support for over 40 % of schools nationwide, conservation initiatives including Sri Lankan leopard protection, and reforestation programmes—reflecting a philosophy in which enterprise, community advancement and sustainable development remain intrinsically connected.

Mr. Nanayakkara's contribution to entrepreneurship and financial inclusion has received international recognition, including acknowledgement by the INSEAD Business School for his contribution to microfinance and the Young Entrepreneur of the Year Award at the 2012 Asia Pacific Entrepreneurship Awards. His academic journey spans Sri Lanka and Australia, and he is an Honorary Fellow of the Institute of Chartered Professional Managers of Sri Lanka.

Mr. Nanayakkara presently serves as Executive Chairman of LOLC Holdings PLC and Browns Investments PLC. He continues to shape LOLC's global trajectory with a distinctive combination of entrepreneurial ambition, strategic precision and disciplined execution, advancing an enterprise built on innovation, financial inclusion and enduring stakeholder value.

MRS. KALSHA AMARASINGHE
Non-Executive Director

Mrs. Kalsha Amarasinghe holds an Honours Degree in Economics and has an outstanding vision for investments.

Mrs. Amarasinghe serves on the Boards and subsidiaries of LOLC Holdings PLC and Brown & Company PLC including Palm Garden Hotels PLC, Eden Hotel Lanka PLC, Browns Investments PLC, Serendib Hotels PLC, Hotel Sigiriya PLC, Green Paradise (Pvt) Ltd, P L Resorts Ltd, Browns Holdings Ltd and Three Tips Ella (Pvt) Ltd.

W D K JAYAWARDENA
Non-Executive Director

Mr. Kapila Jayawardena is a seasoned leader in banking and investment banking with extensive experience across both local and international financial sectors. He joined LOLC Holdings PLC in 2007, marking the beginning of a defining chapter in the Group's evolution. At the time, LOLC was primarily a domestic leasing company. Under his leadership, the Group has transformed into a globally diversified conglomerate with operations spanning nine strategic business verticals. Combining entrepreneurial vision with strong governance and disciplined financial management, he has successfully steered the Group through multiple economic cycles while driving its local and international expansion and optimising capital allocation.

In addition to his executive responsibilities at LOLC Holdings PLC, Mr. Jayawardena serves as Chairman and Director of several Group companies, including Eden Hotel Lanka PLC, Serendib Hotels PLC, Dolphin Hotels PLC, Hotel Sigiriya PLC, Palm Garden Hotels PLC, LOLC Securities Limited and LOLC Life Assurance Limited. He also serves on the Boards of Brown & Company PLC, Browns Investments PLC, LOLC International (Private) Limited, LOLC Advanced Technologies (Private) Limited, LOLC Asia (Private) Limited, LOLC Global (Private) Limited, Ceylon Graphene Technologies (Private) Limited, LOLC Africa Holdings (Private) Limited and Patronus Wealth Holdings Limited.

Prior to joining the LOLC Group, Mr. Jayawardena served as Country Head and Chief Executive Officer of Citibank N.A. for Sri Lanka and the Maldives from 1998 to 2007. During his tenure, he successfully led the institution through a period of operational strengthening and sustainable growth. In recognition of his outstanding leadership and transformative contribution to LOLC Holdings PLC, Mr. Jayawardena received the Citi Distinguished Alumni Award for Leadership from Citi Group, New York, in 2024.

Mr. Jayawardena has also made significant contributions to the wider financial services industry. He served as Chairman of the Sri Lanka Banks' Association (2003/04), President of the American Chamber of Commerce in Sri Lanka (2006/07), and was a member of the Financial Sector Reforms Committee, the National Council for Economic Development, and the United States–Sri Lanka Fulbright Commission.

He holds an MBA in Financial Management and is a Fellow of the Institute of Bankers. He is also an Associate Member of the Institute of Cost and Executive Accountants, London, United Kingdom.

KANDIAH SUNDARARAJ
Senior Independent Director

Mr Kandiah Sundararaj counts over 29 years experience in Accounting, Auditing and Tax consulting. He started his career as a Chartered Accountant in 1998 and is currently serving as the Tax Partner in M/s Amerasekera and Company, Chartered Accountants.

Mr Sundararaj is a fellow member of the Institute of Chartered Accountants of Sri Lanka and holds a Master of Business Administration in Finance from the University of Colombo.

Board of Directors

CHITRAL WIJESINHA
Independent Director

Appointed to the Board w.e.f 1st January 2025, Chitral Wijesinha brings over 29 years of experience in the financial services industry, specialising in investment management for both retail and wholesale clients. He has extensive expertise across banking and finance, with a strong focus on treasury management, investment strategy, retirement planning, and superannuation.

His deep understanding of industry practices, regulatory frameworks, and evolving market dynamics enables him to deliver consistently high-quality advice and outcomes for his clients.

Chitral is currently the Director, Shareholder, and Principal Financial Adviser at Trilogy Financial Solutions NZ Limited (TFS). He is a licensed Financial Adviser in New Zealand and an active member of the Wealthpoint Financial Adviser Provider (FAP) network. In addition, he contributes to strategic investment decisions as a member of the Wealthpoint Investment Committee.

Earlier in his career, Chitral served as Country Treasurer for Citibank Sri Lanka from 1996 to 2003. He also holds a governance role as an Independent Director of LOLC (Cambodia) Plc, further demonstrating his expertise in financial management and corporate oversight.

DANESH ABEYRATHNE
Executive Director

Dynamic corporate professional Danesh Abeyrathne serves the LOLC Group as Director and Chief Executive Officer of LOLC Advanced Technologies, the Research and Innovation arm of the renowned LOLC Group. He is also, the former Chief Operating Officer and presently is the Executive Director of the Browns Group. The young professional, with his proven track record in the fields of Engineering, Manufacturing, Plantation, Agriculture, Marketing, and Research and Development, is also serving on some noteworthy foreign boards.

His extensive board affiliations extend to LOLC Advanced Technologies (Pvt) Ltd, LOLC Advanced Technologies Australia (Pvt) Ltd, Ceylon Graphene Technologies (Pvt) Ltd, Gal Oya Plantations (Pvt) Ltd, Gal Oya Holdings (Pvt) Ltd, Browns Agri Solutions (Pvt) Ltd, BI Commodities & Logistics (Pvt) Ltd, Browns Leisure (Pvt) Ltd, Browns Industrial Park (Pvt) Ltd, LOLC Geo Technologies, Grey Reach Investment Ltd, Sunbird Bioenergy Ltd (Sierra Leone), Tropical Island Commodities (Pvt) Ltd, Fortigrains (Pvt) Ltd, Urumaya Resources Zimbabwe, Sun Yield Bio Ingredients (Pvt) Ltd, and several other subsidiaries of the Group.

Mr. Abeyrathne holds a Bachelor of Science (Hons) in Engineering from the University of Ruhuna. He is a fellow of Chartered Institute of Management Accountants (CIMA-UK), the Chartered Global Management Accountants (CGMA - USA) and Certified Practicing Accountants (CPA – Australia), as well as an Associate member of Chartered Institute of Marketing (CIM – UK) and the Institute of Engineers (IESL – SL)

THAMOTHARAMPILLAI SANAKAN
Executive Director/Chief Executive Officer

Thamotharampillai Sanakan joined Browns Group in 2013 as the Chief Financial Officer and was tasked with an additional role of leading the operations in 2020 as the Chief Operating Officer. He counts for over 25 years of experience where he held many senior management positions in multiple industries such as Financial Services, Trading, Export, Manufacturing, Healthcare, Commodities and Consumer. Presently he serves as the Director/Chief Executive Officer of the Browns Group of Companies. Driving the Group towards new revenue streams with multifaceted local and regional expansions while maintaining sustainable growth in a challenging environment has been a key factor for Sanakan. He previously held the position of Chief Operating Officer at LOLC Securities Ltd in the LOLC Group.

He excels in the areas of digital transformation, change management, new business start-ups, business process re-engineering, project management and strategic business management. He currently serves on several Boards of the Browns Group. He is an Associate Member of Chartered Institute of Management Accountants of UK and Chartered Global Management Accountants of USA.

MANAGEMENT DISCUSSION AND ANALYSIS

THE PAGES AHEAD BRING THE READER A COMPREHENSIVE VIEW OF OUR WIDE-RANGING PORTFOLIO OF BUSINESS SECTORS, A REVIEW OF THE YEAR'S PERFORMANCE AND A DESCRIPTION OF OUR ACHIEVEMENTS IN EACH OF THE SEGMENTS WE SERVE.

AUTOMOTIVE & HARDWARE CLUSTER

BROWNS INTRODUCED THE BROWNS E-CARE APP TO FACILITATE THE ACTIVATION OF AUTOMOTIVE BATTERY WARRANTIES, REPLACING THE TRADITIONAL PRINTED WARRANTY CARD. THIS MARKS A MILESTONE IN THE IMPLEMENTATION OF THE FIRST-EVER PAPERLESS E-WARRANTY IN THE SRI LANKAN BATTERY SECTOR, THEREBY TRANSFORMING CUSTOMER EXPERIENCE FROM THIS POINT FORWARD.

BROWNS BATTERY & TYRE

The Browns Battery & Tyre strategic business unit strengthened its position within the automotive aftermarket during the financial year ended 31st March 2026, supported by product innovation, customer engagement initiatives and the continued expansion of its digital capabilities. The motorcycle battery segment emerged as a key contributor to growth, recording a notable increase in sales volumes and reflecting both growing market demand and the unit's strong presence across the island-wide distribution network.

The business unit broadened its product offering to address the evolving requirements of customers across multiple vehicle segments and price categories. Within the automotive battery segment, Browns introduced several additions to the Exide product portfolio aimed at strengthening market coverage and improving customer choice. Recognising the increasing presence of premium European vehicles in Sri Lanka, the business unit introduced Absorbent Glass Mat (AGM) batteries across three Stock Keeping Units (SKUs), specifically designed to cater to high-end vehicle applications requiring advanced battery technology.

Furthermore, to improve accessibility within the three-wheeler market, a cost-effective battery solution was introduced, tailored to the needs of this important customer segment. In commemoration of Browns' 150th anniversary, two limited-edition battery models were launched under the Exide brand, marking an important milestone in the Group's history while reinforcing the long-standing association between the Browns name and the automotive industry.

The business unit further enhanced its premium product offering through the introduction of the Exide Ultra range, featuring improved performance specifications including higher Cold Cranking Amps (CCA), enhanced Reserve Capacity (RC) and extended warranty coverage designed to meet the demands of modern vehicle platforms.

The year also witnessed recognition of the unit's sales excellence and customer engagement capabilities at the SLIM NASCO Awards. Within the Automotive and Frontlines category, Browns Battery & Tyres secured Gold & Bronze awards, while additional Merit Awards were received in the Automotive Territory and Corporate Sales Frontlines categories, further reflecting the strength of its sales culture and the capabilities of its field teams.

An important operational milestone was achieved during the year with the Browns E-Care platform surpassing one million warranty registrations. Fully implemented during 2024, Browns E-Care replaced conventional printed warranty cards and successfully digitised the automotive battery warranty registration process, improving customer convenience while enhancing operational efficiency and data management capabilities across the business.

The business unit also invested in industry engagement and knowledge sharing initiatives throughout the year. Island-wide seminars and technical sessions were conducted for auto-electricians with the objective of strengthening industry relationships and improving technical understanding of automotive battery technologies and applications. Given the influential role played by auto-electricians in customer purchasing decisions, these programmes served to strengthen product awareness, improve technical competencies and reinforce long-term brand advocacy for the Exide portfolio.

BROWNS GENERAL TRADING DIVISION

The Browns General Trading Division delivered a strong performance during the year under review, achieving its business targets while strengthening its presence within the industrial tools and machinery market. Growth was primarily driven by the tools and machinery segment, which recorded a significant increase in sales volumes compared with the previous financial year, reflecting both improving market demand and the success of the business unit's portfolio expansion strategy.

The product offering was further expanded with a range of premium machinery solutions designed to serve the requirements of both industrial and commercial customers. These additions included industrial-grade high-pressure washers and vacuum cleaning systems.

The year also saw the business unit consolidate several internationally recognised brands under its distribution portfolio, including Juba, Deli and Hoteche, enabling the business to offer a broader range of products across multiple customer segments and applications. The business unit's growing market presence and merchandising capabilities were recognised with an award for the Best Displayed Stall in the Hardware and Power Tools category at the Construct Exhibition Awards Night, one of the leading trade industry exhibitions.

As part of its long-term growth strategy, Browns General Trading strengthened its position within the hand tools market through a strategic partnership with a globally recognised hand tool manufacturer. The partnership provides access to a comprehensive range of products targeting both the do-it-yourself and professional user segments, and is expected to further enhance market reach and competitiveness. This initiative is anticipated to support broader customer acquisition, strengthen brand visibility and create additional opportunities for sustainable growth in the years ahead.

The business unit invested in capability building across its dealer network through a series of island-wide product awareness and technical training programmes conducted for dealer sales personnel. These sessions focused on the unique selling propositions and technical features of newly introduced products and were designed to strengthen product knowledge, improve sales effectiveness and enhance customer engagement at point of sale.

BROWNS THERMAL ENGINEERING (PVT) LTD

Browns Thermal Engineering (Pvt) Ltd delivered a strong performance during the year under review, recording healthy growth despite operating within a challenging industrial environment marked by supply chain constraints and market pressures affecting the automotive components sector. The business unit achieved a notable increase in sales during FY2025/26, reflecting the resilience of its operating model, strength of its market position and its ability to respond effectively to customer requirements across multiple product categories. The Company maintained uninterrupted manufacturing operations throughout the year, ensuring continuity of supply and meeting market demand despite the challenges experienced across the industry.

Browns Thermal Engineering continued to play a critical role within the Group's manufacturing ecosystem by fulfilling the component requirements of Associated Battery Manufacturers Ltd, reinforcing the synergies that exist within the Group's automotive value chain. During the year under review, Browns Thermal Engineering maintained approximately 80% market share within the copper-brass automotive radiator segment while preserving its leadership position in the copper-brass industrial radiator market with an estimated market share of 85%.

The aluminium-plastic radiator segment continued to gain momentum during the year, further strengthening market position and increasing market penetration to approximately 70%, reflecting growing customer acceptance of these products and the success of product development initiatives. Supporting this growth, Browns Thermal Engineering expanded its aluminium-plastic radiator product portfolio to approximately 175 models, offering a broader range of vehicle applications and customer requirements. Sales of more than 15,000 aluminium-plastic radiators were recorded during the year, further consolidating its leadership position within this segment. In anticipation of future demand growth, the business unit invested in expanding manufacturing capabilities across several production lines during the year under review.

Monthly production capacity for aluminium and copper-brass radiators was increased to one million cubic inches, while injection moulding capacity for plastic components was expanded to 34,000 kilograms per month, providing a stronger platform to support future business growth and new product development initiatives.

The year also saw the introduction of the RADCO wiper blade range, further broadening the business unit's automotive aftermarket product offering. The product range includes both steel-frame and hybrid wiper blade variants covering sizes ranging from 12 inches to 28 inches, enabling the business unit to cater to a wider cross-section of the vehicle market. Prudent inventory management practices were maintained, with adequate levels of both raw materials and finished goods throughout the year to ensure uninterrupted production and preserve market share in a highly competitive environment.

AGRICULTURE AND HEAVY MACHINERY CLUSTER

NEW PRODUCT INNOVATIONS DURING THE YEAR INCLUDE THE INTRODUCTION OF THE BROWNS TAFE DYNA TRACK TO THE MARKET, LED BY THE AIM OF CONQUERING THE 4WD TRACTOR MARKET SEGMENT WITH THE MOST ADVANCED FEATURES IN THE INDUSTRY.

BROWNS AGRICULTURE

Browns Agriculture delivered an exceptional performance during FY2025/26, recording its strongest results to date as improved agricultural activity, increasing mechanisation and sustained customer confidence supported growth across all major product categories. The Strategic Business Unit generated revenue of Rs. 19.3 billion during the year under review, representing growth of 92% over the previous financial year. The business unit also recorded its highest ever net contribution of Rs. 2.03 billion, reflecting a significant improvement over the previous year's performance and highlighting the benefits of scale, operational discipline and market leadership across its core segments.

Browns Agriculture maintained its market leadership in the tractor segment with an estimated market share of 40%, while further consolidating its dominance in the combine harvester market by securing a market share of 65% during the year under review. Its leadership position and strong market execution received international recognition during the year as No. 1 Overseas Distributor of TAFE Tractors for FY2026, reaffirming its long-standing leadership position within the local market and the strength of its partnership with one of the world's leading tractor manufacturers.

The business unit also received the 2025 Sincere Cooperation Award at the FM WORLD 2026 Global Partner Business Conference organised by Jiangsu World Agriculture Machinery Co., Ltd. in Hainan, China, recognising its contribution to market development and partnership excellence within the global agricultural machinery industry. Further recognition came at the SLIM Brand Excellence Awards 2025, where Browns Agriculture received the Gold Award for Glocal Brand of the Year for the Browns SUMO WORLD Harvester brand.

Innovation and mechanisation is central to its growth strategy. Browns Agriculture introduced the YANMAR Crop Tiger Maize Harvester to the local market with the objective of advancing mechanisation within the maize cultivation sector and addressing growing labour shortages within agriculture. Post-harvest solutions portfolio was expanded with the introduction of the SUMO R1000, a compact combined rice mill designed to improve accessibility and efficiency for smaller operators and farming communities. Recognising the increasing role of precision agriculture and digital technologies within modern farming, Browns Agriculture introduced the XAG P60 Agricultural Drone to the market, offering advanced intelligence, precision application capabilities and improved resource utilisation for farmers seeking higher productivity and more efficient input management.

Customer support and after-sales service remained important differentiators for the business during the year. In partnership with TAFE India, Browns Agriculture conducted its Track Tech Free Service Campaign, providing complimentary after-sales support and post-warranty care for tractor owners and operators across the country. Ten separate service camps were conducted covering the entire island during pre-season periods to ensure machinery readiness and minimise downtime during cultivation seasons. The programme further reinforced the long-standing relationship between Browns Agriculture and its customer base while supporting improved equipment reliability and operational efficiency in the field.

A similar initiative was undertaken for the business unit's harvester customers through dedicated doorstep service campaigns designed to facilitate uninterrupted harvesting operations and provide timely technical assistance during critical harvesting periods.

Sustainability and community engagement continued to be closely integrated into operations and customer outreach initiatives. As part of its Track Tech campaign, Browns Agriculture distributed Mee plants to customers and communities to promote environmental conservation and encourage reforestation efforts.

The business unit continued to invest in knowledge transfer and skills development through its 'Sisu Nena Pahana' programme, conducted in collaboration with universities, agricultural schools and technical colleges to enhance student understanding of modern agricultural machinery, maintenance practices and mechanised farming technologies.

Similarly, the 'Govi Nena Pahana' and 'Krushi Nena Pahana' initiatives continued throughout the year, providing farmers, agricultural officers and industry stakeholders with technical knowledge aimed at improving productivity, operational efficiency and the adoption of modern agricultural practices.

Following the devastating impact of Cyclone Ditwah, Browns Agriculture also undertook a series of relief initiatives in affected communities, including a well-cleaning campaign aimed at restoring access to clean water in flood-affected areas, further demonstrating the Division's commitment to supporting the wellbeing of rural communities.

BROWNS POWER SOLUTIONS DIVISION

The Browns Power Solutions Division cemented its position as a trusted provider of power generation and engineering solutions, serving residential, commercial and industrial customers across the country. With a track record spanning more than three decades, the business unit has established itself as a reliable partner in delivering integrated power solutions and has successfully executed numerous turnkey projects across a diverse range of sectors including garments, food and beverage, livestock, healthcare, financial services, hospitality, manufacturing and education.

The business unit generated net sales exceeding Rs. 1 billion during the year under review, reflecting sustained demand for reliable power generation solutions and engineering expertise across both private and institutional customers.

The business continued to leverage its experience in project design, installation, commissioning and after-sales support to deliver end-to-end power solutions tailored to the specific requirements of individual industries and operating environments.

A key strategic milestone during the year was the establishment of a dedicated Solar Power sub-division, marking the Company's entry into renewable energy solutions and reinforcing its commitment to supporting Sri Lanka's transition towards cleaner energy sources. The introduction of solar solutions significantly broadened the product offering and positioned the business to capitalise on the growing demand for sustainable and cost-effective energy alternatives across commercial and industrial sectors.

Sustainability and technological advancement remained central to its long-term strategy. Continued investments in advanced technologies enabled the deployment of solutions with lower emissions, reduced noise levels and improved operational efficiency, while strengthening the environmental performance of its product portfolio.

The business also enhanced its IoT-enabled after-sales capabilities, allowing for improved monitoring, diagnostics and customer support, thereby increasing equipment reliability and operational uptime for customers.

Looking ahead, Browns Power Solutions continues to explore emerging technologies within the renewable energy and energy storage sectors as part of its broader strategy to support future energy requirements through innovative and environmentally responsible solutions.

HEAVY MACHINERY DIVISION

The Heavy Machinery business unit operated in a challenging business environment during FY2025/26, characterised by subdued construction activity, lower industry demand and continued volatility arising from financing costs and foreign exchange movements.

Despite these headwinds, the business delivered a strong financial performance by capitalising on emerging infrastructure opportunities, while continuing to strengthen operational capabilities and reinforce its market position.

For the financial year 25/26, the BU recorded a strong improvement in financial performance, with net sales increasing to Rs. 875 million, compared to Rs. 494 million in the previous financial year 24/25. This represents an approximate growth of 77% year-on-year. The significant increase in revenue was primarily driven by the expansion of infrastructure development projects during the year, which led to higher demand for the company's services and strengthened overall sales performance.

The business unit continued to provide reliable machinery solutions to the construction, infrastructure, logistics and industrial sectors through its comprehensive portfolio of heavy equipment. During the year, the business delivered 90 units across its machinery range, demonstrating continued customer confidence despite subdued market conditions.

Customer support remained a key differentiator, with the business continuing to provide comprehensive after-sales service, technical expertise and timely maintenance solutions to maximise equipment reliability and operational uptime. Through its experienced engineering team and island-wide service capabilities, the business remained committed to delivering value-added solutions that support customers throughout the equipment lifecycle.

Looking ahead, the Heavy Machinery business unit will continue to focus on operational excellence, strengthening customer relationships and expanding its service capabilities while positioning itself to capitalise on opportunities arising from the anticipated recovery of the construction and infrastructure sectors.

BROWNS AC DIVISION

During the period under review, Browns AC Division strengthened its position as a trusted provider of air conditioning and climate control solutions, serving residential, commercial and industrial customers through a comprehensive portfolio of products, engineering capabilities and after-sales services. The business unit generated net sales of Rs. 630 million during the year under review, supported by continued demand across key customer segments and the successful execution of projects spanning multiple industries. With a track record extending nearly two decades, Browns AC has established a strong reputation for delivering turnkey air conditioning solutions across a broad range of sectors including hospitality, healthcare, government institutions, food and beverage manufacturing and commercial developments.

Sustainability and energy efficiency continued to play an increasingly important role in the business unit's product strategy and service offering during FY2025/26. During the year, the W&G Wall Mount range, featuring environmentally-friendly R32 refrigerant technology and inverter systems was introduced, designed to deliver improved energy efficiency, reduced emissions and a lower environmental footprint compared with conventional cooling solutions.

The business unit also continued to expand its proprietary BG range through the introduction of a wider portfolio of R32 refrigerant air conditioners incorporating advanced energy-saving technologies and designed to meet evolving environmental and efficiency standards. Further strengthening its premium offering, the business unit expanded its range of globally recognised Hyundai air conditioning solutions engineered to deliver improved energy performance, enhanced operational reliability and optimised cooling efficiency.

Investments were made in strengthening technical and service capabilities to support long-term sustainability objectives and improve customer outcomes. Such investments in specialised Variable Refrigerant Flow (VRF) expertise, advanced diagnostic technologies, predictive maintenance capabilities and IoT-enabled monitoring systems have enhanced the ability to provide proactive service interventions, improve equipment performance and extend system lifecycles. These initiatives have enabled improved energy efficiency, reduced downtime and more effective utilisation of customer resources while lowering long-term operating costs.

BROWNS MARINE

Browns Marine operated in a challenging environment during the year under review, with performance impacted by supply-side constraints within the marine engine market. The discontinuation of engine supply by the business unit's principal inboard engine supplier significantly affected business performance during the year. Consequently, the business recorded a loss while continuing to focus on market development, product diversification and strengthening customer relationships.

Against this backdrop, the business unit expanded its product offering with the successful introduction of the PARSUN four-stroke outboard engine range. The addition strengthened the business unit's presence within the outboard motor segment and enhanced its ability to cater to the evolving requirements of both commercial and recreational marine customers.

During the year, Browns Marine participated in South Asia's largest boat and marine exhibition, providing an important platform to showcase its products, technical capabilities and service offerings to a wider regional audience. The exhibition also facilitated valuable engagement opportunities with international partners and industry stakeholders. During this period, representatives from YANMAR visited Sri Lanka and participated in a series of discussions and technical engagements with key institutions, including the Sri Lanka Ports Authority, the Sri Lanka Navy Boat Building Yard and the Sri Lanka Navy Central YANMAR Workshop. These interactions supported knowledge sharing, strengthened technical collaboration and further reinforced relationships with strategically important customers within the marine sector.

As part of its strategy to expand beyond traditional markets, Browns Marine also participated in trade exhibitions in Batticaloa and Jaffna to promote the PARSUN outboard motor range and strengthen its presence within the Northern and Eastern Provinces. These initiatives were complemented by targeted service promotion campaigns and customer engagement programmes, including after-sales awareness and sticker campaigns, to improve brand visibility, strengthen customer relationships and reinforce the business unit's commitment to service excellence throughout the product lifecycle.

BROWNS AGRI SOLUTIONS

The year marked an important milestone in the Company's growth journey as revenue surpassed the Rs. 3 billion threshold for the first time, supported by broad-based growth across product categories and customer segments. The achievement reflects the continued strengthening of the Company's market position and the increasing relevance of its solutions within Sri Lanka's agricultural sector.

The year under review saw the continued expansion of the Company's product portfolio through the introduction of several new products and technologies designed to address evolving agricultural challenges and changing cultivation practices. Within the seed segment, Browns Agri Solutions introduced Devnur Deluxe and Armour, two new F1 hybrid hot pepper varieties developed in partnership with BASF Lanka (Pvt) Ltd., while the introduction of Avatar watermelon seeds through its collaboration with Chia Tai Seeds Co., Ltd further strengthened the Company's vegetable seed portfolio.

The Company also expanded its presence within the pest management segment through the launch of Selontra, an innovative soft bait rodenticide developed by BASF. The product offers rapid and effective control of rodent infestations and introduces a modern and reliable solution to Sri Lanka's pest management industry.

Recognising the significance of the launch to the broader pest control sector, Browns Agri Solutions hosted an industry engagement event at Hilton Residencies, Colombo, bringing together leading pest management operators from across the country. The event generated considerable industry interest and demonstrated strong confidence in the product's commercial potential and technical capabilities.

Responding to the increasing challenges posed by changing climatic conditions, the Company also introduced ALTHEON, a drought-resilient yield optimisation package specifically developed for Sri Lanka's tea sector. Designed to improve productivity while supporting crop resilience under increasingly variable weather conditions, the solution reflects the Company's broader strategy of introducing technologies that simultaneously improve farm economics and support long-term agricultural sustainability.

The Company also strengthened its activities within seed production and localisation initiatives through a partnership with Thai Seed Research Co. Ltd., Thailand, to implement a Local Hybrid Field Corn Multiplication Project. The initiative, currently being undertaken in the Mahailuppallama region under the supervision of the Department of Agriculture, represents an important step towards improving the local availability of high-quality hybrid seed while reducing dependence on imported planting material.

Beyond product development and commercial activities, Browns Agri Solutions continued to place significant emphasis on farmer education and knowledge dissemination as a core component of its operating model. The Company maintained an active field presence throughout the year through a comprehensive programme of farmer awareness campaigns, technical advisory sessions and agronomic support initiatives designed to improve productivity while reducing cultivation costs. During the year under review, the Company conducted 107 field campaigns and 358 farmer training programmes across the country while engaging directly with more than 29,000 farmers through individual field visits and advisory interactions. These initiatives covered crop management practices, productivity enhancement techniques and practical agronomic guidance tailored to local growing conditions and farmer requirements.

The strength of the Company's relationships within Sri Lanka's agricultural ecosystem was further reflected through several recognitions received during the year. Browns Agri Solutions received a Special Appreciation Award from the Faculty of Agriculture of the University of Peradeniya in recognition of its longstanding support and contribution towards the Faculty's activities and development initiatives. The Company was also recognised as a Platinum Contributor at the centenary celebrations of the Tea Research Institute of Sri Lanka, commemorating one hundred years of excellence in agricultural research, development and service to the tea industry. In addition, Browns Agri Solutions received recognition at the Annual Symposium of the Department of Agriculture, widely regarded as Sri Lanka's largest annual gathering of agricultural professionals and practitioners.

The year also saw the Company record the highest single-month revenue performance in its history during March 2026, reflecting strong market momentum and continued growth in customer demand across its product portfolio.

Sustainability, product stewardship and operational excellence continued to remain central to the Company's operating philosophy. Browns Agri Solutions maintained certification under ISO 9001:2015 Quality Management Systems, ISO 14001:2015 Environmental Management Systems and ISO 45001:2018 Occupational Health and Safety Management Systems covering the storage and distribution of agrochemicals.

During April 2025, SGS Lanka conducted third-party surveillance audits covering all three management systems as part of the ongoing certification process following the scope audit completed in May 2023, reaffirming the Company's commitment to maintaining internationally recognised standards across quality, environmental management and occupational safety. In line with regulatory requirements associated with ISO 14001:2015 compliance, the Company also maintained both its Environmental Protection Licence and Scheduled Waste Management Licence while continuing to fulfil all applicable regulatory obligations.

Looking ahead, Browns Agri Solutions intends to continue expanding its product portfolio and strengthening strategic partnerships with leading global agricultural technology companies. The Company plans to introduce KUDOS, a premium foliar fertiliser developed by FMC Corporation, one of the world's leading agricultural chemical companies. The partnership with BASF Lanka (Pvt) Ltd is also expected to deepen further through the planned launch of Wijaya, a high-performance chilli variety developed to meet the evolving needs of local growers. In support of its portfolio expansion strategy, Browns Agri Solutions intends to introduce a broader range of agricultural solutions during FY2026/27, including new herbicides, insecticides, fungicides and hybrid seed varieties.

The Company also plans to establish a dedicated Pest Control Strategic Business Unit to formalise and expand its presence within general and household pest management services. Within the crop protection segment, preparations are underway for the relaunch of RAPID herbicide with refreshed packaging designed to enhance safety while reinforcing the Company's ambition to establish leadership within the total weed control category.

Digital engagement with the farming community will also receive greater emphasis during the coming year through the planned introduction of a Farmer Interaction App aimed at promoting safe product usage, improving knowledge transfer and supporting productivity enhancement across farming communities.

PHARMACEUTICALS AND CONSUMER AND INDUSTRIAL ENGINEERING CLUSTER

ADHERING TO THE HIGHEST INDUSTRY STANDARDS, THE SBU WAS AWARDED THE PRESTIGIOUS ISO 9001:2015 AND ISO 14001:2015 CERTIFICATIONS FOR TOTAL OPERATIONS AND ENVIRONMENTAL SUSTAINABILITY.

BROWNS PHARMACEUTICALS DIVISION

The Browns Pharmaceuticals business unit delivered a sound performance during the year under review, recording revenue growth despite operating in an increasingly competitive environment characterised by aggressive pricing strategies and continued market pressures. Although contribution levels were impacted by heightened price competition across several product categories, the business unit continued to strengthen its market position through portfolio diversification, customer engagement and expansion into new growth segments within the veterinary and animal healthcare industry.

The Day-Old chick vaccine business was a notable contributor to the performance, delivering strong growth through increased market penetration and continued gains in a competitive poultry vaccine market. The Companion Animal segment also recorded encouraging growth during the year, benefiting from increasing demand for premium animal healthcare products, stronger customer relationships and improved market coverage within Sri Lanka's growing pet care market.

A strategic development during the year was the business unit's successful entry into the aquaculture sector through the introduction of shrimp feed products, marking the establishment of a new business segment within the product portfolio. This diversification of revenue streams also provided exposure to the growing veterinary nutrition and aquaculture industries. Further progress within aquatic animal health was achieved through the successful introduction of a new vaccine solution, which secured adoption by one of Sri Lanka's leading aquarium operators. This milestone reflected the business unit's technical expertise, customer confidence in its product offering and the potential for future growth within this emerging sector.

The business unit continued to play an important role in supporting livestock and poultry industries through extensive technical advisory and farm management services provided free of charge to small and medium-scale farmers. Through its team of qualified veterinary professionals and technical specialists, the Division assisted farmers in improving productivity, strengthening animal health and adopting best management practices through farm visits, technical consultations and disease management guidance. Support was also extended through farmer education programmes, laboratory access, vaccination assistance, farm audits and guidance relating to quality certification requirements.

Regular training programmes and educational sessions were conducted for farmers and livestock entrepreneurs with the participation of internal specialists, industry experts and international resource persons, ensuring the dissemination of current industry developments and global best practices. These programmes focused on emerging disease management, improving productivity through modern farming techniques and supporting the long-term sustainability and profitability of livestock operations.

The business unit contributes towards public health and animal welfare through its support for anti-rabies vaccination initiatives and community programmes. Assistance was provided to animal welfare organisations through the donation of anti-rabies vaccines, while support was extended to community vaccination campaigns aimed at reducing the spread of rabies among stray animal populations. These initiatives were further complemented by awareness programmes promoting responsible pet ownership, disease prevention and animal welfare practices.

INTEGRATED ENGINEERING SOLUTIONS

The Integrated Engineering Solutions Division delivered its strongest performance to date during the year under review, achieving record levels of revenue and profitability despite operating within a highly competitive market environment. The business unit also recorded its highest ever net contribution, reflecting improved operating efficiencies, portfolio expansion and stronger market penetration across its core business segments.

Meanwhile, the business unit strengthened its presence within the lubricants and industrial chemicals sectors through focused customer acquisition and the introduction of new products and strategic partnerships, significantly expanding its market reach and customer base across both automotive and industrial segments. Responding to evolving customer requirements within the raw chemicals industry, the business unit commenced chemical repacking operations during the year, enabling greater flexibility in product offerings while catering to varying customer volume requirements and application needs.

A key milestone during the year was the establishment of a local agency partnership for the importation and distribution of Gulf Lubricants from India, expanding its lubricant portfolio and strengthening its presence within both automotive and industrial markets. The business unit diversified its equipment offering through the introduction of Sino Star automatic car washing systems imported from China, targeting service stations and garage operators seeking automated vehicle care solutions.

Promoting energy efficiency and environmentally responsible industrial practices, the business unit introduced PM motor and water-injected oil-free air compressors designed to reduce energy consumption, minimise maintenance requirements and improve operational efficiency for customers. These solutions support lower environmental impact while promoting cleaner and more sustainable industrial operations.

BROWNS DEALS

A key development for Browns Deals during FY2025/26 was the launch of the business-to-business (B2B) operation, designed to cater to electronic dealers across the country and create multiple customer touchpoints for products and services. The expansion into the B2B segment enabled Browns Deals to strengthen relationships with the dealer community while creating additional opportunities for growth through a wider distribution network and improved market penetration. The business unit recorded its highest ever monthly sales performance during December 2025, reflecting growing customer acceptance, improved market coverage and the benefits arising from the expansion of its sales channels and customer engagement initiatives.

Browns Deals continued to contribute to community wellbeing through targeted social initiatives. During the year, the business unit partnered with the Leo Club of the University of Colombo to install an air conditioning system in the study room at the Apeksha Hospital. The initiative was undertaken to create a more comfortable and conducive learning environment for young cancer patients, enabling them to continue their education in improved conditions while undergoing treatment.

BROWNS INDUSTRIAL SOLUTIONS – BOILERS

Browns Industrial Services delivered an exceptional performance during the year under review, recording strong growth across all key financial indicators and significantly strengthening its position within the engineering services sector. Profitability more than doubled compared to the preceding year, reflecting improved operational execution, stronger project conversion rates and disciplined cost management practices.

The business benefited from the successful conversion of its project pipeline, enabling the unit to achieve a high turnover while maintaining continuity across ongoing operations and customer engagements despite prevailing market challenges. The year also witnessed a significant improvement in productivity and operational efficiency, with contribution generated per employee increasing considerably compared to historical levels. This improvement reflects the focus on resource optimisation, improved project execution and stronger workforce productivity, creating a stronger platform for future scalability.

Despite operating within an environment characterised by rising input costs and margin pressures, the business unit successfully sustained healthy gross profit levels through disciplined project management, effective cost controls and careful pricing strategies. Building on the momentum generated during FY2025/26, the business unit enters the new financial year with a strong order pipeline and a healthy revenue outlook, providing visibility over future business volumes and supporting confidence in the sustainability of growth achieved during the year under review.

Energy-efficient boiler solutions were actively promoted to industrial customers, supporting lower energy consumption and improved environmental performance across customer operations. The business unit also encouraged the adoption of preventive maintenance practices aimed at extending equipment lifecycles, improving operational reliability and reducing unnecessary waste associated with premature equipment replacement. Internally, ongoing efforts to improve operational efficiency within service delivery and installation activities contributed towards reducing material wastage and improving resource utilisation, reinforcing the Division's commitment to responsible engineering practices and sustainable business operations.

BROWNS TECH SOLUTIONS

The business unit operated in a challenging market environment during the year under review, with project execution cycles, market conditions and cost pressures continuing to influence overall business performance. The business recorded a net loss for the year, reflecting the timing of project execution inherent in its business model, together with the ongoing investment required to maintain technical capabilities and operational readiness.

Despite these challenges, the Division remained focused on business development and market expansion initiatives aimed at strengthening its medium-term growth trajectory. A key achievement during the year was the successful development of a substantial project pipeline, providing a solid platform to support future project execution and reinforce the business unit's long-term growth prospects.

The forward strategy is centred on accelerating project conversion, strengthening customer engagement and leveraging its technical expertise to capitalise on opportunities across infrastructure, industrial and engineering sectors. Sustainability considerations continued to be integrated into operational planning and project execution processes throughout the year. The business implemented measures to optimise delivery planning and improve logistics efficiency, thereby reducing transportation requirements and associated environmental impacts. In addition, inventory management practices were further strengthened to support more efficient resource utilisation and enhance overall supply chain efficiency.

AGRI BUSINESS AND PLANTATIONS CLUSTER

BROWNS PLANTATIONS, CONSISTS OF THREE PLANTATION COMPANIES, SUBSIDIARIES OF BROWNS INVESTMENTS PLC, WHICH IS ONE OF THE COUNTRY'S LEADING AND LARGEST PLANTATION COMPANIES, SPANNING AN IMPRESSIVE LAND EXTENT OF 25,415 HECTARES.

BROWNS PLANTATIONS

Browns Plantations continued to strengthen its position as one of the world's largest and most geographically diversified plantation enterprises, advancing its strategic vision of building a globally integrated agricultural platform spanning Asia and Africa. Spread across Sri Lanka, Kenya, Tanzania, Rwanda and China, the Group remained focused on enhancing operational excellence, accelerating sustainability initiatives and leveraging technology to create long-term value across its plantation portfolio. The Group's global footprint, combined with its diversified agricultural assets and strong market presence, enables it to respond effectively to evolving industry dynamics while capitalising on opportunities within the global tea value chain.

One of Browns Plantations' key competitive strengths lies in its ability to leverage synergies across its geographically diversified tea operations. The Group actively shares best practices, technology, agronomic expertise and operational knowledge across Sri Lanka, Kenya, Tanzania, Rwanda and China, enabling successful initiatives developed in one region to be adapted and implemented across others. This integrated approach strengthens productivity, enhances product quality, accelerates turnaround programmes and supports innovation throughout the value chain. At the same time, the Group's presence across multiple tea-producing origins provides greater resilience against regional market and climatic challenges while enabling it to better serve evolving customer requirements through a broader and more diversified product offering.

The year under review was characterised by significant external challenges affecting plantation operators globally. Rising labour costs, increasing fertiliser prices, higher energy costs and weather-related disruptions placed pressure on profitability across the sector. Nevertheless, Browns Plantations demonstrated resilience through disciplined operational management, strategic investments and a relentless focus on productivity improvements across both its local and international operations.

Technology and innovation continued to play a pivotal role in the Group's transformation agenda. Investments in automation, mechanised harvesting, digital monitoring systems and manufacturing efficiency programmes strengthened operational performance while laying the foundation for future growth. At the same time, sustainability remained firmly embedded within the Group's strategy, with substantial investments directed towards renewable energy, carbon reduction initiatives and conservation programmes.

Looking ahead, Browns Plantations remains committed to creating a future-ready plantation business that balances operational excellence with environmental responsibility. The Group is committed to strengthen its competitive position through continued investment in innovation, renewable energy, mechanisation and sustainable land management, while progressing towards its long-term ambition of achieving carbon net-zero operations.

LOCAL

Maturata, Udapussellawa, Hapugastenne, Pussellawa Plantations and Tea Smallholder Factories

The Group's Sri Lankan plantation portfolio continued to demonstrate resilience despite a challenging operating environment characterised by rising operating costs and persistent industry-wide pressures. Collectively, the plantation companies generated revenue of over Rs. 23.46 billion during the year under review, with Hapugastenne Plantations PLC (HPL) contributing Rs. 4.49 billion, Udapussellawa Plantations PLC (UPL) Rs. 3.26 billion, Maturata Plantations Limited (MPL) Rs.

5.69 billion, Pussellawa Plantations Limited (PPL) Rs. 6.71 billion and Tea Smallholder Factories PLC (TSML) Rs. 3.32 billion. Despite considerable margin pressures arising from higher labour costs following the latest wage revision, together with increases in fertiliser, energy and other input costs, HPL, UPL, PPL and TSML remained profitable, while MPL delivered a strong financial performance despite being impacted by higher borrowing costs during the year. Nevertheless, all plantation companies successfully achieved their crop targets, reflecting the strength of their agricultural operations, disciplined estate management and continued focus on productivity. In addition, the local plantation portfolio recognised fair value gains of approximately Rs. 1.6 billion from biological assets and property valuations.

Among the year's most notable achievements was the strong performance of Tea Smallholder Factories PLC following its acquisition. The implementation of a revised operating strategy, focused on enhancing tea quality while improving factory utilisation, contributed to a significant improvement in financial performance during the year. Revenue increased to Rs. 3.32 billion, while gross profit more than doubled compared to the previous financial year. The business also recorded EBIT of Rs. 50.9 million, Profit Before Tax of Rs. 236.4 million and Profit After Tax of Rs. 165.7 million. This performance reflects the successful execution of the Company's operational improvement initiatives and reinforces the long-term value of the acquisition.

Among the established plantation businesses, Udapussellawa Plantations PLC delivered the strongest profitability performance during the year, generating revenue of Rs. 3.26 billion, Gross Profit of Rs. 606.6 million, EBIT of Rs. 514.2 million and Profit After Tax of Rs. 551.2 million, supported by a healthy gross profit margin of 18.6% and net profit margin of 16.9%. Hapugastenne Plantations PLC recorded revenue of Rs. 4.49 billion and Profit After Tax of Rs. 203.0 million, while maintaining positive operating margins despite escalating production costs. Maturata Plantations Ltd. generated revenue of Rs. 5.69 billion, although profitability was affected by prevailing industry challenges and increased operating costs during the year. Pussellawa Plantations Ltd. delivered an exceptional performance during the year despite continued cost pressures across the plantation sector. The Company generated revenue of Rs. 6.71 billion, supported by disciplined estate operations and sustained agricultural productivity. It recorded Gross Profit of Rs. 438.0 million, EBIT of Rs. 554.2 million and Profit Before Tax of Rs. 455.2 million, concluding the year with a Profit After Tax of Rs. 49.4 million. Capital expenditure of Rs. 590.6 million reflected the Company's continued investment in estate development, operational infrastructure and long-term productivity enhancement, reinforcing its commitment to sustainable value creation despite a challenging operating environment.

Technology-driven transformation remained a key priority across the local plantation portfolio. During the year, Browns Plantations expanded the implementation of real-time digital weighing solutions across its estates, enhancing transparency throughout the green leaf collection process. The system provides workers with greater visibility into weight measurements and quality adjustments, offering greater transparency. This initiative has significantly improved operational integrity and stakeholder confidence across the value chain. Complementing these efforts, the Group also introduced digital automated dryer mouth tea weighing system within manufacturing operations, enabling real-time production statistics and enhanced process control.

Mechanisation continued to gain momentum during the year. In response to labour shortages experienced across certain plantation regions, Browns Plantations significantly expanded investments in handheld harvesting equipment. Following successful pilot programmes, the Group deployed approximately 2,450 harvesting machines across its estates and subsequently procured an additional consignment of 1,000 to support wider adoption. These investments have already generated measurable improvements in harvesting efficiency while supporting higher productivity levels across operations.

Simultaneously, Browns Plantations continued to evaluate opportunities for factory automation. Detailed studies were undertaken during the year to identify automation solutions capable of enhancing manufacturing efficiency while supporting long-term cost competitiveness. These initiatives form part of a broader strategy to establish an optimal balance between technology and workforce productivity within the plantation sector.

Significant investments were also made towards factory refurbishment and infrastructure upgrades during the year, including reroofing programmes, structural strengthening initiatives and facility enhancements designed to support renewable energy integration while improving long-term operational sustainability.

The plantation companies' commitment to operational excellence, quality, sustainability and responsible estate management continued to receive recognition during the year through numerous local and international awards, certifications and industry accolades, reinforcing Browns Plantations' position as one of Sri Lanka's leading plantation groups.

Sustainability at Browns Plantations

Browns Plantations continues to create long-term value through the responsible management of natural resources, sustainable agricultural practices and disciplined operational excellence. With a diversified plantation portfolio spanning Sri Lanka, Tanzania and Sierra Leone, the sector integrates commercial performance with environmental stewardship, climate resilience, biodiversity conservation and community development. During the year under review, Browns Plantations remained focused on strengthening productivity, advancing digitalisation and renewable energy initiatives and enhancing operational resilience, while navigating an increasingly challenging cost environment. This balanced approach continues to reinforce the sector's ability to generate sustainable economic, environmental and social value over the long term.

Environmental stewardship remained firmly embedded within Browns Plantations' operating philosophy during the year under review, with continued investments directed towards climate resilience, biodiversity

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conservation, renewable energy, sustainable agricultural practices and community engagement. These initiatives reflect the Group's commitment to creating long-term environmental and social value while aligning plantation operations with internationally recognised sustainability standards and responsible land management practices.

Water stewardship continued to be a priority across the Group's estates. Through an extensive rainwater harvesting programme, Browns Plantations collected nearly 85,200 cubic metres of rainwater during the year, reducing dependence on conventional water sources while strengthening water security across its plantation operations. Complementing these efforts, the Group continued to implement sustainable agricultural practices, including cover cropping, crop rotation and agroforestry techniques, to enhance soil fertility, minimise erosion, improve moisture retention and preserve long-term land productivity.

Protecting and restoring biodiversity remained central to the Group's environmental strategy. During the year, Browns Plantations planted approximately 3,000 indigenous trees across its estates while continuing to safeguard 4,488 hectares of environmentally sensitive land spanning 49 estates. Wildlife corridors were further developed to improve habitat connectivity, while ecological buffer zones were maintained around environmentally sensitive areas to protect native flora and fauna and preserve ecological balance. Continuous biodiversity monitoring programmes were undertaken to assess ecosystem health and support evidence-based conservation initiatives across the plantation portfolio.

The Group's sustainability framework continues to be guided by internationally recognised standards, with plantation operations aligned to the Rainforest Alliance Sustainable Agriculture Standard and ISO 14064 requirements for greenhouse gas accounting and reporting. These frameworks strengthen environmental governance while supporting continuous improvement in sustainable agricultural practices, climate risk management and environmental performance monitoring.

During the year, Browns Plantations completed a large-scale rooftop solar project covering 20 factories across its Sri Lankan operations. Representing an investment of approximately Rs. 660 million, the project is expected to deliver significant reductions in energy costs while supporting the Group's transition towards cleaner energy sources. The initiative represents a major milestone in Browns Plantations' sustainability journey and supports its ambition of progressing towards Carbon Neutrality/carbon net-zero operations by 2040. With annual energy expenditure across the plantation portfolio approaching Rs. 1 billion, the Group has established a strategic objective of reducing dependence on conventional energy by between 60% and 70% through renewable energy investments.

Building on the success of the first phase, Browns Plantations has commenced planning for a second phase that will extend rooftop solar installations to a further 16 factories. In parallel, the Group has identified 15 potential hydropower locations across its plantation network to strengthen energy security, reduce long-term operating costs and further advance its environmental objectives.

Advancing towards a lower-carbon operating model remained a key strategic priority during the year. Browns Plantations reaffirmed its commitment to achieving carbon neutrality across the majority of its tea factories by 2030 through continued investments in renewable energy and energy efficiency. As part of this long-term strategy, the Group progressed the implementation of a 5 MW rooftop solar programme, which is expected to reduce carbon emissions by approximately 27,900 metric tonnes over its lifecycle. During the year under review, solar installations with a cumulative capacity of 2.83 MW were successfully completed, representing a significant milestone in the Group's renewable energy transition while contributing to lower operating costs and reduced dependence on conventional energy sources.

Recognising that sustainability extends beyond environmental performance, Browns Plantations continued to strengthen community engagement across its plantation workforce and surrounding communities. Particular emphasis was placed on improving the education and nutritional wellbeing of plantation children through targeted community initiatives, while environmental awareness programmes reached nearly 7,000 employees during the year. These programmes encouraged responsible environmental practices, strengthened employee participation in sustainability initiatives, and fostered a culture of environmental stewardship throughout the organisation.

By embedding sustainability within its long-term business strategy, the Group continues to create value that extends beyond operational performance while contributing meaningfully to the conservation of Sri Lanka's natural capital and the sustainable development of the plantation sector.

Awards, Certifications and Recognition

The Group's commitment to sustainable plantation management, environmental stewardship, technological innovation and operational excellence received widespread national and international recognition during the year under review. At the Sri Lankan Sustainability Awards 2025, organised by the Ceylon Institute of Builders (CIOB) in collaboration with the Building Economics and Management Research Unit (BEMRU) of the University of Moratuwa, Browns Plantations received four major accolades: Sustainable Preservation of Biodiversity, Sustainability Business Leader of the Year, Sustainable Future Leader of the Year and Sustainable Technology Provider. These awards recognised the Group's leadership in biodiversity conservation, sustainable business practices, responsible leadership and the application of technology to advance sustainability within the plantation sector.

The Group's environmental leadership was further recognised at the People's Excellency Awards 2025, where Browns Plantations was named The Eco-Conscious Plantation of the Year. At the same awards ceremony, Dr. Pradeep Uluwaduge, Executive Chairman, received the Excellence in Sustainable Leadership Award of the Year in recognition of his contribution to advancing sustainability within Sri Lanka's plantation industry.

Further recognition followed at the Purawasi Abhiman Sinhawalokanaya 2025 Awards, organised by Veenavee Event and Management Crew (Pvt) Ltd, where Browns Plantations received the Sustainable Business Leadership Excellence Award, while Dr. Pradeep Uluwaduge was honoured with the Leadership in Sustainable Enterprise Excellence Award, recognising both the organisation's and its leadership's contribution to sustainable business excellence.

International recognition continued at the Asia Awards, where Browns Plantations received Asia's Sustainable Transformation Award, Asia's Plantation Operational Excellence Award, and Asia's Most Environmentally Responsible Company Award. At the same event, Dr. Pradeep Uluwaduge was honoured with Asia's Chairman of the Year, reflecting the Group's sustained leadership in operational excellence, environmental responsibility, and strategic transformation.

Adding to these achievements, Hapugastenne Plantations PLC became the first company in the world to receive the Control Union Deforestation-Free Standard (DFS) Certificate from Control Union Certification B.V. This landmark certification recognises the company's commitment to responsible land management, biodiversity conservation and deforestation-free plantation practices, setting a new global benchmark for sustainable plantation management.

Beyond renewable energy, Browns Plantations continued to pursue broader environmental initiatives aimed at enhancing biodiversity and strengthening natural capital. Discussions progressed with international partners regarding large-scale reforestation and land rehabilitation programmes across underutilised plantation lands. These initiatives are expected to support biological asset growth, biodiversity conservation, future participation in carbon credit markets and the Group's longer-term climate commitments.

GAL OYA SUGAR INDUSTRIES

Gal Oya Sugar Industries continued to operate in a challenging industry environment during the year under review. Despite recording an operational loss for the year, the company maintained stable production levels and continued to strengthen its position as one of Sri Lanka's most integrated agri-industrial operations. During the year, the company crushed approximately 375,500 metric tonnes of sugarcane, producing 21,000 metric tonnes of sugar and 3.6 million litres of Extra Neutral Alcohol (ENA). In addition, Gal Oya exported approximately 8.75 megawatts of renewable power and a further 3.75 megawatts of solar-generated electricity to the national grid. Operating across a land extent of approximately 6,500 hectares, the business continued to make a valuable contribution to the regional agricultural economy while supporting a large farming community.

Prevailing market conditions remained unfavourable, with sugar and ethanol prices continuing at subdued levels, resulting in continued pressure on profitability across the industry. Notwithstanding these challenges, the company remains focused on enhancing operational efficiencies and maximising value from its integrated production model. A notable sustainability strength of the operation is its fully integrated circular economy model, which enables the utilisation of virtually all outputs and by-products generated throughout the production process. Sugarcane harvested from the fields is converted into sugar, ENA and renewable energy, while process by-products are utilised to generate methane gas for internal energy requirements. Residual waste is subsequently converted into organic fertiliser and returned to the fields, creating a closed-loop production cycle with minimal waste discharge. This zero-discharge approach reflects the Company's commitment to sustainable resource management and environmental stewardship.

AGSTAR PLC

AgStar PLC delivered a strong recovery in FY2025/26, successfully capitalising on opportunities arising from the improving agricultural environment while executing a comprehensive operational restructuring programme across the Group. Operating against a backdrop of evolving farmer requirements, heightened market competition and a changing macroeconomic environment, the Group focused its efforts on strengthening its core business foundations, improving execution across its distribution network and repositioning its portfolio towards higher-value and technology-driven agricultural solutions. These initiatives produced a significant improvement in overall performance and marked an important turning point in the Group's operational trajectory.

For the first time in its history, AgStar's consolidated revenue surpassed the Rs. 10 billion milestone, reflecting the growing scale of the business and the strength of its diversified operating model across Fertiliser, Crop Care, Seeds and Agri Technology. The improvement in top-line performance translated into a return to profitability at both operating and net earnings level following the losses recorded during the previous financial year, reflecting the benefits of improved market execution, tighter operational discipline and targeted interventions across underperforming business segments.

The Fertiliser business remained the principal contributor to Group performance and delivered an exceptional year, benefiting from renewed agricultural activity and improved farmer confidence across key cultivation regions. AgStar outperformed the market, recording volume growth well ahead of overall industry expansion and strengthening its position across key agricultural regions. This performance was driven by a combination of targeted product positioning, proactive dealer engagement programmes and intensified farmer outreach initiatives undertaken through the Group's expanded technical marketing team.

The deployment of the mobile soil testing laboratory and the expansion of field-level advisory services enabled the business to deepen relationships with farming communities while promoting more scientific nutrient management practices. Seasonal promotional campaigns and focused regional market strategies further supported growth and enabled the business to capture a disproportionate share of market expansion during the year.

Despite this strong performance, the business continued to operate in a challenging external environment. The

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adverse effects of Cyclone Ditwah disrupted agricultural activity across several farming regions and moderated fertiliser demand during affected cultivation periods.

At the same time, escalating geopolitical tensions in the Middle East placed significant upward pressure on global fertiliser prices, creating a challenging procurement and cost environment for importers and distributors. The division responded through disciplined inventory management, proactive procurement strategies and close monitoring of supply chain risks, enabling it to mitigate the impact of these external pressures while maintaining supply continuity and protecting margins. The result was a decisive turnaround in profitability and one of the strongest performances delivered by the division in recent years.

The Crop Care business encountered a more challenging operating environment during the year under review as competition intensified within the market for commodity crop protection products, resulting in sustained pricing pressure and lower market realisations across several product categories. These market conditions were further compounded by the adverse impact of the Ditwah weather conditions, which disrupted farming activity and reduced demand for crop protection products in affected regions. The business also faced internal challenges associated with elevated working capital and inherited cost structures that constrained profitability during the year. Recognising these issues, a comprehensive remediation programme aimed at restoring profitability and improving operational efficiency was initiated. The programme includes inventory rationalisation, strengthened debtor collection processes, tighter working capital controls and a systematic review of the cost base.

The Seeds Division recorded one of the strongest recoveries within the Group during FY2025/26, supported by growing farmer confidence, improved commercial execution and a stronger product portfolio. Growth was primarily driven by robust demand for maize and vegetable seed varieties, which contributed to a significant strengthening of the division's presence across key agricultural crops. The quality and differentiation of the product portfolio also contributed to a substantial improvement in profitability, with the Seeds business recording the highest gross margin among all four Strategic Business Units within the Group. This improvement reflected a favourable shift in product mix towards higher-value seed varieties and the successful implementation of initiatives aimed at improving pricing discipline and market positioning.

The Seeds Division also returned to profitability following losses recorded during the previous year. The losses experienced during FY2024/25 were largely attributable to lower gross profit made due to higher market competition, elevated working capital, slow-moving stock and weaknesses within the field sales structure. During FY2025/26, a focused recovery programme aimed at addressing these structural issues through inventory rationalisation, debtor resolution, field force restructuring and stronger receivables management practices was implemented.

Looking ahead, product innovation and deeper market penetration remain central to the division's strategy along with strengthening the product portfolio through the introduction of new high-yielding seed varieties tailored to the evolving requirements of Sri Lanka's farming community. The business also plans to expand its distribution footprint into underserved agricultural regions while exploring partnerships with research institutions to strengthen its product development pipeline and accelerate innovation.

The Agri Technology Division delivered another year of strong growth as demand for mechanisation and technology-driven agricultural solutions continued to accelerate. Growth was primarily supported by robust machinery sales, with both two-wheel and four-wheel tractor categories recording significant volume increases during the year. The performance reflected the division's adaptive and focused marketing strategy, which successfully captured increasing farmer demand for mechanised farming solutions and productivity-enhancing technologies. Beyond machinery sales, the division continued to make important progress in positioning itself as a provider of next-generation agricultural technologies. Post-harvest solutions are being actively developed and commercialised as part of the division's broader transition towards a technology-enabled agribusiness model.

Several important milestones were achieved during the year. AgStar introduced site-specific fertiliser formulations developed using scientific soil analysis techniques, enabling more precise nutrient application and improving crop-specific nutrient management practices. The technical field extension team was further strengthened to improve farmer engagement and enhance agronomic advisory services at ground level. The deployment of a dedicated mobile soil testing laboratory enabled the Group to conduct more than 9,000 soil sample analyses across farming communities during the year, supporting scientific fertiliser application and improved farm productivity.

The Group also entered into a Memorandum of Understanding with the Tea Research Institute aimed at leveraging scientific expertise to support fertiliser-focused farmer education programmes within the tea sector. In addition, new fertiliser blends specifically developed for root crops, vegetable crops and the Kalpitiya cultivation region were successfully introduced during the year.

The Group's increasing focus on scientific nutrient management, precision agriculture and site-specific fertiliser application aims not only to improve agricultural productivity but also to reduce nutrient losses, optimise input utilisation and minimise environmental impacts associated with farming activities. The deployment of mobile soil testing technologies, expansion of technical advisory services and farmer education initiatives further support responsible input use and the adoption of more sustainable farming practices. The development of coated fertilisers, drone technologies and precision agriculture solutions similarly reflects the Group's commitment to improving productivity while reducing environmental intensity and supporting the long-term resilience of Sri Lanka's agricultural sector.

AgStar enters FY2026/27 with a stronger operational platform, improved financial resilience and a clearly defined strategic agenda across all four Strategic Business Units. Key priorities for the year ahead include expanding the Group's presence within the urban home gardening segment through a dedicated fertiliser range, introducing new compound fertiliser products targeting selected crop categories and commencing field trials for new tea fertiliser formulations in partnership with Browns Plantations Limited. The planned field trials will evaluate both soil and foliar applications with the objective of developing scientifically validated nutrient solutions for Sri Lanka's tea industry. Supported by a stronger operational foundation, a renewed culture of execution and an increasing focus on science-based agriculture, AgStar remains well positioned to continue supporting Sri Lanka's farming community while delivering sustainable long-term growth.

TROPICAL ISLAND COMMODITIES

Tropical Island Commodities recorded a significant improvement in performance during the year under review, reporting a positive EBITDA of approximately Rs. 98 million. The result reflects the success of strategic initiatives implemented over the past year to diversify markets, improve margins and reduce reliance on traditional business segments. Building on the operational improvements achieved in recent years, the company adopted a revised business model focused on expanding into previously untapped market segments with stronger margin potential. This strategic shift contributed positively to earnings and strengthened the company's overall commercial position.

The Company also continued to diversify its product portfolio beyond its traditional cinnamon-focused business. While cinnamon remains a core product category, Tropical Island Commodities expanded its offering to include pepper, cloves, nutmeg, cardamom and other value-added spices in response to evolving customer requirements. This broader product mix has improved revenue diversification while strengthening customer relationships across export markets. Operational performance improved during the year, with export volumes increasing and the number of containers shipped monthly recording notable growth. The Company further enhanced its export readiness by maintaining internationally recognised certifications, including ISO and GMP certifications, while also pursuing additional certifications aimed at expanding access to key European markets.

With improving market conditions, a diversified product portfolio and an expanded customer base, Tropical Island Commodities is well positioned to build on the progress achieved during the year and deliver further growth in the period ahead.

GLOBAL

Browns Plantations' international operations continued to play a pivotal role in the Group's long-term growth strategy, providing geographic diversification, operational scale and access to key global tea markets. During the year under review, management focused on accelerating turnaround initiatives, enhancing productivity, expanding renewable energy investments and improving profitability across its international portfolio.

Browns Plantations Kenya

Browns Plantations Kenya (BPK) remained one of the largest contributors to the Group's international plantation operations. The business continued its remarkable transformation journey during the year, successfully building upon the turnaround achieved since acquisition. At the time of acquisition, BPK was recording losses, however through disciplined operational management, productivity enhancement initiatives and strategic investments, the business recorded a profit of approximately USD 1.5 million during the year under review. Management expects this momentum to continue.

Mechanisation remained a key driver of operational performance. During the year, Browns Plantations expanded investments in advanced self-propelled harvesters sourced from Japan. These sophisticated machines, each representing a significant capital investment, have substantially improved harvesting productivity while reducing per-kilogram harvesting costs. The programme has already generated measurable efficiency gains and remains central to the Group's long-term productivity strategy. The company also continued to pursue innovative sustainability initiatives aimed at reducing energy consumption and carbon emissions. BPK invested approximately USD 1.5 million in pilot projects exploring gasification technologies designed to reduce firewood consumption in tea manufacturing processes. Early results have been encouraging and may support broader implementation across the Group's operations in future years. These initiatives support Browns Plantations' broader ambition of becoming the world's first carbon net-zero large-scale tea producer. The company also continued programmes aimed at enhancing the capacity of its 10 hydropower facilities, further strengthening renewable energy generation across its operations.

Browns East Africa Plantations

Browns East Africa Plantations (BEAP), established following the acquisition of the former Lipton tea portfolio, made substantial progress during the year under review. At the point of acquisition in 2024, the former Lipton operations were operating at a loss. Through focused restructuring initiatives, operational improvements and disciplined management, these losses were substantially reduced during the year under review. This improvement was further supported by enhanced product quality and strategic changes implemented in field and agricultural operations, which contributed significantly to the overall performance. Importantly, USD 4m of the loss was attributable to one-off restructuring costs associated with workforce optimisation and business transformation initiatives. Excluding these non-recurring expenses, the underlying operational performance demonstrated a marked improvement. Building on this momentum, the business is targeting a return to profitability in the forthcoming financial year. This turnaround reflects the effectiveness of the Group's integration strategy and its ability to unlock value from large-scale agricultural acquisitions.

Browns Plantations Tanzania

Browns Plantations Tanzania continued its transformation journey during the year, achieving a significant reduction in losses, despite operating in a challenging

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business environment. A key strategic initiative implemented during the year was the introduction of an innovative revenue-sharing model. Under this framework, local communities and former employees are entrusted with the management of designated plantation plots, while receiving agricultural input, technical support, and guaranteed market access. This approach has strengthened stakeholder engagement, improved productivity, and enhanced the long-term sustainability of operations. The company also invested significantly in factory capacity enhancement projects to support future production growth and improve manufacturing efficiency.

Browns Plantations Rwanda

Browns Plantations Rwanda strengthened its position as a strategic growth platform within the Group's African operations. The business operates under a unique tripartite partnership involving Browns Plantations, the Government of Rwanda and the Wood Foundation, with a strong emphasis on supporting smallholder farmers and inclusive agricultural development. As tea production volumes continued to increase, the operation undertook major capacity enhancement initiatives during the year. An investment of approximately USD 2.4 million was directed towards expanding manufacturing capacity, including the installation of a second CTC production line and increased withering capacity. These investments are expected to support future growth while strengthening operational efficiency.

Browns Plantations (Guizhou) Tea Co., Ltd.

Browns Plantations (Guizhou) Tea Co., Ltd. sustained its positive growth trajectory during the year. Since its acquisition, the business has consistently remained profitable and has successfully established itself as an important component of the Group's global tea value chain. Located within one of China's most important tea-producing regions, the company serves as a strategic hub for tea refining, packaging and value-added tea solutions. During the year under review, the operation recorded a profit of approximately RMB 1.7 million and remains on track to achieve further growth in the years ahead.

SUNBIRD SIERRA LEONE

Sunbird Sierra Leone continued its operational transformation during the year under review, recording its strongest production performance to-date despite continuing to operate at a negative EBITDA level. While profitability remained impacted by market-related challenges, the company achieved several important operational milestones that reinforce its long-term growth potential. The company recorded its highest-ever sugarcane crushing volume exceeding 175,000 metric tonnes during the year. Ethanol production reached a record level of approximately nine million litres, while agricultural yields improved significantly compared to previous years. These achievements reflect ongoing investments in plantation management, operational efficiencies and agronomic improvements across the estate. Despite this strong operational performance, the business encountered challenges during the latter part of the financial year arising from temporary disruptions in domestic and regional sales markets. These conditions impacted revenue generation and overall financial performance, offsetting some of the gains achieved through higher production volumes and improved yields.

A major strategic priority for the company remains the development of its sugar production project. Although implementation timelines were affected by a range of external factors, project activities commenced during the latter part of the financial year and are currently progressing. Once completed, the project will significantly diversify the company's revenue streams and strengthen its position within Sierra Leone's agricultural sector. The facility is currently expected to be completed during the 2027/28 financial year.

The Company cultivated approximately 5,550 hectares during the year, of which approximately 3,700 hectares were harvested. Continued expansion of productive acreage, coupled with investments in processing infrastructure is expected to support future growth in production and profitability. Overall, the Company improved agricultural yields and advanced its sugar diversification strategy to unlock value and strengthen the Group's international agribusiness portfolio.

BROWNS HOTELS & RESORTS IS ONE OF THE TOP HOTEL BRANDS IN SRI LANKA, UNDERSCORED BY THE SIGNATURE BRAND OF BROWNS HOSPITALITY. ALL OPERATING PROPERTIES REPORTED HIGHER OCCUPANCY IN THE YEAR UNDER REVIEW COMPARED TO THE PREVIOUS YEAR.

BROWNS HOTELS & RESORTS

The global tourism industry continued its growth trajectory during 2025, supported by increasing international travel demand, improved connectivity and growing consumer confidence. Against this backdrop, Sri Lanka's tourism sector maintained its recovery momentum and is expected to experience sustained growth over the medium term, with tourist arrivals projected to reach between 3.5 million and 4 million by 2030. This anticipated growth is expected to create significant opportunities for the hospitality sector while driving increased demand for quality accommodation, wellness tourism and authentic destination experiences.

Capitalising on favourable market conditions, Browns Hotels and Resorts delivered its strongest financial performance to date during the year under review. This performance was underpinned by continued focus on operational excellence through the implementation of a unified Property Management System, digital concierge solutions and process digitalisation initiatives. In anticipation of the next phase of tourism growth, Browns Hotels and Resorts continued to invest in strengthening and modernising its property portfolio. Approximately 15% of the room inventory across the Group underwent refurbishment or upgrades during the year. Key projects included the renovation of 47 family rooms at Dickwella Resort & Spa, 24 villas at Club Hotel Dolphin, 15 washrooms at The Paradise Dambulla and the development of mock-up rooms at Hotel Sigiriya. The Group also completed the refurbishment of Bello Beach Bar at The Calm Resort & Spa and introduced a new beach bar concept at Dickwella Resort & Spa, further enriching the guest experience across its coastal properties.

A notable milestone during the year was the addition of Newburgh Ella – The Tea Factory Resort to the Browns Hotels and Resorts portfolio. Developed within a period of 10 months, the 41-room property transformed a historic tea factory into a unique hospitality destination while preserving its industrial heritage.

The Group also strengthened its positioning within the wellness tourism segment through the introduction of Ayuwasa Wellness, a unified wellness concept implemented across the portfolio. Replacing the previous spa model, the concept integrates traditional Ayurvedic treatments with wellness therapies, nutritional guidance, lifestyle consultations and holistic wellbeing programmes. Supported by qualified Ayurvedic practitioners across the majority of the Group's properties, Ayuwasa Wellness responds to the growing demand among international travellers for personalised wellness experiences.

Guest experiences enhancement remained a key priority throughout the year. Browns Hotels and Resorts introduced innovative à la carte menus across seven properties, incorporating local ingredients, regional flavours and contemporary culinary presentation. Complementing this initiative, modern beverage programmes featuring signature cocktails, infused spirits, wellness beverages, artisanal mixers and internationally inspired mixology concepts were introduced across multiple properties. These initiatives strengthened food and beverage offerings while creating new revenue opportunities and enhancing the distinctive identity of each hotel.

Technology and operational excellence continued to underpin the Group's transformation agenda. Newburgh Ella was established as one of the Group's first fully paperless hospitality operations, integrating digital workflows across guest-facing and back-office functions.

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Employee turnover remained below industry average through competitive remuneration structures, enhanced service charge distributions and performance-based incentives. The Group further strengthened its future leadership pipeline through the Management Trainee Programme, which successfully recruited and developed 22 trainees, many of whom have already transitioned into operational management roles. Extensive learning and development initiatives covering customer service excellence, leadership development, professional etiquette, health and safety, butler training, performance management and operational excellence were conducted throughout the year. The successful implementation of these initiatives contributed to Browns Hotels and Resorts being recognised with the Best HR Practices in the Tourism, Hospitality and Leisure Sector Award at the Great HR Awards 2025.

The Group also strengthened operational governance and sustainability performance across the portfolio. During the year, a 350 kWp solar photovoltaic system was commissioned at Club Hotel Dolphin while solar water heating systems were installed at Ayugiri Ayurveda Wellness Resort. Fire evacuation drills were successfully conducted across all properties in partnership with the Colombo Fire Department. ISO 22000 food safety certification audits were also completed and the Group maintained zero health and safety violations relating to guest services and hospitality operations.

The portfolio's commitment to excellence continued to receive widespread recognition during the year. Browns Hotels and Resorts secured 41 national and international awards and recognitions across its properties. Among the highlights were the South Asian Travel Awards (SATA) 2025 Leading All-Inclusive Hotel Award for Club Hotel Dolphin, SATA 2025 Leading Beach Resort Award for Eden Resort & Spa, National Business Excellence Awards for Thaala Bentota and Reveal Mirissa, TripAdvisor Travellers' Choice Awards, Booking.com Traveller Review Awards and HolidayCheck recognitions. Browns Hotels and Resorts was also recognised among Sri Lanka's most loved hospitality brands by LMD.

PROPERTY-WISE PERFORMANCE

The Eden Beruwala

The Eden Beruwala continued to strengthen its position as one of the Group's flagship beach resorts, supported by strong guest satisfaction levels and consistent service delivery. The property recorded revenue of Rs. 1.5 Bn during the year under review, reflecting 16% year-on-year growth. Its food and beverage offering was elevated with the introduction of contemporary beverage programmes featuring signature cocktails, infused spirits and wellness-focused beverages. Eden also hosted an international Malaysian Food Festival featuring renowned Malaysian chefs, further elevating its culinary proposition. During the year, the property was recognised with the South Asian Travel Awards (SATA) 2025 Leading Beach Resort Award, the CNCI Achiever Award 2025, the HolidayCheck Award and the Schauinsland Reisen Top Hotel Partner Award.

Club Hotel Dolphin

Reporting a Revenue of Rs. 1.7 Bn during the year under review, Club Hotel Dolphin further cemented its credentials as one of Sri Lanka's leading all-inclusive resorts. Operational enhancements included the renovation of 24 villas and the commissioning of a 350 kWp solar photovoltaic system, supporting guest experience improvements and sustainability objectives. The hotel hosted an international Malaysian Food Festival and the Chef Factor 2025 culinary competition in partnership with Sri Lanka Institute of Tourism & Hotel Management (SLITHM). The property's performance and service excellence were recognised through multiple accolades, including the South Asian Travel Awards 2025 Leading All-Inclusive Hotel Award, TripAdvisor Travellers' Choice Award, Booking.com Traveller Review Award and HolidayCheck Award.

Thaala Bentota

Thaala played a leading role in the Group's Rathamilla Conservation Programme while also participating in international culinary promotions including the Malaysian Food Festival. The hotel's performance and service standards were recognised through the National Business Excellence Awards 2025 Merit Award and the Booking.com Traveller Review Award. Recording an EBIT of Rs. 289.6 Mn during the year under review, the property further strengthened its positioning through sustainability-driven initiatives and guest experience enhancements.

Dickwella Resort & Spa

Dickwella Resort & Spa underwent one of the most extensive refurbishment programmes within the portfolio, including the renovation of 47 family rooms. A key highlight was the introduction of a new beach bar concept, which has rapidly become one of the most popular lifestyle attractions in the area. The resort also strengthened its culinary and beverage offerings through newly introduced menus and beverage programmes designed to enhance guest engagement and increase food and beverage revenues. The property was recognised with TripAdvisor Travellers' Choice and Booking.com Traveller Review Awards.

Hotel Sigiriya

Hotel Sigiriya enhanced its product offering through the development of two model guest rooms as part of a broader refurbishment strategy, along with expanded food and beverage offerings through redesigned menus. The property recorded an EBIT of Rs. 90.5 Mn during the year under review while strengthening its role as a key Cultural Triangle destination through biodiversity, naturalist training and wildlife conservation initiatives. The hotel received both TripAdvisor Travellers' Choice and Booking.com Traveller Review Awards during the year.

The Calm Resort & Spa

The Calm Resort & Spa recorded revenue of approximately Rs. 480 Mn during the year under review, representing an increase of around 12% over the previous financial year, although the property reported an operating loss. The property completed the refurbishment of the Bello Beach Bar and introduced new culinary concepts and contemporary beverage programmes designed to elevate the guest experience. In addition, the hotel continued to strengthen its positioning through sustainability-led initiatives focused on marine conservation and community engagement. The property received both TripAdvisor Travellers' Choice and Booking.com Traveller Review Awards during the year.

The Paradise Dambulla

The Paradise Dambulla generated revenue of approximately Rs. 468 Mn during the year under review. While the property was in an operating loss position, it continued to implement a range of operational enhancements, including the renovation of 15 washrooms and the introduction of enhanced dining and beverage experiences. The property continued to support the Group's biodiversity and cultural heritage initiatives through its Ayusuwa Osu Uyana medicinal plant project and conservation programmes conducted in collaboration with the Department of Archaeology. The hotel also received the TripAdvisor Travellers' Choice Award and Booking.com Traveller Review Award.

Ayugiri Ayurveda Wellness Resort

Having commenced operations in June 2024, Ayugiri Ayurveda Wellness Resort recorded revenue of approximately Rs. 160 Mn during the year under review. The property played a central role in the launch of the Group's Ayuwasa Wellness concept and continued to strengthen its reputation as a specialised wellness destination. During the year, solar water heating systems were installed across the property as part of the Group's sustainability roadmap. Ayugiri also expanded wellness-focused culinary offerings and continued integrating locally sourced ingredients, including sustainably harvested honey from community-based beekeeping initiatives.

Reveal the Collection - Mirissa

Reveal Mirissa recorded a revenue of Rs. 394 Mn during the year under review. The property continued to strengthen its market positioning through service enhancements and operational improvements.

During the year, Reveal Mirissa was recognised with a Silver Award in the Hospitality and Tourism Sector at the National Business Excellence Awards 2025, reflecting its continued focus on service excellence and operational performance.

Newburgh Ella – The Tea Factory Resort

A significant milestone during the year was the successful launch of Newburgh Ella – The Tea Factory Resort. Completed within a period of 10 months, the 41-room property transformed a historic tea factory into a distinctive hospitality destination while preserving its industrial heritage. The resort offers guests the rare opportunity to experience a working tea factory alongside contemporary accommodation and curated tea experiences. The property also became the Group's first fully paperless hospitality operation and is expected to pursue LEED Silver certification. Supported by innovative dining concepts, wellness offerings and one of Sri Lanka's most distinctive viewing decks, Newburgh Ella represents a unique addition to the Group's hospitality portfolio.

Sustainability and Community Engagement at BHR

Environmental stewardship, biodiversity conservation and community engagement remained integral to Browns Hotels and Resorts' sustainability agenda during the year under review.

The Eden Beruwala's Butterfly Garden Project, established at Moragalla Junior School, continued to promote biodiversity conservation and environmental education. The initiative introduced over 30 species of nectar and host plants while providing students with practical training on butterfly ecology and habitat monitoring. The property also hosted greenhouse gas calculation and verification training in accordance with ISO 14064, strengthening carbon accounting capabilities across the Group.

Thaala Bentota continued its partnership with the Department of Wildlife Conservation through the Rathamilla Conservation Initiative, focused on protecting Lumnitzera littorea, one of Sri Lanka's rarest mangrove species. The programme combined scientific monitoring with community awareness activities involving local residents, schoolchildren and guests, contributing to the long-term conservation of a nationally significant species.

Within the Cultural Triangle, Hotel Sigiriya strengthened sustainable tourism practices through a comprehensive naturalist training programme for staff across multiple properties. The initiative enhanced knowledge of biodiversity, ecosystems, wildlife and cultural heritage, enabling staff to deliver richer guest experiences while promoting environmental awareness. The property's Bee Keeping Project also continued to support biodiversity conservation and rural livelihoods through sustainable beekeeping practices developed in collaboration with local communities.

At The Paradise Dambulla, the Ayusuwa Osu Uyana initiative promoted the preservation of medicinal plant species and traditional Ayurvedic knowledge while enhancing biodiversity within the property. The hotel also partnered with the Department of Archaeology to conduct environmental clean-up activities at the Sigiriya Rock Fortress and surrounding tank area, supporting the conservation of one of Sri Lanka's most significant cultural heritage sites.

Dickwella Resort & Spa continued its support for inclusive education through the maintenance of specialised classroom and sanitation facilities for children with special needs. The property also conducted a Waste to Design workshop in collaboration with the Vocational Training Authority, promoting circular economy principles and encouraging the creative reuse of waste materials among students.

The Calm Resort & Spa continued its commitment to marine conservation through a series of initiatives conducted in partnership with the Marine Environment Protection Authority and harbour authorities. Activities included World Ocean Day awareness programmes, environmental education campaigns for fishing communities and the donation of colour-coded recycling bins to schools to encourage responsible waste management and recycling practices.

Club Hotel Dolphin strengthened its environmental conservation efforts through mangrove restoration and environmental awareness programmes conducted in

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partnership with the Wildlife & Nature Protection Society. Activities included mangrove nursery development, Nipa Palm planting initiatives, conservation education for schoolchildren and environmental clean-up campaigns. The property also commemorated World Environment Day through riverbank restoration programmes, tree planting activities and community engagement initiatives supporting environmental sustainability and social wellbeing.

Browns Hotels and Resorts partnered with the National Crafts Council to launch the Crafting Journeys initiative in celebration of World Tourism Day. The programme supported the preservation of Sri Lanka's artisan and handicraft heritage while promoting sustainable tourism and community livelihoods.

Additional initiatives included international culinary festivals, wildlife conservation campaigns, bartender development programmes, youth talent development initiatives and sustainable beekeeping projects across the portfolio. Browns Hotels and Resorts continued to demonstrate its commitment to creating meaningful environmental, social and economic value while strengthening the sustainability of the destinations and communities in which it operates.

Sheraton Kosgoda Turtle Beach Resort

The principal contributor within the portfolio, Sheraton Kosgoda Turtle Beach Resort, continued to strengthen its market position as a premier beachfront destination on Sri Lanka's southern coastline. Benefiting from its location along the country's tourism corridor and its proximity to attractions such as the Kosgoda Turtle Conservation Project and the ecological attractions of the southern coastal belt, the property continued to attract both international leisure travellers and domestic guests seeking premium resort experiences.

The hotel recorded strong growth across its core operating metrics during the year under review, with total revenue increasing by 10% year-on-year to Rs. 1.9 billion compared with Rs. 1.75 billion in the previous financial year. The improvement was driven by stronger occupancy levels, improved average room rates and increased contribution from ancillary revenue streams across the property. Operational profitability improved significantly across the business, reflecting both revenue growth and disciplined cost management initiatives. The Rooms Division maintained exceptionally strong profitability levels during the year, recording departmental profitability of 87%, while the Food and Beverage Division achieved profitability of 23%, supported by improved utilisation levels, stronger banquet and event activity and tighter management of operating costs.

The hotel also continued to focus on improving operational efficiency and cost discipline, delivering an 8% reduction in controllable expenses compared with the previous financial year. These initiatives, combined with higher revenues, enabled the property to increase Gross Operating Profit to Rs. 544.3 million, representing an improvement of Rs. 78.8 million over the previous year.

Sustainability continued to receive considerable attention throughout the year as the property strengthened its environmental management practices and community engagement initiatives. The hotel successfully obtained ISO 14001 certification during FY2025/26, reinforcing its commitment to internationally recognised environmental management standards and sustainable operational practices. Environmental conservation initiatives also extended beyond the boundaries of the property itself. During the year, the hotel completed two tree planting programmes at neighbouring schools while also participating in a mangrove restoration initiative at the Madu River, contributing towards ecosystem restoration and biodiversity conservation within the surrounding region.

Waste management remained another area of focus, with the hotel implementing a segregated waste disposal programme in collaboration with the local Pradeshiya Sabha authorities of Kosgoda and Balapitiya to improve recycling practices and reduce landfill disposal. The property also successfully completed certified electronic waste disposal initiatives during the year and obtained an E-Waste Removal Certificate, further strengthening its environmental stewardship credentials and supporting responsible waste management practices across operations. Armed with a growing reputation as one of Sri Lanka's leading coastal resorts, the property enters the new financial year on a considerably stronger operating footing.

Marina Hotel Holdings

Marina Hotel, strategically located within the Colombo Port City adjacent to the Colombo Marina, is envisioned to be developed as a landmark luxury hospitality opening. Designed to cater to high-end leisure and business travellers, the hotel will be positioned as a premier destination in Sri Lanka's emerging urban waterfront. With its commanding views of both the ocean and the city skyline, the property will feature a refined classical-contemporary design, aimed at delivering a distinctive and sophisticated guest experience. The development is expected to contribute significantly to the growth of Colombo's luxury tourism sector, supporting the broader vision of positioning Sri Lanka as a world-class travel and business hub.

GLOBAL

Maldives Hotels

FY2025/26 represented the inaugural operating period for Barceló Nasandhura Malé and was characterised by the transition from pre-opening activities to operational stabilisation and market establishment within the Maldivian hospitality sector. During the year under review, the hotel generated revenue of USD 6.61 million while welcoming more than 25,000 guests and recording over 15,500 room nights sold. Occupancy reached 39.7% during the initial operating phase, reflecting the expected ramp-up period associated with new hotel openings and the delayed commencement of operations from February to May 2025, which impacted the property's ability to capture the full peak season.

Despite these start-up challenges, performance strengthened progressively throughout the year, with average room rates improving steadily and reaching USD 217.5 by December 2025. Food and Beverage operations emerged as a significant contributor to overall performance, generating revenue in excess of accommodation income and highlighting the property's growing appeal as both a hospitality and lifestyle destination within Malé.

Operational momentum accelerated significantly during the first quarter of FY2026/27, with the hotel exceeding budgeted performance across all major operating indicators. Occupancy increased to 67.7%, supported by stronger commercial execution, improved market penetration and growing brand recognition within both leisure and corporate segments. Peak occupancy reached 80% during February, while room nights exceeded planned levels and average room rates continued to strengthen, demonstrating improving pricing power and market acceptance.

From January 2025 to March 2026, the property generated cumulative revenue exceeding USD 11 million and successfully transitioned from its initial start-up phase towards a trajectory of sustainable profitability, reflecting the benefits of operational stabilisation and improved market positioning.

During the year, Barceló Nasandhura established itself as one of Malé's leading business and lifestyle hotels, receiving the Best City Hotel award at the Travel Trade Maldives Awards 2025 and the Best Luxury Hotel in the Indian Ocean title at the Haute Grandeur Global Excellence Awards 2026.

The property also emerged as a preferred venue for high-profile government, diplomatic and international events, including the Ministry of Finance's Maldives 2.0 and TradeNet launch, summits organised by the World Health Organisation and the Ministry of Health, Women and Democracy forums and the Indian Ocean Tuna Commission Conference hosted by the Ministry of Fisheries.

The hotel further strengthened its profile as an international events destination by serving as the official hosting partner for the 7th Carrom World Cup, welcoming more than 200 international delegates, while its inclusion in the Maldives Marketing and Public Relations Corporation's Visit Maldives Quarterly Insight publication recognised the property as a benchmark for urban hospitality development within the country.

Strategic collaborations with leading lifestyle platforms, including Brides Maldives, further supported the hotel's ambition of positioning itself as Malé's leading destination for weddings, lifestyle events and celebrations. The first anniversary of operations was marked through a Partner Appreciation Event aimed at strengthening relationships with travel agents, corporate customers and MICE partners, while the launch of curated entertainment programmes, festive events and live music initiatives supported the property's positioning as the capital's premier lifestyle hub.

The hotel also hosted the Maldives Wedding Fair, the country's largest exhibition dedicated to weddings and fashion, creating valuable opportunities to strengthen its presence within the events and celebrations segment and establish itself as the preferred wedding venue in Malé.

Sustainability considerations were embedded across operations from inception. The hotel implemented energy efficiency measures including HVAC optimisation programmes aimed at reducing energy consumption per occupied room while progressively reducing the use of single-use plastics across guest amenities and food and beverage operations through the adoption of sustainable alternatives. Food waste reduction initiatives were introduced through buffet optimisation and portion management practices, while procurement policies increasingly prioritised locally sourced products and ingredients, supporting Maldivian suppliers and reducing transportation-related impacts.

Community engagement remained an important aspect of the hotel's operating philosophy, with the property supporting educational, social and advocacy initiatives while promoting diversity and inclusivity within the workplace. Guest-facing sustainability initiatives including linen reuse programmes and awareness campaigns promoting responsible resource consumption were also introduced, complemented by wellness partnerships such as Global Wellness Day which integrated wellbeing and sustainability into the guest experience. In order to support future reporting and performance monitoring, the hotel also established internal tracking mechanisms for key sustainability indicators including energy consumption, water usage and waste generation through its Gallileus management system.

Radisson Blu Poste Lafayette Resort & Spa, Mauritius

Radisson Blu Poste Lafayette Resort & Spa, Mauritius delivered a resilient operational performance during the year under review despite a more challenging trading environment. The property generated revenue of MUR 319.8 million, while maintaining a gross profit of MUR 171.2 million, reflecting continued focus on pricing discipline, operational efficiency, and service excellence. Although Profit Before Tax moderated to MUR 13.1 million and Profit After Tax stood at MUR 4.4 million, the resort remained profitable despite lower revenue, higher depreciation associated with ongoing capital investments, increased finance costs, and prevailing cost pressures across the hospitality industry.

The resort also distinguished itself by maintaining one of the highest occupancy levels during the year under review, reflecting its continued appeal as a preferred destination in the Mauritian hospitality market. This strong occupancy performance was supported by consistent demand across key source markets and the resort's reputation for delivering high-quality guest experiences and ability to compete effectively within an increasingly competitive tourism landscape.

A notable achievement during the year was the renewal of the prestigious Green Key Certification for the fourth consecutive year, reaffirming the property's continued

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adherence to internationally recognised standards for environmental stewardship and sustainable tourism established by Green Key International.

Environmental sustainability remained firmly embedded within the resort's operating philosophy. In partnership with Reef Conservation, employees participated in awareness programmes held in conjunction with International Seagrass Day, promoting greater understanding of the ecological significance of seagrass ecosystems, biodiversity conservation, and environmental monitoring while contributing to seagrass restoration trials in Roches Noires village. The resort also continued its long-standing collaboration with Green Impact Collection for recycling initiatives and actively supported coastal conservation through beach clean-up programmes at Poste Lafayette Public Beach.

Further sustainability initiatives included the continuation of zero food waste practices within employee dining facilities, the use of environmentally responsible suppliers and products, including BE.Eau water bottles, coffee capsule recycling programmes and participation in Earth Hour, reinforcing the resort's commitment to reducing its environmental footprint through practical, day-to-day operational initiatives.

The property also maintained a strong connection with the local community through a range of educational and social initiatives. These included support for wellness tourism awareness programmes involving local students and continued assistance to SOS Children's Village of Beau Bassin through both in-kind contributions and corporate social responsibility funding, reflecting the resort's ongoing commitment to creating positive social impact alongside commercial success.

ENTERTAINMENT

Excel World Entertainment Park

Excel World continued its transformation journey during the year under review through a series of strategic investments aimed at strengthening its position as Sri Lanka's leading family entertainment destination. The Group invested approximately Rs. 200 million towards upgrading and modernising the facility, introducing new indoor and outdoor attractions designed to elevate visitor experiences. These investments included the addition of new entertainment and amusement offerings aligned with international family entertainment standards. The destination also diversified its food and beverage offerings through partnerships with specialist operators, introducing authentic Asian culinary experiences featuring Chinese, Thai, Vietnamese, Malaysian, Hong Kong and Sri Lankan cuisine.

A notable addition during the year was the introduction of dedicated pickleball facilities, which have rapidly gained popularity among corporate groups, families and recreational users. The Group also improved asset utilisation through the conversion of selected areas into rentable commercial and co-working spaces, creating additional revenue streams while enhancing the overall value proposition of the facility. Many of these initiatives were implemented during the latter part of the financial year and are expected to contribute more meaningfully to financial performance in the years ahead.

Ceylon Roots and Browns Tours

FY2025/26 marked another year of recovery and expansion for Sri Lanka's tourism industry, with visitor arrivals continuing to strengthen and international travel confidence gradually returning following several years of disruption. Improved air connectivity, greater market diversification and Sri Lanka's renewed positioning as a competitive long-haul destination contributed to rising tourist arrivals and earnings during the period, providing a favourable operating backdrop for the inbound travel sector.

Against this environment, Ceylon Roots and its associate companies delivered a strong financial and operational performance despite navigating two significant disruptions to inbound travel during the course of the year. Revenue increased by 24% to LKR 2.2 billion while gross profit grew by 35% to LKR 310.7 million, supported by improved operational efficiencies, stronger cost discipline and a favourable business mix. Profit after tax reached LKR 91.5 million, representing a near threefold increase over the previous year.

The quality of these results becomes more apparent when viewed against the operating conditions experienced during the year. In late November 2025, Cyclone Ditwah caused widespread flooding and landslides across several parts of the country, including the hill country and a number of Sri Lanka's most popular touring circuits. Damage to roads, railway infrastructure and tourist attractions during November and December coincided with the commencement of the winter peak season, resulting in cancellations and postponements during what is traditionally the busiest period for inbound operators.

As the industry began recovering from these disruptions, the outbreak of conflict in the Middle East towards the end of February 2026 created a second challenge for the sector. Given Sri Lanka's reliance on Gulf transit hubs for a significant proportion of inbound air traffic, the resulting disruption to regional air travel triggered a further round of short-notice cancellations towards the close of the financial year. Despite these challenges, the business delivered growth across all key operating indicators.

The Company's ability to rapidly reroute itineraries, secure alternative arrangements and rebook postponed travel plans, combined with a diversified source market strategy and broad trade partner network, helped mitigate the impact of these external shocks. The strength of the LOLC Group, together with the depth of Ceylon Roots' local operating infrastructure, also provided the flexibility required to absorb disruption without compromising service delivery or growth momentum.

Operationally, Ceylon Roots handled 3,374 tours during the year and welcomed 18,590 visitors to Sri Lanka, averaging between five and six travellers per tour. Business volumes were generated through a network of 203 trade partners across key source markets in Europe and Asia in addition to direct customer bookings. The breadth of this partner network proved particularly valuable during the year, reducing reliance on any single market or distribution channel and improving the business' ability to respond to regional disruptions.

The Company also continued to make a meaningful contribution to the national economy through foreign exchange generation and support for local enterprise development. During FY2025/26, Ceylon Roots remitted approximately USD 6.4 million in foreign currency earnings while contributing LKR 6.2 million towards the national Tourism Levy. Beyond its direct economic contribution, the Company generated an estimated USD 400,000 to USD 500,000 in indirect income opportunities for small and medium enterprises through shopping commissions and local procurement activities. Its operations also supported a wide range of local livelihoods linked to the tourism value chain, including transport providers, restaurants, community-based excursions, Madu River boat operators and safari operators across multiple regions of the country.

The business also contributed directly towards the preservation and promotion of Sri Lanka's cultural and heritage assets, with approximately 7% of total cost of sales, amounting to LKR 133 million, paid as entrance fees to cultural and heritage sites including the Cultural Triangle and the Royal Botanical Gardens.

Sustainability remained an important area of focus throughout the year. Ceylon Roots' 'Afforestation for Climate Resilience – Ella Region (1 Acre)' initiative achieved independent validation by Eco Check Global to a Limited Assurance level during FY2025/26. Estimated carbon removals were quantified in accordance with ISO 14064-2:2019 standards, while validation activities were conducted under ISO 14064-3:2019, covering projected removals of 1,494.4 tonnes of CO_2 equivalent over a 20-year crediting period. The Company also continued to advance its Zero Plastic Project in partnership with Eco Spindles and other LOLC Group companies through the collection and responsible management of plastic waste generated at its operational facilities and project sites.

Further progress was made on the Ella-Brown Roots reforestation and agrotourism initiative undertaken in collaboration with Browns Plantations, supporting environmental conservation, community engagement and long-term carbon reduction objectives while creating opportunities for sustainable tourism experiences linked to Sri Lanka's plantation sector. The initiative also continued to progress towards ISO certification during the year under review.

CONSTRUCTION CLUSTER

THE BROWNS GROUP IS SET TO EMBARK ON A GROUND-BREAKING PROJECT WITHIN THE COLOMBO PORT CITY BY CONSTRUCTING THE COLOMBO MARINA, WHICH IS ENVISIONED AS A PREMIER DESTINATION, WILL OFFERS UNPARALLELED LUXURY EXPERIENCES AND PORT CITY'S FIRST STAR-CLASS HOTEL, THE MARINA HOTEL.

BROWNS ENGINEERING AND CONSTRUCTION

Browns Engineering and Construction embarked on an extensive business transformation programme. The restructuring process involved management changes, portfolio realignment and a comprehensive review of the Company's project pipeline and operating structure. A more selective approach to business acquisition was adopted, prioritising project quality, margin preservation and risk-adjusted returns over top-line expansion.

Consequently, revenue for the year amounted to Rs. 2.7 billion compared with Rs. 5.6 billion recorded during the previous financial year. While revenue declined, the impact of improved project selection and stronger commercial discipline became evident through significantly improved profitability metrics. Gross profit reached Rs. 680 million, representing a reduction of approximately 12% compared with the previous year despite revenues declining by more than half. More importantly, gross profit margins improved substantially from approximately 14% historically to 25% during the year under review, reflecting the success of management initiatives aimed at improving project economics and strengthening operational efficiency.

Administrative expenses increased during the year, primarily due to costs associated with the business transformation programme and a comprehensive review of the Company's asset base and receivable portfolio. As a result, the Company recorded operating and net losses during the year. While these initiatives impacted short-term profitability, they have strengthened the Company's operating platform and positioned the business for more sustainable and profitable growth. The benefits of the restructuring programme are expected to become increasingly evident during FY2026/27 and FY2027/28 as the revised operating model gains momentum.

Browns Engineering continued to strengthen its presence within engineering consultancy, project management and technical advisory services across Sri Lanka and the Maldives. During the year, Browns Engineering was awarded the project management consultancy mandate for the development of a five-star all-inclusive resort in North Malé Atoll in the Maldives under a turnkey development model. The project involves the construction of a 470-key luxury resort with an estimated project value of USD 108 million. The main contractor is Sinohydro Corporation, while the completed property will ultimately be operated by an international hospitality operator. The project is expected to be completed over a period of approximately 30 months and further reinforces Browns Engineering's credentials in delivering project management consultancy services for large-scale hospitality developments across the region.

The company was also appointed Project Manager for the Budufarufinolhu development in Raa Atoll, Maldives involving the design, construction, furnishing and equipping of the resort.

During the year, Browns Engineering successfully completed its project management consultancy assignment for the Group's Nasandhura Hotel Complex and Apartment Development in the Maldives, with the project being handed over in April 2025. The successful completion of this landmark project is another important milestone for Browns Engineering's project management consultancy business.

Within Sri Lanka, Browns Engineering secured the appointment as Management Consultant for the Riverina Resort Development project, which remains under contract finalisation. The appointment reflects the Company's continued involvement in providing project management consultancy services for large-scale hospitality developments.

The company also continued its role as Project Management Consultant for the Marina Development within Port City Colombo. The development, being undertaken by China Harbour Engineering Company, spans approximately 23,770 square metres under a design-and-build contract and will include restaurants, retail outlets, entertainment facilities and marina infrastructure capable of accommodating vessels of up to approximately 200 feet in length. Upon completion, the development is expected to become one of Sri Lanka's most significant waterfront destinations and a landmark project within the Colombo Port City development. Construction activities continued during the year, with Browns Engineering providing project management consultancy services throughout the implementation of the development.

The telecommunications division continued to expand its contribution to the Group's engineering portfolio through the deployment, maintenance and enhancement of telecommunications infrastructure across Sri Lanka. The division provides end-to-end engineering solutions across fixed line fibre optic, wireless and in-building communication infrastructure while supporting several of the country's leading telecommunications operators and technology providers. Major customers include SLT, Dialog, Huawei and ZTE, together with several other leading telecommunications operators and technology vendors. The division also undertakes optical fibre damage rectification and restoration works as well as high-rise building fibre connectivity solutions that support the continuing expansion of Sri Lanka's digital infrastructure ecosystem.

BROWNS PILING

Browns Piling also underwent a significant operational restructuring programme during the year as activities were progressively integrated into the broader Browns Engineering platform. Operating activity increased following the recommencement of operations under the revised structure. The benefits of tighter cost controls and improved operational efficiencies became evident through a significant reduction in administrative expenses and a corresponding improvement in the Company's financial performance. As a result, losses reduced considerably during the year under review, reflecting meaningful progress in stabilising the business and establishing a stronger foundation for future operations.

SIERRA CABLES

Sierra Cables delivered an exceptional performance during FY2025/26, recording the highest revenue, operating profit and profit after tax in its history. Revenue increased by approximately 70% to reach Rs. 16 billion, establishing a new benchmark for the business since inception. Operating profit increased from Rs. 1.4 billion in FY2024/25 to Rs. 3.0 billion during the year under review, while Profit after tax increased from Rs. 900 million to Rs. 2.5 billion. Growth was supported by strong export demand, continued investment in manufacturing capacity and the strength of the Company's product offering within both domestic and international markets. Exports now contribute approximately 30% of total revenue and management continues to actively pursue further international market expansion opportunities.

The Company currently processes more than 400 tonnes of aluminium and approximately 200 tonnes of copper each month, supported by an experienced manufacturing, sales and marketing team and products that continue to meet demanding international quality standards, including requirements within USA.

The year under review also brought significant recognition for the business. Sierra Cables received the Gold Award for Annual Exporter and Best Brand Exporter at the 2025 awards organised by the National Chamber of Exporters of Sri Lanka.

Environmental leadership remained equally prominent. The company received the Four-Star Green Label Award from the Green Building Council of Sri Lanka for its sustainable building materials and products, with certification extending through 2028. Sierra Cables also received the Presidential Environment Award under the Government of Sri Lanka's Presidential Environmental Awards Programme in recognition of its commitment to sustainable manufacturing and environmental stewardship.

The Company continued expanding the use of Low Smoke Halogen Free materials across its product portfolio, improving safety standards while reducing environmental impact and meeting evolving customer and regulatory requirements. Environmental management practices continue to operate in accordance with ISO 14001 standards and all applicable environmental regulations through continuous monitoring and improvement programmes. Circular economy principles remain embedded within manufacturing operations through the implementation of reduce, reuse and recycle initiatives. Metal scrap generated during production is recycled, while PVC waste is repurposed for secondary industrial applications wherever feasible. The Copper Recycling and Recovery Plant further strengthens these efforts by enabling manufacturing rejects, damaged products and post-consumer copper waste to be recovered and reintroduced into production cycles rather than entering the environment.

CONSTRUCTION CLUSTER

The Company also continues to improve energy efficiency through operational optimisation and investments in renewable energy. Existing solar installations currently generate between 15% and 20% of total electricity demand, while plans are underway to expand renewable energy capacity during FY2026/27 with the objective of increasing solar contribution to approximately one-third of overall consumption. These initiatives support lower carbon emissions, reduce reliance on non-renewable energy sources and further strengthen the environmental sustainability of manufacturing operations.

BROWNS, METAL AND SANDS

With domestic construction activity remaining significantly below historical levels and major project demand yet to recover fully, plans to expand within the conventional aggregates segment were suspended and instead unique strategic advantages associated with its quarry assets were leveraged. The Group's quarry in Matugama benefits from proximity to the Port of Colombo as well as direct access to the Southern Expressway, creating important logistical advantages for export-oriented industrial mineral operations. Following extensive sampling, geological assessments and consultations with specialist advisors from India, significant opportunities have been identified within the international dimension stone market, prompting entry into granite extraction and processing. The quarry contains a distinctive dark green granite variety that has demonstrated strong commercial potential, particularly within the UAE and wider Middle Eastern markets. During the year, the company successfully completed trial extraction activities and produced initial sample blocks for customer evaluation and testing, affirming the commercial viability of the operation. The business expects to commence the export of initial sample consignments during the second quarter of FY2026/27, creating what is expected to become a fully export-oriented US dollar revenue stream. It has attracted interest from prospective customers in UAE, India and China.

During the year, Browns, Metal and Sands also initiated the process of obtaining mining licences for marble dimension stone extraction in Passara under a separate project operating within the same company. Approvals currently remain pending due to the temporary suspension of mineral licences by the Geological Survey and Mines Bureau following policy changes introduced by the Government. Nevertheless, preliminary testing and geological assessments indicate the presence of commercially attractive deposits with significant export potential. Both the granite and marble initiatives are expected to operate as fully export-oriented businesses.

The year also marked an important regulatory milestone for the business with the Matugama quarry receiving both a B Grade Mining Licence and an A Grade Trading Licence from the Geological Survey and Mines Bureau. Financially, the company recorded a loss after tax of Rs. 117.7 million during the year compared with Rs. 99 million in the previous year, largely reflecting increased investment in granite extraction and production capabilities required to prepare the business for commercial operations. Total assets stood at Rs. 895.7 million at year end, supported by approximately 200 acres of land together with associated machinery and operational infrastructure.

Environmental stewardship remains central to the business model given the sensitive nature of extractive industries. Mining activities are conducted through carefully sequenced excavation processes designed to minimise environmental disturbance and improve land management outcomes. Water utilised within production processes undergoes multiple stages of treatment before release, substantially reducing environmental impact and ensuring responsible resource utilisation. Residual sludge generated during production is retained rather than discharged directly into surrounding ecosystems. The Company is currently engaged in discussions with two industrial operators to explore opportunities for the beneficial reuse of these by-products, thereby supporting circular economy principles while creating additional value streams from production waste. These initiatives reinforce the Group's commitment to responsible mining, environmental stewardship and sustainable resource management.

ICONIC TRUST (PVT) LTD

Iconic Trust (Pvt) LTD is an investment holding company of Browns Investments PLC. During the year under review, Iconic Trust recorded a profit of approximately Rs. 880 million, a marked increase from Rs. 270 million in the previous financial year. The improvement was primarily attributable to a substantial fair value gain recognised on its investment portfolio, reflecting favourable market conditions and the appreciation in the value of its listed securities.

AJAX ENGINEERING

AJAX Engineering recorded revenue of Rs. 731.8 million during FY2025/26. While the company reported an operational loss for the year, it maintained steady activity across its project portfolio despite the challenging conditions prevailing in the engineering and construction sectors. A key milestone during the year was the successful completion and handover of the People's Bank project, one of its largest undertakings to date. The successful execution of this project further reinforced AJAX Engineering's technical capabilities, project management expertise and ability to deliver complex engineering solutions within demanding timelines and operational requirements.

GURIND ACCOR (PVT) LTD

Gurind Accor generated a revenue of Rs. 267.9 million during FY2025/26 and recorded a gross profit of Rs. 96.7 million. Despite maintaining positive operating profitability during the year, the Company recorded losses at the pre-tax and post-tax levels, primarily reflecting the impact of finance costs and other non-operating expenses associated with the business.

The Company produced more than 80,000 square metres of processed glass products across its tempering and annealing facilities. Tempered glass continued to account for the substantial majority of production volumes, reflecting sustained demand from the construction, architectural glazing and interior applications sectors, while annealed glass production supported specialised customer requirements and project-specific applications.

The continued focus on maintaining operational efficiency, product quality and manufacturing consistency enabled it to preserve its presence within a competitive market environment despite slower activity levels within the broader construction sector. Supported by its established processing capabilities and technical expertise within specialised glass manufacturing, Gurind Accor remains focused on strengthening performance and improving capacity utilisation as market conditions continue to recover.

BI COMMODITIES

BI Commodities delivered a strong operational and financial performance during the year under review, benefiting from growth across its diversified portfolio of wood-based products and industrial processing activities. The company operates across several complementary business segments including pallet manufacturing, timber treatment, kiln drying operations and premium teak flooring solutions, creating valuable synergies across its integrated value chain.

Revenue increased by more than 60% during FY2025/26, rising from Rs. 217 million to Rs. 358 million. Gross profit also recorded strong growth increasing to nearly Rs. 67 million while maintaining healthy margin levels across business segments.

The company continued to focus on workforce development and multi-skilling initiatives, enabling employees to operate across multiple functions and improving overall resource utilisation.

The pallet manufacturing business performed strongly during the year and achieved budgeted targets while continuing to serve both industrial and export customers.

Similarly, timber treatment operations achieved budget expectations while maintaining healthy gross profit margins and profitability levels.

The company's kiln drying and timber treatment facilities continue to attract both individual consumers and institutional customers including contractors and construction companies, allowing BI Commodities to benefit from both B2B and B2C demand segments.

The Flooring business, which operates as part of BI Commodities, also recorded a significant improvement in performance during the year under review. Operating within a highly specialised premium segment, teak flooring products are predominantly targeted towards high-end customer segments and therefore typically experience longer purchasing and decision-making cycles, particularly when introduced by relatively new market entrants. Despite these characteristics, the business achieved strong growth during FY2025/26.

The long-term growth prospects of this segment are promising, particularly given the significant backward integration advantages available through the Group's existing kiln drying and timber treatment operations. The business also differentiates itself through the use of premium wood preservation chemicals which rank among the world's leading preservation solutions. While this contributes to a higher product cost and premium pricing position, it also provides superior durability, product longevity and quality assurance for customers seeking high-end flooring solutions. The company expects these competitive advantages to support continued growth within this niche but attractive market segment in the years ahead.

HUMAN CAPITAL

OUR HR STRATEGY CONTINUED TO EVOLVE IN RESPONSE TO CHANGING BUSINESS PRIORITIES, WORKFORCE EXPECTATIONS, AND THE INCREASING IMPORTANCE OF DIGITAL AND DATA-DRIVEN PEOPLE PRACTICES.

1. OUR PEOPLE, OUR STRENGTH

At Brown & Company PLC, our people remain a fundamental driver of sustainable business performance. As Browns Group continues to evolve across diverse businesses and markets, our Human Resources function continues to focus on building the capabilities, culture, leadership, and employee experience required to support the Group's long-term growth and transformation.

During the year, our Human Capital agenda continued to evolve beyond traditional HR administration towards a more **strategic, data-driven, technology-enabled, and business-focused approach.** Our priorities remained centred on attracting and retaining the right talent, strengthening organisational capabilities, developing future leaders, enhancing performance, enabling digital transformation, and creating an engaging and inclusive workplace.

We believe that sustainable business performance is closely linked to the quality, commitment, and capability of our people. Accordingly, our people agenda is designed to ensure that employees have the opportunity to learn, grow, perform, contribute, and build meaningful careers within Browns. At the same time, we continue to strengthen the systems, processes, and leadership practices required to create an environment in which people can perform at their best.

Employee wellbeing, workplace safety, ethical practices, compliance, inclusion, and respect remain integral to our approach to Human Capital. We remain committed to creating workplaces where employees feel supported, valued, and empowered to contribute to the success of the organisation.

2. OUR HUMAN CAPITAL STRATEGY

Our HR strategy continued to evolve in response to changing business priorities, workforce expectations, and the increasing importance of digital and data-driven people practices. The strategy is anchored on four interconnected pillars that provide the foundation for positioning HR as a strategic partner to the business.

1. Attract, Retain & Reward High-Quality Talent

We remain focused on building a strong employer proposition that enables Browns to attract, retain, and motivate high-quality talent through fair, competitive, and market-aligned people practices.

2. Enhance Employee Experience, Engagement & Workplace Culture

We continue to strengthen employee experience by fostering an inclusive, collaborative, and high-performing workplace, while providing opportunities for recognition, connection, communication, and meaningful participation.

3. Develop Capability, Leadership Pipeline & Performance Excellence

We are investing in structured learning, leadership development, performance management, and succession readiness to build the capabilities required for both current and future business needs.

4. Drive HR Digital Transformation, Compliance & Operational Excellence

We continue to leverage technology, automation, analytics, and digital self-service solutions to simplify HR processes, improve efficiency and accuracy, strengthen governance, and enhance the accessibility of HR services.

Together, these pillars enable us to move beyond transactional HR delivery towards a people function that contributes directly to business performance, organisational capability, employee experience, and long-term value creation.

3. HR DIGITALISATION

Digital transformation remained a key area of focus during the year as Browns continued to modernise the way HR services are delivered. We accelerated the adoption of technology, automation, artificial intelligence, and digital self-service solutions to simplify processes, reduce manual intervention, improve accessibility, and enhance the employee experience.

In collaboration with Browns IT, we further enhanced **SimplifiedHR**, our internally developed Human Resources Information System, through the implementation of **e-JDs (Electronic Job Descriptions)**. This initiative has strengthened the standardisation, accessibility, and efficiency of job-related information while supporting a more structured approach to workforce and talent management.

We also introduced the **Browns HR Policy Chatbot,** providing employees with convenient, self-service access to HR policies, procedures, and other HR-related information. The initiative supports employees in obtaining relevant HR information more efficiently while reducing dependency on manual HR support.

Our recruitment processes were also enhanced through the introduction of **AI-enabled CV shortlisting**, supporting faster and more structured initial candidate screening. This initiative reduces administrative effort and enables HR teams to dedicate greater attention to value-adding aspects of talent acquisition.

We continued to explore opportunities to apply AI, automation, analytics, and digital self-service across the employee lifecycle, including recruitment, onboarding, performance management, learning and development, employee engagement, and HR operations. Through the continued collaboration between HR and IT, our objective is not simply to automate existing processes, but to rethink how HR services can be delivered more effectively and create greater value for employees and the business.

4. TALENT ACQUISITION, EMPLOYER BRANDING & ONBOARDING

Talent acquisition remained a key priority, with a strong focus on attracting, selecting, developing, and retaining high-quality talent to support the Group's continued growth. Our recruitment strategy is tailored to different talent segments and business requirements, enabling us to identify suitable candidates while maintaining a structured, fair, and objective selection process.

Our employment policy places emphasis on selecting individuals who are the best fit for the role and the organisation, supported by structured assessment and evaluation methods. We continue to prioritise internal talent through our organisational talent review process, creating opportunities for career progression and internal mobility. At the same time, we actively engage with the external talent market to bring fresh perspectives, new capabilities, innovative ideas, and diverse experiences into the organisation.

During the year, Browns expanded its talent outreach through participation in job fairs across rural and urban areas, together with career guidance sessions. These initiatives enabled us to engage with a broader talent pool and create greater awareness of career opportunities within the Group.

Our employer branding efforts were further strengthened through the launch of the **Life at Browns social media page**, providing a platform to showcase our people, culture, employee experiences, career opportunities, and organisational initiatives. This complements the **Browns Careers page**, launched in the previous financial year, strengthening our presence among existing and prospective talent communities.

We also continued to strengthen the onboarding experience. New employees receive a Browns-branded induction pack containing relevant information and resources to familiarise them with the organisation, its policies, procedures, values, and culture. This helps create a positive first impression while enabling new employees to transition into their roles with greater confidence.

Our Browns Nex Gen – New Recruit Orientation Programme continued to provide newly recruited employees with a broader understanding of the Group, its businesses, values, culture, and expectations. The programme also provides opportunities for new employees to connect with colleagues across the Group and develop an early sense of belonging to the Browns Family.

5. LEARNING & DEVELOPMENT

We continued to strengthen our commitment to Learning and Development through targeted programmes designed to build leadership capability, functional expertise, customer service excellence, digital capability, business acumen, safety awareness, and future-ready skills.

A key milestone was the successful conclusion of the **Browns Executive Development Programme**, which focused on 50 selected employees in the Senior Officer to Senior Executive grades. The programme strengthened leadership competencies, broadened business understanding, developed interpersonal and managerial capabilities, and prepared participants for future responsibilities. The programme concluded with a **graduation ceremony**, recognising employees who successfully achieved this development milestone.

To further strengthen the strategic capabilities of our senior leaders, the **Mastering Business Mind programme and Vision 26** were conducted for our pioneers ahead of the commencement of the next financial year. The programmes focused on strategic thinking, business priorities, decision-making, and connecting individual and functional contributions with broader organisational performance. This enabled our senior leaders to strengthen their ability to align teams with organisational priorities and contribute more strategically to the achievement of business objectives.

We continued to develop people-management capability through **Performance Assessment Training for Supervisors**, equipping supervisors to conduct effective performance evaluations and meaningful one-to-one discussions with their subordinates. The programme emphasised expectation setting, constructive feedback, identifying development needs, addressing performance gaps, and creating a stronger culture of continuous performance dialogue.

Customer experience remained an important component of our learning agenda. Through **CX Pro – Mastering Customer Service**, technicians & front-office employees were equipped with skills in professional customer handling, communication, service mindset, managing customer expectations, complaint handling, and creating positive customer experiences across key touchpoints.

We also continued to invest in **business-specific and functional capability development**, including sales development programmes across key business units. These interventions focused on strengthening sales capability, product and service knowledge, customer engagement, negotiation, relationship management, and commercial effectiveness.

Digital inclusion remained another important area. **HRIS Mobile App training** was conducted for employees in manual grades who do not have regular access to laptops, helping bridge the digital accessibility gap and enabling greater participation in HR processes through mobile technology. In collaboration with Browns IT, supervisors were also provided with familiarisation training on the **SimplifiedHR recruitment portal**.

We also conducted an HR Coordinators' Workshop for Business Unit HR Coordinators, strengthening their understanding of Group HR processes, systems, policies, and practices. The workshop supported knowledge sharing, greater consistency in HR execution, and stronger collaboration between the central HR function and Business Units.

Safety and operational excellence continued to feature in our learning agenda. Following the opening of the new factory at Browns Group Industrial Park (Pvt) Ltd and at other key locations, fire safety training was conducted to strengthen employee awareness and emergency preparedness. In addition, **TQM – Driving Standards and Achieving Continuous Improvement** was conducted for factory employees, reinforcing the importance of quality, standards, and continuous improvement in operational environments.

Our learning philosophy increasingly emphasises practical application, workplace scenarios, experiential learning, interaction, and knowledge sharing, enabling employees to translate learning into workplace behaviours and improved performance. We also continue to leverage internal and external subject matter experts to provide employees with exposure to industry practices, new perspectives, and emerging capabilities.

6. PERFORMANCE & ORGANISATIONAL CAPABILITY

Building a high-performing organisation requires more than establishing performance targets; it requires meaningful conversations, clarity of expectations, constructive feedback, and continuous development. During the year, we therefore continued to strengthen performance management capability among supervisors and managers, enabling them to engage employees more effectively around performance, development, and future potential.

Our focus remains on moving performance management towards a more continuous and developmental process, where performance discussions are used not only to assess past performance but also to identify development opportunities, address challenges early, recognise contribution, and align individual performance with business priorities.

This approach supports our broader objective of creating greater accountability while ensuring employees understand how their individual roles contribute to the success of their teams, businesses, and the wider Browns Group.

7. EMPLOYEE ENGAGEMENT & CULTURE

At Browns, we recognise that a strong organisational culture is built through everyday experiences as well as meaningful opportunities for employees to connect, participate, celebrate, and contribute. During the year, we continued to strengthen employee engagement through initiatives **covering recognition, talent, cultural inclusion, family engagement, wellbeing, women's participation, and community support.**

Browns Got Talent provided employees with a platform to showcase their abilities beyond the workplace. Auditions were followed by the Grand Finale, creating opportunities for employees to participate in singing, dancing, compering, and other forms of talent, while strengthening connections across the organisation.

We continued to foster an inclusive workplace by providing opportunities for employees to celebrate and appreciate different cultural and religious traditions. Initiatives included the Browns Navaratri Celebration, **Browns Iftar Gathering, Christmas Decoration Challenge, and the Browns Annual Pirith Ceremony**, creating opportunities for employees of diverse backgrounds to participate and celebrate together.

Recognising that employee wellbeing extends beyond the workplace, we continued to engage employees and their families through initiatives such as the **School Book Pack Distribution** for employees' children. These initiatives reinforce our belief that employees are part of a wider Browns Family and that meaningful engagement can extend to their families and communities.

Through **Browns She Leads**, female employees were provided with a dedicated platform to connect, share experiences, exchange perspectives, and strengthen their sense of community. We also conducted a **breast cancer awareness and screening programme** at the Browns Head Office, together with a session focused on **work-life balance for women** and a special appreciation gesture for female employees. These initiatives reflect our commitment to supporting women's wellbeing, participation, and development within the workplace.

Our commitment to our people extends to supporting them during times of need. Following the impact of flooding, the **Browns Flood Relief Initiative** supported families of Browns employees affected by the floods as well as beneficiaries within the wider community. This initiative demonstrated the strength of the Browns Family beyond the workplace and our commitment to standing alongside our employees and communities during challenging times.

Through these initiatives, Browns continues to nurture a workplace culture centred on recognition, inclusion, belonging, collaboration, family, wellbeing, and community, providing employees with meaningful opportunities to connect beyond their day-to-day roles.

8. EMPLOYEE WELLBEING, SAFETY & INCLUSION

Employee wellbeing remains an integral part of our Human Capital agenda. We recognise that a productive and sustainable workforce requires an environment in which employees feel safe, respected, supported, and able to balance the demands of work and life.

Our wellbeing initiatives extended beyond traditional workplace activities to include health awareness, screening, work-life balance, family engagement, employee support, and emergency preparedness. These initiatives are intended to create a workplace where employees can maintain their wellbeing while continuing to contribute effectively to the organisation.

Workplace safety also remains a fundamental priority. Fire safety training and operational quality programmes supported our efforts to strengthen awareness, preparedness, and responsible workplace practices across the Group.

Our focus on inclusion is reflected through initiatives that create opportunities for employees from different backgrounds to participate, celebrate, connect, and contribute. We remain committed to building a workplace where diversity of perspectives is respected and employees are encouraged to be part of the wider Browns community.

9. OUR HUMAN CAPITAL JOURNEY AHEAD

As Browns Group continues to evolve, our Human Capital priorities will continue to evolve with it. The future of HR at Browns will be shaped by the need to build **agile capabilities, strong leadership pipelines, digitally enabled processes, meaningful employee experiences, and a culture of continuous learning and performance.**

We will continue to strengthen our ability to anticipate workforce requirements and build the capabilities required for emerging business needs. Our focus will include developing future leaders, strengthening succession readiness, enhancing internal mobility, improving performance management, expanding digital HR solutions, and providing targeted learning opportunities aligned with business priorities.

Technology and AI will continue to play an increasingly important role in our HR transformation. We will explore opportunities to use technology not merely to automate existing processes, but to simplify the employee journey, improve decision-making, strengthen accessibility, and enable HR to become more responsive and data-driven.

At the same time, we recognise that technology alone cannot create a high-performing organisation. Our continued success depends on people, leadership, culture, trust, collaboration, and the ability to create meaningful opportunities for employees to grow.

Our ambition is therefore clear: to build a **high-performing, future-ready, digitally enabled, inclusive, and people-centric organisation** where employees are encouraged to learn, grow, innovate, collaborate, and contribute meaningfully.

Through our Human Capital strategy, Browns remains committed to creating an environment where **people and business grow together**. We will continue to invest in our people, strengthen our leadership and organisational capabilities, and create an employee experience that reflects the values and heritage of the Browns Group.

Our people remain at the heart of our ability to deliver sustainable value. By empowering them with the right **capabilities, technology, leadership, opportunities, and culture**, we are building the workforce that will enable Browns to navigate change, capture new opportunities, and deliver on its ambitions for the future.

DIGITAL TRANSFORMATION

THE CONTINUED DEVELOPMENT OF THE GROUP'S DIGITAL CORE PROVIDES A SCALABLE FOUNDATION CAPABLE OF SUPPORTING THE DIVERSE REQUIREMENTS OF INDIVIDUAL BUSINESSES WHILE ENABLING GREATER EFFICIENCY, TRANSPARENCY AND ACCESS TO BUSINESS INFORMATION.

ENABLING A SMARTER, MORE CONNECTED AND FUTURE-READY BROWNS GROUP

During the year under review, Brown & Company PLC continued to accelerate its digital transformation journey, positioning technology as an important enabler of operational excellence, innovation, customer experience and sustainable value creation across the Group.

As a diversified organisation operating across multiple industries, Browns recognises that digital transformation extends beyond the adoption of technology. It is about fundamentally improving how the Group operates, serves customers, manages information, makes decisions and identifies new opportunities for growth. In this context, Browns IT continued to work closely with Strategic Business Units (SBUs) to identify opportunities to simplify processes, automate activities, improve visibility, strengthen controls and use data more effectively.

The Group's growing digital ecosystem brings together enterprise applications, cloud technologies, process automation, data and analytics, Artificial Intelligence (AI), Internet of Things (IoT), mobile platforms and connected solutions, creating a stronger foundation for a more agile and intelligent organisation.

STRENGTHENING THE DIGITAL CORE

Microsoft Dynamics 365 Business Central continued to serve as an important component of the Group's digital operating environment, supporting the integration and standardisation of key business processes across multiple entities.

The cloud-based platform provides improved visibility across areas including finance, procurement, inventory, sales and supply chain, while enabling greater process consistency and reducing reliance on manual intervention. Its integration with other digital platforms developed by Browns IT further strengthens the connectivity of the Group's technology ecosystem.

The continued development of the Group's digital core provides a scalable foundation capable of supporting the diverse requirements of individual businesses while enabling greater efficiency, transparency and access to business information.

ACCELERATING INTELLIGENT AUTOMATION

The Group continued to expand the use of digital workflow and automation solutions to simplify business processes, reduce manual effort and improve processing efficiency. Solutions such as SmartFlow support the digitisation of document and approval processes, providing greater visibility, accountability and governance.

The focus is increasingly shifting from simply digitising existing processes towards re-engineering how work is performed. This enables the Group to reduce repetitive activities, improve accuracy, shorten processing cycles and allow employees to focus on higher-value responsibilities.

ARTIFICIAL INTELLIGENCE – MOVING TOWARDS INTELLIGENT BUSINESSES

Artificial Intelligence has emerged as one of the most significant areas of the Group's digital transformation agenda. During the year, Browns IT progressed from exploring AI opportunities to implementing practical AI-enabled solutions across selected business functions, including Human Resources, Imports and Finance.

These solutions are being used to support document processing, information extraction, business insights, workflow automation, knowledge access and decision support. By reducing repetitive manual activities and improving access to information, AI helps employees work more efficiently while enabling faster responses to business requirements.

A significant milestone during the year was the introduction of more than 25 AI Agents across the Group. These AI-powered solutions act as digital co-pilots, assisting business users with information retrieval, process support and selected operational activities. This represents an important step in the Group's transition from traditional automation towards intelligent automation and AI-assisted ways of working.

To further support the Group's AI transformation, Nexus was established as the Group's AI platform, providing a common foundation to develop, deploy and scale AI intelligence projects across different businesses and functions. Nexus enables the Group to leverage AI capabilities in a structured and scalable manner, supporting the development of use cases that address specific business needs and create measurable value through improved productivity, efficiency, insights and decision-making.

The Group's longer-term ambition is to embed AI more deeply into its business and technology platforms, enabling organisations within the Group to make greater use of data, organisational knowledge and intelligent automation to improve productivity and decision-making. Through platforms such as Nexus and the continued development of AI Agents, Browns IT is building the capabilities required to scale AI adoption across the Group and unlock new opportunities for business value creation.

DATA AND ANALYTICS AS A STRATEGIC ASSET

As digital adoption continues to increase, data is becoming an increasingly important strategic asset for the Group.

The integration of data generated through ERP platforms, digital workflows, customer-facing applications and IoT devices provides opportunities to obtain deeper insights into operational performance, customer behaviour, asset utilisation and business trends.

The Group is progressively strengthening its analytics capabilities with the objective of moving beyond traditional reporting towards more predictive and intelligent decision-making. Greater use of analytics and AI will enable businesses to identify trends, anticipate requirements, optimise resources and respond more proactively to emerging opportunities and risks.

CONNECTING PHYSICAL AND DIGITAL WORLDS THROUGH IOT

IoT remains a key area of innovation and differentiation for Browns IT. Through its technology and R&D capabilities, the Group continues to develop connected solutions that capture real-time information from physical assets and operating environments and convert that information into actionable insights.

The IoT portfolio supports a diverse range of applications, including generator monitoring and control, GPS and telematics, fuel management, boiler monitoring, chiller monitoring, rice mill monitoring, pool condition monitoring and control, and poultry monitoring.

Solutions such as IGen G500 provide real-time monitoring and remote-control capabilities for generators, while industrial monitoring solutions enable businesses to monitor operating conditions, energy consumption and equipment performance, supporting proactive maintenance and improved operational efficiency.

The Group's IoT capabilities also extend to specialised applications such as agriculture, where connected solutions can capture information relating to factors including weight, feed patterns, temperature, humidity and light levels to support more informed operational decisions.

A significant milestone during the year was the development of Kinetics, Sri Lanka's first poultry IoT solution, demonstrating the Group's ability to apply IoT technology to specialised industry requirements. The solution enables real-time monitoring and data-driven management of poultry operations, providing greater operational visibility and supporting informed decision-making. Importantly, Kinetics has also created a new business opportunity for Browns IT, demonstrating the commercial potential of the Group's IoT capabilities and contributing to new revenue generation.

The continued expansion of IoT solutions beyond internal Group applications into external markets creates opportunities to leverage Browns IT's technology expertise and industry knowledge to develop scalable solutions, strengthen customer value and establish new technology-led revenue streams.

TECHNOLOGY ENABLING NEW GROWTH OPPORTUNITIES

The evolution of Browns IT from an internal technology function towards a strategic technology and innovation partner is creating opportunities beyond operational efficiency.

By combining software development, IoT engineering, AI, analytics, automation and enterprise technology capabilities, Browns IT is increasingly positioned to develop solutions that address both the Group's internal requirements and opportunities in external markets.

This capability provides the Group with the potential to develop technology-led products and services, leverage intellectual property and industry expertise, and explore new avenues for growth alongside its established businesses.

DIGITAL TRANSFORMATION

QUALITY, STANDARDS AND TECHNOLOGY CREDIBILITY

As Browns IT expands its technology portfolio, the Group continues to place emphasis on quality, reliability and internationally recognised standards.

The achievement of ISO 9001:2015 certification provides an important foundation for a structured quality management approach, supporting consistency, continuous improvement and disciplined technology delivery.

The achievement of CE certification for key IoT products further strengthens the credibility of the Group's technology portfolio and supports the potential for wider market adoption. Together, these milestones reinforce Browns IT's ambition to develop technology solutions that are not only innovative, but also reliable, scalable and commercially viable.

PROTECTING DATA AND BUILDING TRUST

With increasing digital adoption, the Group continues to strengthen its approach to data privacy, protection and governance, with consideration given to the requirements of Sri Lanka's Personal Data Protection Act No. 9 of 2022 (PDPA). Data privacy and security considerations are increasingly incorporated into digital initiatives through appropriate access controls, secure data handling, governance practices and responsible processing of information. This supports the Group's objective of maintaining a trusted digital environment while enabling the responsible use of data to create business value.

CREATING MEASURABLE BUSINESS VALUE

Digital transformation continues to be approached as a business transformation agenda rather than a technology program. Browns IT works closely with business teams to understand operational challenges and develop solutions that deliver tangible improvements in productivity, efficiency, customer experience and decision-making.

The Group's digital capabilities are increasingly enabling businesses to operate with greater visibility, connectivity and responsiveness. From enterprise applications and workflow automation to AI, IoT and connected solutions, technology is becoming more deeply integrated into the way Browns businesses create and deliver value.

This continued investment in digital capabilities is supporting the Group's ambition to become more agile, connected, intelligent and resilient, while creating a foundation for future innovation and growth.

LOOKING AHEAD

The next phase of the Group's digital transformation will focus on scaling Artificial Intelligence, expanding intelligent automation, strengthening analytics, developing IoT and connected solutions, and increasing the integration of digital platforms across the Group.

A key priority will be to move from isolated digital initiatives towards intelligent, connected and data-driven business ecosystems. AI will increasingly be used as productivity and decision-support capability, while IoT and analytics will create greater visibility across assets and operations.

At the same time, Browns IT will continue to explore opportunities to commercialise its technology capabilities, particularly in IoT, AI-enabled solutions and other specialised digital platforms. This provides the potential to create new technology-led revenue opportunities while leveraging the Group's existing industry expertise and market relationships.

Through these initiatives, Browns is strengthening its digital foundation to support both current operational excellence and future growth. Looking ahead, the Browns Group is well positioned to harness technology, innovation and digital capabilities as important drivers of its next phase of sustainable growth, competitiveness and long-term value creation.

Corporate Governance and Committee Reports

THE CORPORATE GOVERNANCE PHILOSOPHY AT BROWNS IS BASED ON A CULTURE OF PERFORMANCE WITHIN A FRAMEWORK OF COMPLIANCE AND CONFORMANCE.

"OUR GOVERNANCE FRAMEWORK OPERATES AT AN APPROPRIATE LEVEL TO ENSURE THE BOARD FUNCTIONS EFFECTIVELY AND WITH PURPOSE IN THE INTERESTS OF ALL OUR STAKEHOLDERS."

COMPLIANCE WITH THE CODE"

THE BOARD IS COMMITTED TO HIGH STANDARDS OF GOVERNANCE AND BELIEVES THAT DURING THE YEAR THE COMPANY WAS IN FULL COMPLIANCE WITH ALL APPLICABLE PRINCIPLES AND PROVISIONS SET OUT IN THE COMPANIES ACT NO. 07 OF 2007, LISTING RULES OF THE CSE, THE CODE OF BEST PRACTICE ON CORPORATE GOVERNANCE ("THE CODE") JOINTLY ISSUED BY THE SECURITIES AND EXCHANGE COMMISSION OF SRI LANKA (SEC) AND THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA (AS AMENDED)

DETAILS OF HOW THE PRINCIPLES OF THE CODE HAVE BEEN APPLIED CAN BE FOUND THROUGHOUT THIS CORPORATE GOVERNANCE REPORT AND COMMITTEE REPORTS.

We are proud of the way our colleagues came together to support each other, our customers and other stakeholders. Our purpose sets out our commitment to the communities we serve and the wider environment. As a Board we are responsible for ensuring that the business is purpose-led and our decision making and activities reflect the core purpose and drive the right behaviours. Every decision we take, and every plan we develop, helps to serve our customers and communities in a better way.

During the year, the Board focused on managing the ongoing economic crisis prevailing in the country and around the globe and setting strategic priorities to deliver against an agreed performance framework. The Group emerged even stronger to capitalise on the opportunities presented by evolving trends in our markets.

Our corporate governance framework clearly defines responsibilities and ensures that the Group has the right systems and controls to enable the Board and its Committees to effectively oversee the business, providing challenge where necessary.

How we do business, and the behaviours demonstrated by colleagues across the Group, is of vital importance to the Board. We recognise that culture plays a fundamental role in the delivery of our strategic priorities and the Board is ultimately responsible for ensuring that our activities reflect the culture we wish to instil in our colleagues and other stakeholders to drive the right behaviour. The Board is committed to providing a strong and positive culture and upholding our well-established core values that underline how we run our business.

Our Code of Business Conduct defines how we engage with stakeholders, ensuring that the standards and behaviours of our colleagues are consistent across the Group at all levels of the organisation.

OVERVIEW OF THE YEAR

During the year, the Board continued to oversee the Group's medium and long-term strategy, in particular the work required for our Journey to Greatness, which will drive stronger revenue and high-quality profitable growth. The Board has continued to be updated on the Group's acquisition pipeline, supply chain activity, regional growth initiatives and ongoing programs to engage, retain and develop talented individuals to achieve our goals.

Other areas of focus for the Board over the past year have included consideration of the Group's product range expansion plans for our customers as well as supporting the Group's enhanced supply chain strategy.

As always, our people continue to be our strongest and most powerful differentiator and we recognised their contribution with a bonus for all permanent employees.

THE BOARD

The Board has a clear division of responsibilities between conducting business of the Board and managing the business of the Group. The roles of the Chairman, Senior Independent Director, Group Chief Executive Officer, and Independent Non-Executive Directors are set out in this report.

CHAIRMAN

The Chairman is responsible for the effective leadership of the Board and maintaining a culture of openness and transparency.

The Chairman also promotes effective communication between Executive and Non-Executive Directors and ensures all Directors effectively contribute to discussions and feel comfortable in engaging in healthy debate and constructive challenge.

GROUP CHIEF EXECUTIVE OFFICER

The Group Chief Executive Officer (CEO) has day-to-day responsibility for the effective management of the Group and for ensuring that Board decisions are implemented. He plays a key role in devising and reviewing Group strategies for discussion and approval by the Board.

The Group CEO is also tasked with providing regular operational updates to the Board on all matters of significance relating to the Group's businesses or reputation and for ensuring effective communication with shareholders and other key stakeholders.

SENIOR INDEPENDENT DIRECTOR/NON-EXECUTIVE DIRECTORS

The Non-Executive Directors bring insight and experience to the Board. They have a responsibility to constructively challenge the strategies proposed by the Executives; scrutinise the performance of management in achieving agreed goals and objectives; and play leading roles in the functioning of the Board Committees, bringing an independent view to the discussion.

Since the Chairman of the Board is an Executive Director, the Board has appointed the SID to provide an independent judgement on matters pertaining to the Board.

BOARD LEADERSHIP AND COMPANY PURPOSE

Role of the Board

The Board's principal responsibility is to ensure the long-term sustainable success of the Group as a whole. The Board is accountable to stakeholders for the Group's financial and operational performance and is responsible for taking strategic decisions and providing oversight across the Group ultimately to ensure stakeholder interests are protected. The Board aims to lead with integrity and in a sustainable commercial manner to ensure value is created for all the Group's stakeholders. The Board also provides leadership to executive and senior management and applies a robust governance framework to ensure that this leadership is delivered effectively.

Purpose, values, strategy and culture

The Board is responsible for ensuring that the culture in which we operate drives the right behaviours. The Board and senior management set the tone from the top and lead by example. Our Code of Business Conduct defines the standards and behaviours expected of colleagues, and is a fundamental part of our culture and training to support our values. All new colleagues are required to complete training on the Code of Business Conduct.

Assessing opportunities and risks

The Board considers the principal risks and opportunities, including ESG factors, for the future of the business. Details of the risks assessed are set out in the Management Discussion & analysis on pages 6 to 38, together with consideration of the sustainability of the Group's business model.

At each Board meeting, the Group CEO presents a comprehensive update on performance, challenges, the competitive market and possible business opportunities. Quarterly reports to the Board give an overview on the external market, how components of the business perform. This ensures the Board has oversight across the business, allowing its governance processes to contribute strongly to the delivery of our strategy.

BOARD COMMITTEES

The Board has delegated specific responsibilities to Board Committees. The main statutory committees are each chaired by an Independent Director, focusing on specific areas of the Board's responsibilities.

AUDIT COMMITTEE

Provides independent Assessment and oversight of financial reporting processes. It oversees, on behalf of the Board, the risk management strategy, risk appetite and the effectiveness of internal control processes. It also oversees the effectiveness of the internal and external audit functions.

TALENT DEVELOPMENT & REMUNERATION COMMITTEE

Reviews and recommends the policy on remuneration of the Senior Management team.

Monitors the implementation of the Remuneration Policy.

Oversees general pay practices across the Group.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Reviews and recommends the policy on all Related Party Transactions practices across the Group.

NOMINATIONS & GOVERNANCE COMMITTEE

Reviews and recommends all new Board appointments/re-elections.

Evaluates the performance of the Board and KMPs

BUSINESS OPERATIONS COMMITTEE

Reviews strategic investment proposals and recommends the chosen proposals to the Board.

MANAGEMENT COMMITTEE

Chaired by the Executive Chairman and the Senior Management, the Committee meets every month to review Group Corporate, Divisional and Departmental performances against pre-determined Annual Business Plans and Budgets. The introduction of peer adjusted organisational ratings in determining pay for performance has resulted in the search by business units, sectors and industry Groups for productivity enhancements, process improvements and cost efficiencies within a framework of better teamwork.

BOARD AND COMMITTEE MEETINGS

Board and Committee meetings are scheduled in advance for the entire year on a quarterly basis. The Board held four scheduled meetings during the year, which included presentations/updates by senior management on each of the business areas. Directors are expected to attend all Board and relevant Committee meetings. The table below shows their record of attendance at the scheduled Board and Committee meetings. The Board is supported by the activities of the Board Committees, which ensure specific matters receive the right level of attention and consideration.

The composition of each Committee is reviewed annually. The Committee also reviews Board composition and succession planning. Each Committee Chair provides a verbal update on Committee activities to the Board after each Committee meeting and Committee papers and minutes are shared with all Directors. Matters considered by each of the Committees are set out in the Committee terms of reference.

The Board delegates responsibility for the day-to-day operational management of the Company to the Group CEO, who is supported by the Executive Director, Senior Management and Business Operations Committee.

The compositions of the Board Committees as at date are as follows:

Audit Committee	Related Party Transactions Review Committee	Talent Development & Remuneration Committee	Nominations & Governance Committee	Business Operations Committee	Group Management Committee
Two Independent Non -Executive Directors	Two Independent Non- Executive Directors	Two Independent Non-Executive Directors	Two Independent Non Executive Directors	One Executive Director (Chairman)	One Executive Director (Chairman)
One Non-Executive Director	Two Non-Executive Directors	One Non-Executive Director	One Non Executive Director	Two Non-Executive Directors	Senior Management

Board attendance

	30.05.2025	15.08.2025	14.11.2025	13.02.2026	Total
Ishara Nanayakkara	✓	✓	✓	✓	4/4
Kapila Jayawardena	✓	✓	✓	✓	4/4
Mrs. Kalsha Amarasinghe	×	✓	✓	✓	3/4
Danesh Abeyrathne	×	✓	✓	✓	3/4
Thamotharampillai Sanakan	✓	✓	✓	✓	4/4
K.Sundararaj	✓	✓	✓	✓	4/4
Chitral Wijesinha	✓	✓	✓	✓	4/4

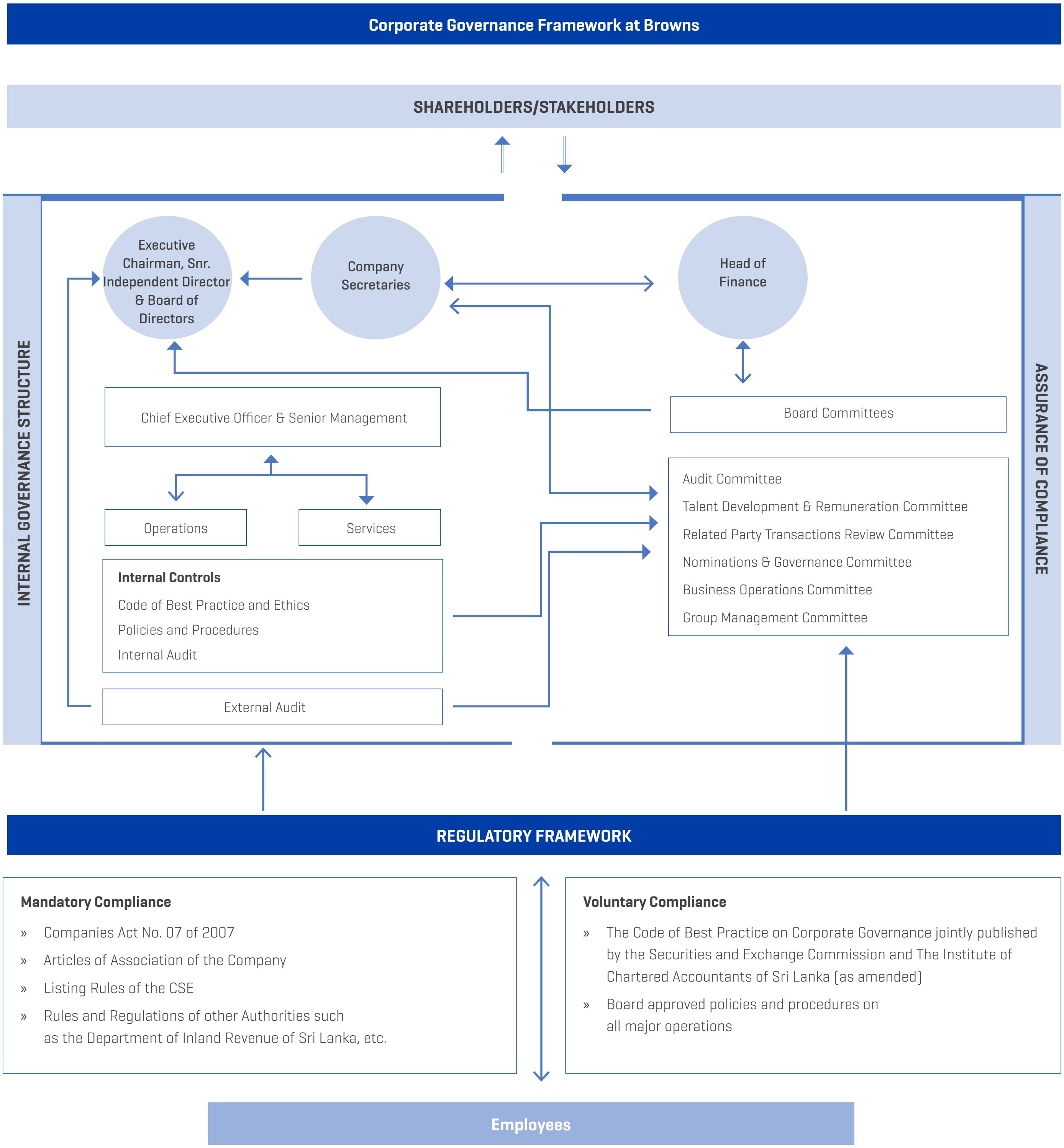
SUMMARY OF MATTERS RESERVED FOR THE BOARD

The Board has adopted a formal schedule of matters reserved for its attention, detailing matters that are considered of significance to the Group owing to their strategic, financial or reputational importance. These include Group strategy, operating plans, long-term plans and budget; changes to corporate and capital structure; major acquisitions, mergers, joint ventures and disposals; significant capital expenditure and borrowing; material contracts; risk management and internal control; financial reporting and disclosures; review of remuneration policies; and dividend policy and payment.

CORPORATE GOVERNANCE FRAMEWORK

Having an effective corporate governance framework defines responsibilities, helps the Board to deliver the Group's strategy and is vital to its decision making. It supports long-term sustainable growth while operating within a framework of effective controls. Having the right systems and controls in place ensure the Board and its Committees effectively oversee the business, maintain the highest standards of corporate governance and allow Directors to provide challenge where necessary. The Board has overall responsibility for ensuring adequate resource is available to deliver on its strategic priorities. The Board has a delegation of authority schedule in place to ensure the Board has the right level of oversight for matters that are material to the Group. The Board has established a risk management framework to manage and report the risks we face as a business, which are reviewed quarterly. The Board also undertakes a robust assessment of the Company's emerging and principal risks. Efficient internal reporting, effective internal controls and oversight of current and emerging risks are embedded into our business processes, which align to our strategic priorities, purpose and values. The Board, with the support of its Committees, places great importance on ensuring we achieve a high level of governance across the Group.

Directors are allowed to raise their concerns about the Company or a proposed action and oppositions if any are recorded in the Board minutes. No such concerns were raised in 2025/26. Directors report actual or potential conflicts of interest to the Board for consideration and if such conflicts exist, Directors excuse themselves from consideration of the relevant matter. The Company maintains an interest register which is reviewed annually.


Corporate Governance Framework at Browns
SHAREHOLDERS/STAKEHOLDERS
INTERNAL GOVERNANCE STRUCTURE
ASSURANCE OF COMPLIANCE
Executive Chairman, Snr. Independent Director & Board of Directors
Company Secretaries
Head of Finance
Chief Executive Officer & Senior Management
Board Committees
Operations
Services
Audit Committee
Talent Development & Remuneration Committee
Related Party Transactions Review Committee
Nominations & Governance Committee
Business Operations Committee
Group Management Committee
Internal Controls
Code of Best Practice and Ethics
Policies and Procedures
Internal Audit
External Audit
REGULATORY FRAMEWORK
Mandatory Compliance
» Companies Act No. 07 of 2007
» Articles of Association of the Company
» Listing Rules of the CSE
» Rules and Regulations of other Authorities such as the Department of Inland Revenue of Sri Lanka, etc.
Voluntary Compliance
» The Code of Best Practice on Corporate Governance jointly published by the Securities and Exchange Commission and The Institute of Chartered Accountants of Sri Lanka (as amended)
» Board approved policies and procedures on all major operations
Employees

HIGHLIGHTS OF BOARD DECISIONS DURING THE YEAR

- » Approved the Quarterly and Audited Financial Statements for the FY 2025/2026
- » Approved acquisition of material assets
- » Approved the Annual Budget for the FY 2026/2027
- » Recommended the re-appointment of External Auditors
- » Recommended the re-election of Directors

BOARD ACTIVITY

The Board has a detailed programme of activities that ensures operational and financial performance, risk, governance, strategy, culture and stakeholder matters are discussed frequently to support Directors' oversight and understanding. This ensures that any consideration and decision making is appropriate for the business, our stakeholders and the markets in which we operate. During the year, the Board reviewed and approved entry into material contracts taking into consideration the associated operational and financial benefits and risks. It also considered the impact on all stakeholders including financial returns, security of supply, improved pricing and quality of products. The Director/CEO holds an annual strategic planning session at which senior managers of all business units are present. The aim is to better understand market trends, technology developments, innovation and people strategies. Updates to the Board from the Group Director/CEO and other members of senior management are scheduled in respect of all material matters to ensure the delivery of strategy in line with our purpose and values.

BOARD COMPOSITION

The Group is led by an effective and committed Board, with a culture of openness and transparency at Board meetings. As at the date of this report, the Board comprises seven Directors with a wide range of knowledge and experience from a variety of sectors. Our values and leadership behaviours are a vital part of our culture, helping us ensure that through our conduct we do the right thing for the business and our stakeholders.

No	Name of Director	Executive/ Non-Executive	Independent/ Non-independent	Involvement/ interest in shareholding	Gender representation
1	Ishara Nanayakkara	Executive	Non-independent	Yes	Male
2	Kapila Jayawardena	Non-Executive	Non-independent	No	Male
3	Mrs. Kalsha Amarasinghe	Non-Executive	Non-independent	No	Female
4	Chitral Wijesinha	Non-Executive	Independent	No	Male
5	K.Sundararaj	Non- Executive	Independent	No	Male
6	Danesh Abeyrathne	Executive	Non-independent	No	Male
7	Thamotharampillai Sanakan	Executive	Non-independent	No	Male

The Board considers that the two Independent Non-Executive Directors are independent in character and judgement and that they are each free from any business or other relationships which would materially interfere with the exercise of their independent judgement. The Independent Non- Executive Directors have submitted signed confirmations of their independence.

Based on the said declarations, the Board of Directors observed that both M/s Chitral Wijesinha and K. Sundararaj have met the criteria for determining their independence based on their professionalism, conduct, expertise and experience.

BOARD EXPERTISE

We are satisfied that our members of the Board and its Committees have and maintain the necessary skills to deliver the Group's strategic priorities, taking into account the Board's diversity and inclusion policy.

APPOINTMENT, INDUCTION AND DEVELOPMENT

PRIOR TO APPOINTMENT	Nominees are requested to make known their various interests that could potentially be in conflict with the interests of the Company.
ONCE APPOINTED	Directors obtain Board clearance prior to engaging in any transaction that could create a potential conflict of interest. All Non-Executive Directors shall notify the Executive Chairman of any changes to their current Board representations or interest including related parties. All Directors should make a general disclosure of interest every year and also of any changes thereto.
DURING BOARD MEETINGS	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 (abstentions where applicable to form decisions are duly minuted) » Declare interest and comment if needed

Upon appointment, all new Directors receive a comprehensive induction programme designed to facilitate their understanding of the business and is tailored to their individual needs. The Board believes strongly in the development of its Directors and colleagues throughout the Group.

To assist the Board in undertaking its responsibilities, ongoing training is provided for all Directors and training needs are assessed as part of the Board evaluation procedure. The Board programme includes regular presentations from management, site visits if necessary, and informal meetings, to build their understanding of the business and sector. During the past year, Directors received regular training on our local markets, our operating environment and recent legal and governance developments impacting Browns.

DIVERSITY AND INCLUSION

The Board believes that it is vital to have a diverse Board, with a mix of skills, knowledge and experience across professional backgrounds, gender, tenure, age and ethnicity. A diverse Board with different perspectives, insights and viewpoints in decision making ultimately benefits the Group's stakeholders through better business performance and decision making. The Board understands that supporting our workforce in a culture of trust and respect is essential to the success of the Company where colleagues feel valued and rewarded for the work they do. All colleagues are given equal opportunities through recruitment, learning and development and actively champion and support our colleague networks and training on the importance of inclusion.

BOARD EVALUATION

To ensure the Board remains effective, a performance evaluation is carried out each year, to review the effectiveness of the Board, its Committees and Directors. The Board was satisfied with their independence and through previous reviews identify further opportunities for improvement.

Re-election of Directors

The Company's Articles of Association require one of the Directors in office to retire at each Annual General Meeting. The Director who retires will be the one who has been longest in office since his/her appointment/ re-appointment. Retiring Directors are generally eligible for re-election by the shareholders.

COMPANY SECRETARIES

The Group Company Secretaries are responsible for advising the Board on all governance matters and for ensuring that Board procedures are followed, applicable rules and regulations are complied with, and that due account is taken of relevant codes of best practice. They are also responsible for ensuring communication flows between the Board and its Committees, and between senior management and Non-Executive Directors. All Directors have access to the advice of the Company Secretaries and, in appropriate circumstances, may obtain independent professional advice at the Company's expense. In addition, a Directors' and Officers' liability insurance policy is maintained for all Directors. The appointment and removal of the Company Secretaries is a matter reserved for the Board as a whole.

AUDIT, RISK AND INTERNAL CONTROL

The Board is responsible for ensuring the risks facing the Group are effectively identified and controlled through the work of the internal audit activities. The Board has continued to monitor the established risk management and internal control procedures to ensure that they continue to be appropriate and effective within the specific context of the Group's activities.

The Internal Auditors monitor and report on the adequacy of the Financial and Operational systems of the Business Units, in order to strengthen internal controls. The Internal Audit team comprises the necessary skills and experience relevant to the operation of each business. All of the internal audit activities are coordinated centrally by the LOLC-Enterprise Risk Management Team.

The Audit Committee assists the Board in discharging its responsibilities with regard to external and internal audit activities and controls including reviewing audit reports, internal controls and risk management systems. The Audit Committee is satisfied that the Group's risk management and internal control framework in relation to the Group's risk profile and strategy was effective and adequate. The Board therefore remained satisfied that the system of internal control continued to be effective in identifying and assessing the various risks to the Group and in monitoring and reporting progress on their potential impact.

Some of the policies which play a key role in this respect are:

1) Code of Business Conduct and Ethics

This applies to all the employees of the Company. The code ensures that there is no conflict of interest where individuals' interest conflicts with the interests of the Company, and makes timely disclosure of such situations; maintains confidentiality of information, ensures fair dealing with the Company's customers and suppliers and refrains from any unfair dealing and manipulations, thereby promoting ethical behaviour within the Company.

2) IT Governance

The Company believes that IT environment and the controls over this are the fundamental building block upon which our internal control environment is built.

The strong IT governance structure in place at Browns ensures that the effective and efficient use of IT enables the Company to create innovations to increase our digital savviness across the business. A thorough review was undertaken of our cyber environment to ensure that we have appropriate data and information governance processes and controls, e-commerce defences, proactive security and strong incident management processes across the business.

LOLC Technology Services Limited (LOITS), a subsidiary of the Parent Company, LOLC Holdings PLC provides the IT related services to the Company.

3) Enterprise Resources Planning (ERP)

Browns, adapting to the constantly changing technological world and ever-evolving company trends embarked on the digital transformation journey by launching the company's third ERP system, Microsoft Dynamics 365 Business Central SaaS. Prior to the newly implemented system, Browns has been using Microsoft Dynamics AX which was implemented in 2012 to accelerate the operational processes. Microsoft Business Central is based on cloud, enabling employees a wide range of capabilities with regard to their everyday work. With the implementation of ERP, a major change was that the entire organisation was converted to a full time Microsoft ERP platform. The overall business information model has improved tremendously and further improvements were added in the areas of after sales and front-end services. This enhanced the quality of information processes along with the new standard operating procedure and ERP functional user manuals which were developed in order to set the ground rules for continued good administration. The ERP also assisted the organisation in its business expansion programme by providing flexibility in decision making with both speed and volume of data availability.

GOING CONCERN AND VIABILITY

The Board is responsible for assessing the Group's long-term viability and deciding if it is appropriate to adopt the going concern basis in preparing the Group and Company accounts.

The Audit Committee reviews and challenges, where necessary, the Group's assumptions, process and assessment of its going concern and viability.

SUBSIDIARY COMPANIES' MONITORING FRAMEWORK

All subsidiary companies of Brown and Company PLC are managed by their respective Boards according to the respective companies' Articles of Associations and in the best interest of their stakeholders. Brown and Company PLC monitors the performance of subsidiary companies.

ASSURANCE OF COMPLIANCE

The Board, through the Group Legal and Secretarial Division, the Group Finance Division and its other operating structures, monitors and assesses the level of compliance of the Company with laws and regulations. It also reviews the changes in regulations and strives to ensure that the Company is in compliance with the regulatory requirements of the country. The Board receives updated reports on compliance at each Board meeting held after a Financial Quarter with regard to the significant legal and regulatory frameworks that are applicable to its operations.

When carrying out the function of compliance, the Internal and External audit as well as Board Committees also play a vital role in the governance structure of the Company.

ACCOUNTABILITY

The Board recognises its responsibility to present a fair, balanced and understandable assessment of the Company's position, performance, business model and strategy. This extends to interim and other price-sensitive public reports, reports to regulators, and information required to be presented by statutory regulations. In relation to this, reference is made to the Statement of Directors' Responsibility for preparing the Financial Statements set out on page 76 of this Annual Report and Accounts. A description of the Company's business model for sustainable growth is set out in the Management Discussion & Analysis on pages 6 to 38. This section provides an explanation of the basis on which the Group generates value and preserves it over the long term and its strategy for delivering its objectives.

EXTERNAL AUDIT

The External Audit Report enables the Board to determine the adequacy and effectiveness of the Company's internal controls. M/s. Deloitte Partners, Chartered Accountants acted as the External Auditors of the Company for the reporting year. The Company has the necessary mechanisms in place to ensure the independence of the External Auditors, and the Audit Committee verifies that the services provided by the Auditors comply with applicable legislation.

STAKEHOLDER ENGAGEMENT

The Board is accountable to stakeholders for ensuring the Group is appropriately managed and achieves its objectives in a way that is supported by the right culture and behaviours. The Board spends time listening to and understanding the views of its key stakeholders and, when discussing matters at Board meetings, these views form an integral part of decision making. We also take other factors into account that we consider relevant to our decision making, including the interests and views of the communities we operate in.

SHAREHOLDER RELATIONS

The Company reports formally to shareholders in a number of ways. Significant matters relating to trading or development of the business, and routine reporting obligations, are disseminated by way of Stock Exchange announcements and by press releases. The Board considers the Annual General Meeting as a prime opportunity to communicate with shareholders. Shareholders are given the opportunity of exercising their rights at the Annual General Meeting. Each resolution brought before the shareholders at the Annual General Meeting is voted on separately by them. The notice of the Annual General Meeting and the relevant documents required are published within the statutory period. The Annual General Meeting provides an opportunity for shareholders to seek and obtain clarifications and information on the performance of the Company.

The External Auditors are also present at the Annual General Meeting to render any professional assistance that may be required. Shareholders who are not in a position to attend the Annual General Meeting in person are entitled to have their voting rights exercised by a proxy of their choice.

Shareholders can also contact the Company directly via a dedicated email address or via dedicated telephone numbers, provided on the inside back cover of this report. The Company's website also contains information for institutional and retail shareholders alike. The Company's Registrars provides access facility for registered shareholders, providing details of their shareholdings. Facilities are also provided for shareholders to lodge proxy appointments electronically.

CORPORATE SOCIAL RESPONSIBILITY

The Board actively takes part in defining and overseeing the corporate culture and values, particularly in the corporate social responsibility policy. The Board continuously reviews the policies for sustainability, corporate culture and values, and on relations with stakeholders, especially employees, customers and consumers in countries where the Group operates. The corporate social responsibility policy is structured in line with the business strategy and risk appetite and putting into place mechanisms to ensure that all Group entities know how they fit into these strategies and that their processes and mechanisms are consistent with those of the policy of the Ultimate Parent.

CODE OF BEST PRACTICES OF CORPORATE GOVERNANCE JOINTLY ISSUED BY THE SECURITIES AND EXCHANGE COMMISSION OF SRI LANKA (SEC) AND THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA (CA SRI LANKA) (ISSUED ON 1ST JULY 2008 AND INCLUDES AMENDMENTS TO 2023)

Section	Principle	Level of Compliance
A. DIRECTORS		
A.1 The Board		
	The Company to be headed by an effective Board to direct, lead and control the Company	**Complied with** The Company is headed by an effective Board of Directors who are responsible and accountable for the stewardship function of the Company.
A.1.1	Regular Board meetings	The Board meets quarterly and as and when required
A.1.2	The Board should be responsible for matters including implementation of business strategy, skills and succession of the management team, integrity of information, internal controls and risk management, compliance with laws and ethical standards, stakeholder interests, adopting appropriate accounting policies and fostering compliance with financial regulations and fulfilling other Board functions	Powers specifically vested in the Board to execute their responsibility include: » Providing direction and guidance to the Company in the formulation of its strategies, with emphasis on the medium and long term, in the pursuance of its operational and financial goals. » Reviewing and approving annual budget plans. » Reviewing HR processes with emphasis on top management succession planning Monitoring systems of governance and compliance » Overseeing systems of internal control and risk management. » Determining any changes to the discretions/ authorities delegated from Board to executive levels. » Reviewing and approving major acquisitions, disposals and capital expenditure. » Approving any amendments to constitutional documents.
A.1.3	Act in accordance with the laws of the country and obtain professional advice as and when required	The Board seeks independent professional advice when deemed necessary. During the year under review, professional advice was sought on various matters, including the following: » Impacts on BCL's business operations as a result of the current and future economic and geo-political shifts. » The Company obtained professional guidance from the Employers' Federation of Ceylon (EFC) on labour law compliance, employee relations, and union affairs, ensuring adherence to regulations and fostering workplace harmony. » Legal, tax and accounting aspects, particularly where independent external advice was deemed necessary in ensuring the integrity of the subject decision. » Market surveys, as necessary for business operations. » Valuation of property including that of investment property. » Specific technical know-how and domain knowledge required for identified project feasibilities and evaluations.

Section	Principle	Level of Compliance
A.1.4	Access to advice and services of the Company Secretary Appropriate insurance cover as recommended by the Nominations Committee for the Board, Directors and KMPs	**Complied with** To ensure robust deliberation and optimum decision making, the Directors have access to the services of the Company Secretaries whose appointment and/or removal is the responsibility of the Board. The Company has appropriate insurance cover for KMPs according to the Group policy.
A.1.5	Bring independent judgment on various business issues and standard of business conduct	**Complied with** Collectively, the Non-Executive Directors bring a wealth of value adding knowledge, ranging from domestic and international experience to functional know-how, thus ensuring adequate Board diversity in accordance with principles of Corporate Governance. Furthermore, every member of the Board brings independent judgment on various business issues
A.1.6	Dedication of adequate time and effort	**Complied with** Allowing for Non-Executive Director's involvement in various Board Committees and time spent by them in considering various matters that require discussion and decision in between the formal Board meetings, the Company estimates that Non- Executive Directors devoted sufficient time for the Group during the year
A.1.7	One third of Directors can call for a resolution to be presented to the Board in the best interests of the Company.	All Directors are encouraged to submit any items/ proposals to the agendas of the Board meetings.
A.1.8	Board induction and training	In instances where Non-Executive Directors are newly appointed to the Board, they are apprised of the: » Values and culture » Operations of the Group and its strategies » Operating model » Policies, governance framework and processes » Responsibilities as a Director in terms of prevailing legislation » Important developments in the business activities of the Group
A.2 The Chairman		
A.2.1	Maintain a clear division between Chairman and the Chief Executive Officer	**Complied with**
A.3 The Chairman's role		
A.3.1	The Chairman should ensure Board proceedings are conducted in a proper manner	Refer Chairman's role in Corporate Governance section in this Annual Report
A.4 Financial Acumen		
	The Board should ensure the availability within it of those with sufficient financial acumen and knowledge to offer guidance on matters of finance	Two Board members hold membership in professional accounting bodies. Refer Board Member Profiles for more information
A.5 Board Balance		
A.5.1	The Board should include Non-Executive Directors of sufficient calibre.	**Complied with** Refer Board Member Profiles section

Section	Principle	Level of Compliance
A.5.2	Three or two third of Non-Executive Directors appointed to the Board of Directors whichever is higher should be "independent"	Two out of the four Non-Executive Directors are independent
A.5.3	Definition of Independent Directors	**Complied with** Both the Independent Directors of the Company are independent of management and free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgement.
A.5.4	Declaration of Independent Directors	**Complied with** Each Non-Executive Director has submitted a signed and dated declaration of his independence
A.5.5	Board determinations on independence or non-independence of Non-Executive Directors on annual basis	**Complied with** Both of the Independent Directors of the Company meet the criteria for independence specified in this rule
A.5.6	Alternate Director	**Not Applicable**
A.5.7	In the event the Chairman and the CEO are the same person, the Board should appoint one of the Independent Non-Executive Directors to be the 'Senior Independent Director' (SID)	**Complied with** The Chairman and CEO positions are held by two separate individuals. However, a Senior Independent Director has been appointed in compliance with the Listing Rules.
A.5.8	The Senior Independent Director should make himself available for confidential discussions with other Directors who may have concerns	**Complied with** Refer Senior Independent Director's Report on page 78.
A.5.9	The Chairman should hold meetings with the Non-Executive Directors only, without the Executive Directors being present, at least once each year	Informal discussions have been held with the Non- Executive Directors without the Executive Directors being present
A.5.10	Where Directors have concerns about the matters of the Company which cannot be unanimously resolved, they should ensure their concerns are recorded in the Board Minutes	All the Board meeting proceedings are comprehensively recorded in the Board minutes
A.6 Supply of information		
A.6.1	Board should be provided with timely information to enable it to discharge its duties	The Board is provided with: » Information as is necessary to carry out their duties and responsibilities effectively and efficiently. » Information updates from management on topical matters, new regulations and best practices as relevant to the Group's business » External and Internal Auditors' opinions » Experts and other external professional services » The services of the Company Secretaries. » Periodic performance reports

Section	Principle	Level of Compliance
A.6.2	Timely submission of the minutes, agenda and papers required for the Board meeting	Board agendas and necessary Board Papers and minutes are dispatched in advance of the Board meetings
A.7 Appointment to the Board		
A.7.1	Formal and transparent procedure for Board appointments	**Complied with** Board appointments are done according to a transparent and formal process.
A.7.2	Assessment of the capability of Board to meet strategic demands of the Company	**Complied with** The Board as a whole assesses its own composition to ascertain whether the experience and exposure of the Board members are adequate to meet the strategic demands faced by the Company Currently, the Board members have varying qualifications in economic, environmental and social topics and are involved in many committees and associations that serve the business community as a whole
A.7.3	Disclosure of new Board member profile and interest	**Complied with.** The required disclosures with regard to the new director appointment was made as per the regulatory requirements.
A.8 Re-election		
A.8.1/A.8.2	Re-election at regular intervals and should be subject to election and re-election by Shareholders	**Complied with** The Directors are subject to re-election on the basis of 'longest in the office' as provided in the Articles of Association. One Director shall retire by rotation on the basis prescribed in the Articles of the Company. A Director who is subject to appointment or a Director retiring by rotation is eligible for election and re-election by a shareholder resolution at the AGM.
A.8.3	In the event a Director resigns prior to his appointed term, shall give reasons for resignation	Noted for compliance
A.9 Appraisal of Board performance		
A.9.1.	The Board should annually appraise itself on its performance in the discharge of its key responsibilities	**Complied with** The Board continued with its annual Board performance appraisal. This is a formalised process of self-appraisal, whereby each member assesses, on an anonymous basis, the performance of the Board
A.9.2.	The Board should also undertake an annual self-evaluation of its performance and that of its Committees.	Evaluations were carried out under the areas of: » Role clarity and effective discharge of responsibilities » People mix and structures » Systems and procedures » Quality of participation » Board image
A.9.3.	The Board should review the performance of each Director at the time of re-election	**Complied with** Reviews are conducted annually according to the Constitution of the Company.

Section	Principle	Level of Compliance
A.9.4	The Board should state how such performance evaluations have been conducted	**Complied with** The performance evaluation is analysed to give the Board an indication of its effectiveness as well as areas that required addressing and/or strengthening. Despite the original anonymity of the remarks, the open and frank discussions that follow, including some Directors identifying themselves as the person making the remark, reflects the keenness of the Board.
A.10 Disclosure of information in respect of Directors		
A.10.1	» Profiles of the Board of Directors » Directors' interests » Board meeting attendance » Board Committee memberships	Refer Board profiles and Corporate Governance sections
A 11	Appraisal of CEO	Appraisal of the CEO was conducted according to the Group Policy
B. DIRECTORS' REMUNERATION		
B.1 Remuneration Procedure		
B.1.1	The Board of Directors should set up a Remuneration Committee	**Complied with**
B.1.2.	Remuneration Committee should consist exclusively of Non–Executive Directors	**Complied with** Refer Committee Report
B.1.3.	The Chairman and members of the Remuneration Committee should be listed in the Annual Report each year	**Complied with**
B.1.4.	Determination of the remuneration of Non- Executive Directors	**Complied with** Compensation is determined in reference to fees paid to other NEDs of comparable companies. NEDs receive a fee for devoting time and expertise for the benefit of the Group in their capacity as Directors and additional fees for either chairing or being a member of a Committee.
B.1.5	The Remuneration Committee should consult the Chairman about its proposals relating to the remuneration of other Executive Directors	**Complied with** Remuneration of the Executive Directors are governed by the Remuneration Policy of the Group
B.2 The level and make up of remuneration		
B.2.1/ B.2.2	The Remuneration Committee should provide the packages needed to attract, retain and motivate Executive Directors and designed to promote the long term success of the Company	**Complied with** The Remuneration Committee as a whole is aware that the reward structure should be designed to attract and motivate high calibre people in a highly competitive environment.
B.2.3	The Remuneration Committee should judge where to position levels of remuneration of the Company, relative to other companies	**Complied with**
B.2.4 / B.2.5	Comparison of remuneration with other Companies in the Group	**Complied with** Having taken into account the complexities associated with the Group, it was established that the compensation is in line with the market. Benchmarking exercises of this nature will continue to take place in the future at regular intervals.

Section	Principle	Level of Compliance
B.2.6	Executive share options not to be offered at a discount	No share options were given during the year under review.
B.2.7	Remuneration Committee should follow schedule E in designing schemes of performance-related remuneration	**Complied with** The remuneration scheme is in line with the Group policies.
B.2.8/B.2.9	Compensation for termination of contracts of Directors	**Complied with** The compensation scheme is in line with the Group policies.
B.2.10	Level of remuneration of NEDs	**Complied with** The fees received by NEDs are determined by the Board and reviewed annually.
B.3 DISCLOSURE OF REMUNERATION		
B.3	Disclosure of remuneration policy and aggregate remuneration	**Complied with** Please refer Annual Report of the Directors & the Remuneration Committee Report
C. RELATIONS WITH SHAREHOLDERS		
C.1 Constructive use of the Annual General Meeting (AGM) and conduct of General Meetings		
C.1.1	The Notice of AGM and related papers to be sent to shareholders as determined by the Statute, before the meeting.	**Complied with** The Annual Report including the notice of the AGM are uploaded to the CSE site within the deadlines. Printed copies of the Annual Report are posted to the shareholders upon receipt of written requests. The contents of this Annual Report will enable existing and prospective stakeholders to make better informed decisions in their dealings with the Company.
C.1.2	Separate resolution to be proposed for each item and the proxy appointment forms to have options to vote for or against each of the item	**Complied with** Two-way proxy forms are provided
C.1.3.	Counting of proxy votes	**Complied with** As a matter of practice, proxy votes together with the votes of the shareholders present at the AGM are considered for each resolution.
C.1.4.	Heads of Board Committees to be available to answer queries	**Complied with** All the NEDs who are the Heads of Board Committees are available at the Meeting to answer queries.
C.1.5	Summary of procedures governing voting at General meetings to be informed	**Complied with** Refer Form of Proxy
C.2 Communication with Shareholders		
C.2.1 – C.2.7	Effective communication with shareholders	**Complied with** Refer Shareholder Relations section in the Corporate Governance Section
C.3 Major and Material Transactions		
C.3.1	Disclosure of all material facts involving any proposed acquisition, sale or disposition of assets	**Complied with** All material and price sensitive information about the Company is promptly communicated to the Colombo Stock Exchange where the shares of the Company are listed, and released to the employees, press and shareholders.
C.3.2	Compliance with the disclosure requirements and shareholder approval by special resolution as required by the rules and regulations of the SEC/ CSE for listed companies	

Section	Principle	Level of Compliance
D. ACCOUNTABILITY AND AUDIT		
D.1. Financial reporting		
D.1.1	The Board should present an annual report including financial statements that is true and fair, balanced and understandable and prepared in accordance with the relevant laws and regulations and any deviation being clearly explained.	**Complied with** Refer Introduction to the Report, Corporate Governance Section and Statement of Directors' Responsibility
D.1.2	Disclosure of interim and other price sensitive and statutorily mandated reports to regulators	**Complied** Directors have taken all reasonable steps to ensure accuracy and timeliness of published information with a view of presenting the true and fair view of the interim and annual financial statements.
D.1.3	The Board should obtain compliance statements and declarations from the CEO and the Head of Finance before approving the financial statements	**Complied with** Declarations are obtained from the Director/CEO & Head of Finance that in their opinion the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company. Refer Group CEO's and Head of Finance's statement.
D.1.4	Declaration by the Directors that the Company has not engaged in any activities, which contravene laws and regulations, declaration of all material interests in contracts, equitable treatment of shareholders and going concern with supporting assumptions or qualifications as necessary	**Complied with** Refer Corporate Governance and Annual Report of the Board of Directors
D.1.5.	Statement of Directors' Responsibility	**Complied with** Refer Statement of Directors' Responsibility
D.1.6.	Management Discussion and Analysis	**Complied with** Refer Management Discussion and Analysis.
D.1.7.	Remedial action at Extraordinary General Meeting (EGM) if net assets fall below half of value of Shareholders funds	**Complied with** In the unlikely event that the net assets of the Company fall below a half of Shareholders funds, shareholders would be notified, and the requisite resolution would be passed on the proposed way forward.
D.1.8	Disclosure of Related party Transactions	**Complied with** Refer Notes to the Financial Statements
D.2 Risk Management and Internal Control		
D.2.1	Annual review of effectiveness of system of risk management and internal control and report to management and internal control and report to shareholders as required	**Complied with** The Board has taken the necessary steps to ensure the integrity of the Group's accounting and financial reporting systems and internal control systems that remain effective via the review and monitoring of such systems on a periodic basis.

Section	Principle	Level of Compliance
D.2.2	Robust assessment of the principal risks faced by the Company	**Complied with** Refer Risks and Opportunities section
D.2.3.	Internal Audit Function	**Complied with** The internal audit function of the Company is not outsourced to the External Auditors of the Company to ensure the independence of the External Auditors of the Company. The Auditors' report on the Financial Statements of the Company for the year under review is found in the financial information section of the Annual Report.
D.2.3/ D.2.4	Maintaining sound system of internal control	**Complied with** Refer Corporate Governance Report
D.3 Audit Committee		
D.3.1.	The Audit Committee should comprise a minimum of three non-executive directors of whom at least two should be Independent. The Chairman of the Committee should be an Independent Non-Executive Director. At least one member should have recent and relevant experience in financial reporting and control.	**Complied with** The Audit Committee comprises two Independent Non-Executive Directors and one Non-Executive Director. The Committee is chaired by an Independent Non-Executive Director who is a member of a professional accounting body.
D.3.2.	The Audit Committee to have written terms of reference covering the salient aspects as stipulated in the section	**Complied with** The Audit Committee has written terms of reference outlining the Scope.
D.3.3.	Duties and responsibilities of the Committee	**Complied with** The Audit Committee has the overall responsibility for overseeing the preparation of Financial Statements in accordance with the laws and regulations of the country and also recommending to the Board, on the adoption of best accounting policies. The Committee is also responsible for maintaining the relationship with the External Auditors. Refer Audit Committee Report
D.4 Related Party Transactions Review Committee (RPTR Committee)		
D.4.1	Definition of a Related Party and Related Party Transactions	Refer Notes to the Financial Statements
D.4.2	The RPTR Committee should comprise exclusively of non-executive directors with a minimum of three. Majority should be independent. The Chairman of the Committee should be an Independent Non-Executive Director.	**Complied with** The Committee comprises of four Non-Executive Directors out of which two are independent. One Independent Non-Executive Director acts as the Chairman of the Committee.
D.4.3.	The RPTR Committee to have written terms of reference covering the salient aspects as stipulated in the section	**Complied with** The RPTR Committee has written terms of reference outlining the Scope.
D.5 Business Conduct and Ethics		
D.5.1	Adoption of Code of Business Conduct and Ethics	**Complied with** Business ethics at the Company ensure the business is carried out in an ethical manner
D.6 Corporate Governance disclosure		
D.6.1.	The Directors should include in the Company's Annual Report a Corporate Governance Report	**Complied with** This report serves the purpose

Section	Principle	Level of Compliance
E. INSTITUTIONAL INVESTORS		
E.1 Shareholder voting		
	A listed Company should conduct a regular and structured dialogue with shareholders based on a mutual understanding of objectives.	**Complied with** The Company has a well-developed investor relations programme to address the information needs of investment institutions and analysts regarding the Company, its strategy, performance and competitive position
E.2 Evaluation of governance disclosures		
	When evaluating the company's governance arrangements, particularly those relating to the Board structure and composition, institutional investors should be encouraged to give due weight to all relevant factors drawn to their attention	Institutional investors are informed of any changes to the governance structure.
F. OTHER INVESTORS		
F.1 Investing/divesting decisions		
F.1.1	Individual shareholders, investing directly in shares of companies should be encouraged to carry out adequate analysis or seek independent advice in investing or divesting decisions	The Company maintains an active dialogue with shareholders, potential investors, investment banks, stockbrokers and other interested parties. Any concerns raised by a Shareholder are addressed promptly and forwarded, when necessary, to the Company Secretaries for consideration and advice.
F.2 Shareholder voting		
	Individual shareholders should be encouraged to participate in General Meetings of Companies and exercise their voting rights.	**Complied with** All steps are taken to facilitate the exercise of shareholder rights at AGMs, including the receipt of notice of the AGM and related documents within the specified period. Shareholders exercise their voting rights for each resolution passed at the AGM.
G. INTERNET OF THINGS AND CYBER SECURITY		
G.1– G.5	A review with regard to the cyber environment to ensure that appropriate data and information governance processes and controls, e-commerce defences, proactive security and strong incident management processes across the business are in place.	LOITS, a subsidiary of the Parent Company, LOLC Holdings PLC manages the cyber security of the Company and the Parent Company reviews and monitors the cyber environment of the Group.
H. ENVIRONMENT, SOCIETY AND GOVERNANCE		
H.1 – H.5.	Adherence to the ESG principles	**Complied with** Refer Introduction to the Report and Social and Relationship Capital Report.

COMPLIANCE WITH SECTION 9 OF THE LISTING RULES ISSUED BY COLOMBO STOCK EXCHANGE

Section	Principle, compliance and implementation	Compliance Status
9.1.3	Disclosure in the Annual report with regard to the extent of compliance with the Rule	**Complied with** The status of compliance with Section 9 is given below.
9.2.1	Listed Entities shall establish and maintain the following policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Entity on its website; (a) Policy on the matters relating to the Board of Directors (b) Policy on Board Committees (c) Policy on Corporate Governance, Nominations and Re-election (d) Policy on Remuneration (e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities (f) Policy on Risk management and Internal controls (g) Policy on Relations with Shareholders and Investors (h) Policy on Environmental, Social and Governance Sustainability (i) Policy on Control and Management of Company Assets and Shareholder Investments (j) Policy on Corporate Disclosures (k) Policy on Whistleblowing (l) Policy on Anti-Bribery and Corruption	**Complied with**
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted.	None
9.2.3	(i) List of policies in place as per Rule 9.2.1, with reference to website (ii) Any changes to policies adopted	**Complied with**
9.2.4	The Company shall make available all such policies as set out in 9.2.1 to shareholders upon a written request being sent for such policy	Noted for compliance
9.3.1/9.3.2	The following Board subcommittees should be established and maintained at a minimum and shall function effectively: -	
	a) Nominations & Governance Committee	Complied with
	b) Remuneration Committee	Complied with
	c) Audit Committee	Complied with
	d) Related Party Transactions Review Committee	Complied with

Section	Principle, compliance and implementation	Compliance Status
9.3.3	The Chairperson of the Board cannot be a Chairperson in any of the aforesaid subcommittees	**Complied with** The Chair of the board does not serve as the chair of any board subcommittee
9.4.1	Listed Entities shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Entity. a) The number of shares in respect of which proxy appointments have been validly made; b) The number of votes in favour of the resolution; c) The number of votes against the resolution; and d) The number of shares in respect of which the vote was directed to be abstained.	**Complied with**
9.4.2	Communication and relations with shareholders and investors	**Complied with** A policy on communication with shareholders and investors is already in place. The contact person is notified to the public on the Company's website. Any significant/ material issues raised by the shareholders/investors are communicated to all directors and addressed where necessary in a transparent manner. The company conducted its shareholder meetings through virtual or hybrid means in compliance with the guidelines issued by the CSE.
9.5.1 & 9.5.2	A Policy on governing matters relating to the Board of Directors should be established with specific requirements prescribed by the Exchange (a) to (j) and to disclose the level of compliance or non-compliance with reasons/remedial actions	**Complied with** A Policy on governing matters relating to the Board of Directors is in place
9.6.1	The Chairperson should be a Non-executive Director and the positions of Chairperson and CEO shall not be held by one person; unless a Senior Independent Director (SID) is appointed by the Listed entity	**Complied with** The positions of Chairman & CEO are held by 2 individuals. Mr. I. C. Nanayakkara serves as the Executive Chairman while Mr. T. Sanakan serves as the Executive Director & Chief Executive Officer of the Company. In compliance with the rule, Mr. K. Sundararaj has been appointed as the Senior Independent Director
9.6.2 & 9.6.3	The Market announcement with regard to the non-compliance with Rule 9.6.1 and the rationale for appointing the SID	**Complied with** Since the Chairmanship is held by Mr. I. C. Nanayakkara, an Executive Director, the Board intends to retain him in the capacity of an Executive Director considering his business acumen which navigated the Group to become one of the most profitable institutions in Sri Lanka. Thus, Mr. K. Sundararaj has been appointed as the SID w.e.f. from 1st Jan 2025.

Section	Principle, compliance and implementation	Compliance Status
9.7.5	(a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria (b) Any non-compliance/s and remedial action taken	**Complied with** Annual Fit & Proper Declarations have been obtained as per the requirement of Rule 9.7.4. and the board members have complied with the relevant criteria. The said criteria were considered when recommending the re-election of directors retiring by rotation before the AGM.
9.8.1 & 9.8.2	The Minimum number of Directors on the Board should be 5 and the total minimum number of Independent Directors should be 2 or 1/3 of the Board, whichever is higher	**Complied with** The Board comprised of 7 Directors including 2 Independent Non-Executive Directors
9.8.3	A director shall not be considered independent if he/she does not fulfil the criteria defining independence under sections 9.8.3 and 9.8.4 of the Rules.	**Complied with** Both Independent Directors have been appointed in accordance with the rule.
9.8.5	The listed entity shall ensure; a) Each independent director submits a declaration with criteria specified by the Exchange b) The Board shall make an annual determination as to independence / non independence and set out the names of directors determined to be independent in the Annual Report c) If the Board determines that the independence of and independent director has been impaired against any criteria set out in 9.8.3 it shall make an immediate market announcement thereof	**Complied with** The Company has established a process for determination of independence based on the requirements of this Rule.
9.9	An alternate Director can be only appointed for a minimum period of one year under special circumstances and he/she should be of the same nature of Directorship	Noted for future compliance should the need arise.
9.10.1	A policy on the maximum number of directorships its board members shall be permitted to hold A director shall hold office as director in any number of companies/societies/bodies including subsidiaries and associates of the Company, subject to however, in the case of listed entities, such appointments being limited to 20.	**Complied with**
9.10.2	Immediate market announcement upon appointment of new director setting out resume, capacity of directorship, statement indicating if such appointment has been reviewed by the Nominations & Governance Committee	**Complied with**
9.10.3	Immediate market announcement regarding any changes to the composition of the Board / subcommittees specified in Rule 9.3	**Complied with**
	Listed entities shall disclose the following in relation to Directors in the Annual Report:	**Complied with**

Section	Principle, compliance and implementation	Compliance Status
9.10.4	a) name qualifications, brief profile, b) nature of expertise in relevant functional area c) whether either the director or close family member/s has any material business relationship with the directors of the listed entity, d) whether executive, non executive and or independent. e) Total number of names of companies in which the director concerned serves as a director/KMP indicating if these are listed f) Capacity of the position held whether executive or non executive g) Number of board meetings of the listed entity attended during the year h) Names of board committees in which the director serves as chairperson or member i) Details of attendance of committee j) Terms of reference and powers of the SID	Please refer Board profiles, SID report, Board of Directors and subcommittee reports for the details.
9.11 & 9.11.4	**Nomination and Governance Committee** The Company shall have a Nominations and Governance Committee to maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board together with written Terms of Reference. **Composition** The members of the Nominations and Governance Committee shall; (1) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. (2) Not comprise of Executive Directors of the Listed Entity. (3) An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors. (4) The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Entity	**Complied with** The Committee comprises the following members: - C. Wijesinha - Committee Chairman - K. Sundararaj - Committee Member - Mrs. K. U. Amarasinghe - Committee Member Please refer Committee Report.

Section	Principle, compliance and implementation	Compliance Status
9.12 & 9.12.6	**Talent Development & Remuneration Committee** The Company shall have a Remuneration Committee that conforms to the requirements of these regulations and shall have a written Terms of Reference **Composition of the Remuneration Committee** The Committee shall comprise; (1) A minimum of 3 Directors out of which a minimum of 2 shall be independent (2) Not consist of Executive Directors (3) Chairperson to be an Independent Director	**Complied with** As of 31st March 2026 the Committee comprised 3 Non-Executive Directors of whom 2 are independent. - K. Sundararaj – Committee Chairman - C. Wijesinha – Committee Member - Mrs. K.U. Amarasinghe – Committee Member Please refer committee report
9.13	**Audit Committee**	
9.13.1	The listed entity shall have an Audit Committee conforming with the requirements set out in Rule 9.13	**Complied with** Please refer Report of the Audit Committee.
	Where Listed Entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed Entities shall additionally perform the Risk Functions set out in Rule 9.13 of these Rules.	
9.13.2	The Committee shall have written Terms of Reference clearing defining scope, authority and duties	
9.13.3	1) Should comprise minimum of 3 directors of the listed entity of whom a minimum of 2 or a majority which ever is higher shall be independent directors; and shall not comprise any executive directors of the listed entity;	As of 31st March 2026 the Committee comprised 3 Non-Executive Directors of whom 2 are independent. - K Sundararaj - Independent Director/Committee Chairman - C Wijesinha - Independent Director/Committee Member - Mrs. K U Amarasinghe - Non-Executive Director/Committee Member
	2) The quorum for a meeting of the Audit Committee shall require the majority in attendance to be independent	
	3) The Committee may meet as often as required provided that it compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market	
	4) An independent director shall be appointed as chairperson of the committee	
	5) Unless otherwise determined by the Audit Committee, the CEO and the CFO of the listed entity shall attend meetings by invitation.	The Committee does not include any Executive Directors and GCEO and the Head of Finance attend the meetings by invitation
	6) The Chairperson of the Audit Committee shall be a member of a recognised professional accounting body	Mr. K. Sundararaj is a Fellow member of the Institute of Chartered Accountants of Sri Lanka
9.13.4	Functions of the Audit Committee	Refer Audit Committee Report
9.13.5	Disclosures in the Annual Report	Complied with

Section	Principle, compliance and implementation	Compliance Status
9.14	Related Party Transactions Review Committee	
9.14.2	Composition of the Related Party Transactions Review Committee	**Complied with** The RPTR Committee is comprised of two Independent Non-Executive Directors and two Non Executive Directors. - C Wijesinha - Committee Chairman - K Sundararaj -Committee Member - Mrs K U Amarasinghe – Committee Member - W D K Jayawardena-Committee Member Please refer Report of the RPTR Committee.
9.14.3-9.14.4	Functions and general requirements Refer Report of the Related Party Transactions Review Committee for details	**Complied with**
9.14.8(1)	Disclosure of non-recurrent Related Party Transactions exceeding 10% of the Equity or 5% of the Total Assets, whichever is lower (in the specified format)	**Complied with** Refer Note no 42 to the Financial Statements.
9.14.8(2)	Disclosure of recurrent Related Party Transactions exceeding 10% of the gross revenue/ income (in the specified format)	**Complied with** Refer Note no 42 to the Financial Statements.
9.14.8(3)	Disclosure requirements regarding the Related Party Transaction Review Committee under Rule 9.14	**Complied with** Please refer Report of the RPTR Committee
9.14.8(4)	Affirmative declaration by the Board of Directors on compliance with RPT Rules or negative statement to that effect.	**Complied with** Please refer Report of the RPTR Committee and Board of Directors report
9.16	Additional disclosures by Board of Directors under Rule 9.16	**Complied with** The relevant declarations by the Board of Directors are included in their report

THE AUDIT COMMITTEE PLAYS AN IMPORTANT ROLE IN ENSURING THE INTEGRITY OF FINANCIAL REPORTING, THE INTERNAL CONTROL ENVIRONMENT AND RISK MANAGEMENT PROCESSES.

COMMITTEE MEMBERSHIP, INDEPENDENCE AND EXPERIENCE

The Committee membership is solely comprised of Non-Executive Directors namely:

» Mr. K. Sundararaj
Independent Non-Executive Director - Chairman

» Mr. Chitral Wijesinha
Independent Non-Executive Director - Member

» Mrs. Kalsha Amarasinghe
Non-Executive Director - Member

Mr. K.Sundararaj is a Fellow member of the Institute of Chartered Accountants of Sri Lanka. Mr. Chitral Wijesinha is a licensed financial adviser in New Zealand and an active member of the Wealthpoint Financial Adviser Provider (FAP) network). Both Committee Members have recent and relevant financial experience as required by the Code. The Board considers that the Committee members collectively have competence relevant to the Group's sectors, in addition to their general management and commercial experience.

TERMS OF REFERENCE (TOR) OF THE COMMITTEE

The Audit Committee Charter clearly defines the Terms of Reference, the composition and role and responsibilities of the Committee and is reviewed periodically to ensure that emerging trends in the business environment are adequately addressed within the Committee's functions.

ROLE OF THE COMMITTEE

The Committee's main role is to monitor and review the integrity of the Company's financial information. This includes recommending to the Board whether the Company's Annual Report and Accounts, taken as a whole, simple and fair, balanced and understandable and whether the assessment of the group's going concern assumptions and longer term viability are reasonable. The Committee is also responsible for providing assurance to the Board that the Group's internal control and risk management systems are fit for the purpose and regularly reviewed as well as overseeing the effectiveness and independence of the external auditors including recommending to the Board the approval of fees and appointment.

MEETINGS

Meetings of the Committee are scheduled to take place four times a year and occur in line with the financial and reporting cycles of the Company. Meetings are generally held prior to Board meetings so that optimum collaboration with the Board is maintained. Members and their attendance at meetings during the year are set out in the table below. Each meeting followed a distinct agenda to reflect the financial reporting cycle and particular matters for the Committee's consideration. Committee members hold private sessions with the External Auditors to provide an additional opportunity for open dialogue and feedback without management present.

The invitations to attend Audit committee meetings are extended to all Directors including the Chair of the Board, the Group Chief Executive Officer, the Company Secretaries, Head of Finance and Chief Manager Enterprise Risk Management. The External Auditors are invited prior to releasing the interim financial statements for the last quarter as well as to discuss key audit matters and the Management Letter. The Head of IT is invited at the time of any updates required on the Group's information security strategy. Heads of relevant departments and HR are invited when relevant Internal Audits reports are being discussed.

The Chair provides updates to the Board on the proceedings, considerations and findings of each meeting.

During the year under review four meetings were held and the attendance were as follows:

	31.05. 2025	15.08.2025	14.11.2024	13.02.2026	Total
Mrs. K. U. Amarasinghe	✓	✓	×	✓	3/4
K. Sundararaj (Chairman)	✓	✓	✓	✓	4/4
C. Wijesinha	✓	✓	✓	✓	4/4

FINANCIAL REPORTING

The primary role of the Committee in relation to financial reporting is to monitor the integrity of the Group's published financial information including reviewing its full-year and quarterly financial results. The Committee undertakes this with both management and the External Auditors and concentrates on ensuring compliance with the relevant financial and governance reporting requirements. The Committee considers the principal accounting policies that are used when preparing these results as well as reviewing the significant accounting issues and areas of judgements made and other key areas of focus. The Committee receives regular reports from the Director/GCEO to support this work. The Committee has continued to focus on the key audit matters. All of these matters were conducted to the satisfaction of the Committee.

FAIR, BALANCED AND UNDERSTANDABLE REPORTING

The Committee considered whether the overall reporting was consistent with the quarterly financial statements, the industry as a whole and the wider economic environment. In addition, the Committee assessed whether suitable accounting policies had been adopted by the Group and reviewed papers prepared by the Senior Management on the main financial reporting judgements as well as the External Auditor's reports on the yearly results.

RISK MANAGEMENT

The Committee reviewed the Group's principal and emerging risks and mitigation strategies, with particular discussion around prioritised risks and risk movements. A robust assessment of the Group's principal risks were carried out.

The Committee continued to oversee the Group's progress across Risk & Audit, People and Technology. This included monitoring the continued progress in relation to IT general controls, technology security and control initiatives to mitigate the Group's risk exposure and responsiveness to changing environments. The Committee reviewed assessments undertaken by the Internal Audit and was satisfied that the issues had been identified promptly and that appropriate remediation of underlying controls were implemented.

INTERNAL AUDIT

Internal Audit functions are provided by the Enterprise Risk Management (ERM) division of the parent Company, LOLC Holdings PLC. The Assistant General Manager of ERM reports directly to the Committee, with a remit to provide independent and objective assurance over the Group's prioritised risks and management structures. Internal Audit plays an integral role in the Group's governance structure and provides regular reports to the Committee on the effectiveness of systems, processes and controls across the Group.

Internal Audit's activity is primarily driven by the Internal Audit Plan (the Audit Plan) that reflects the key risks the Group faces, the governance frameworks, management structures and the operations. Following approval by the Committee and the Board, on an annual basis, the Audit Plan remains under review and subject to change throughout the year to ensure changes to the risk profile or key drivers are appropriately considered. The Committee reviews and approves if any changes to the Audit Plan and receives regular updates on the outcome of the work performed.

Management culture is considered through evaluation of the control environment as part of every audit undertaken. Several other assurance activities are conducted including continuous controls reviews, post-implementation audits, and other management-requested assurance.

The results of these reviews are also presented and reviewed by the Committee. The Committee approved the Audit Plan for the FY 2025/2026. The Committee satisfied itself with the effectiveness of Internal Audit by considering the results of the assessments, as well as through ongoing review and oversight of the assurance activities.

INTERNAL CONTROLS

Management is responsible for identifying and managing risks, and for maintaining a sound system of internal control. The internal control framework is intended to effectively manage rather than eliminate the risk of failure to achieve the business objectives. It can only provide reasonable, but not absolute, assurance against the risk of material misstatement or financial loss. The key elements of the Group's internal control framework are monitored throughout the year and the Committee has conducted a review of the effectiveness of the Group's risk management and internal control systems on behalf of the Board. The Committee's review of the effectiveness of internal controls has encompassed a review of various reports provided by management, Internal Audit and External Audit.

EXTERNAL AUDITORS

M/s. Deloitte Partners continued as the Group's External Auditors for the 2025/26 financial year. The Committee reviewed the role of the External Auditors and the scope of its work.

The Committee also considered the effectiveness of the External Auditors on an ongoing basis during the year. Amongst others, the review covered the Auditors' independence, objectivity and professional aspects. The Committee is satisfied that the External Auditors have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements, based on their annual declaration provided to the Committee.

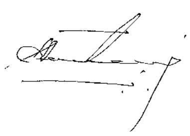
The group has restricted the areas where the external auditors can provide non-audit services, such that only certain types of non- audit services which are closely related to an audit or required by law or regulation can be provided. The Committee oversees the process for approving all non-audit work provided by the External Auditors to safeguard the objectivity and independence of the auditors and comply with regulatory and ethical guidance. Details of fees charged by the External Auditors during the year under review are set out in Note 8 to the Consolidated Financial Statements.

M/s. Deloitte Partners were first appointed in 2018 and re-appointed each year at the AGM. The Committee reviews the re-appointment of the External Auditors annually. Having considered the matters detailed above, the Committee recommended to the Board the re-appointment of Deloitte Partners as the External Auditors of the Company for the financial year ending 31st March 2027 subject to the approval of the shareholders, at a remuneration to be agreed by the Board.

The effectiveness of the Committee was evaluated at the conclusion of the period under consideration by each member of the Committee and the results communicated to the Board.

FAIR, BALANCED AND UNDERSTANDABLE STATEMENT

The Committee considered this Annual Report and Financial Statements, taken as a whole, and concluded that the disclosures, as well as the processes and controls underlying its production, were appropriate and complied with financial reporting requirements under the relevant financial reporting related regulations and other regulatory requirements. The Committee recommended to the Board that the Annual Report and Financial Statements for the year ended 31st March 2026 is fair, balanced and understandable while providing the necessary information to assess the Company's position and performance, business model and strategy.



K.Sundararaj
Chairman - Audit Committee

22nd August 2026

Talent Development And Remuneration Committee Report

This year saw another very strong performance for the Company, reflecting the continued work our people have done in strengthening our position in the sectors we operate. We have grown our market share and delivered strong profit growth, global supply chain disruptions and cost inflation.

We have invested in talent, empowered our leaders and incentivised our teams with stretching targets. This has been key to the exceptional Group performance. Given the importance of our people, the Group ensured that we continued to offer competitive pay and benefits during the year.

This review took into account the resilience of delivery given the impact of ongoing external challenges that were outside of management's direct and indirect control, as well as the overall experience of the Group's stakeholders.

The Committee undertook the annual review of incentives taking into account, a range of relevant factors. Salary adjustments during the year under review was in line with the framework offered by the Parent Company. The annual bonus was based on a balanced set of key financial and strategic priorities for the year.

COMPOSITION

The members of the Talent Development & Remuneration Committee are:

» Mr. K. Sundararaj
  Chairman – Independent Director

» Mrs. Kalsha Amarasinghe
  Member/Non-Executive Director

» Mr. Chitral Wijesinha
  (Member - Independent Director)

Director/GCEO and Head of Human Resources of the Company are invited to the meetings, with the Company Secretaries functioning as its Secretary..

ACTIVITIES FOR THE YEAR UNDER REVIEW

The Committee met once during the year to review of the effectiveness of remuneration policies and practices in support of strong historical performance, and the next phase of the Company's development was conducted. The Committee was satisfied that purpose of the remuneration policy remains to attract, retain and motivate the talent capable of delivering the Group's purpose and strategy and provide clear leadership. In this way, it aims to create long-term sustainable performance and increased shareholder value. The aggregate remuneration of the Executive and Non- Executive Directors are given in Note No. 8 to the Financial statements.

The Committee also considered on the incentives provided for staff and reviewed the methods imposed by the management to attract new talent into the Group. The Committee was satisfied that the Management had been able to retain key talents amidst prevailing economic crisis and political instability.

The effectiveness of the Committee was evaluated at the conclusion of the period under review by each member of the Committee and the results were communicated to the Board.

K. Sundararaj
Chairman - Talent Development & Remuneration Committee

22nd August 2026

The Related Party Transactions Review Committee Report

The Board has established the Related Party Transactions Review Committee (RPTR Committee) in order to review the related party transactions of Brown and Company PLC and its subsidiaries.

COMPOSITION

The Committee is appointed by the Board and comprises four Non-Executive Directors out of which two are independent. An Independent Non-Executive Director acts as the Chairman of the Committee.

The members are;

» Mr.C.Wijesinha
Chairman /Independent Non-Executive Director

» K.Sundararaj
Member/ Independent Non-Executive Director

» Mrs. Kalsha Amarasinghe
Member /Non-Executive Director

» Kapila Jayawardena
Member/Non-Executive Director

The Director/CEO of the Group attends the meetings by invitation.

The Company Secretaries provide assistance to the members of the Committee, including but not limited to assisting the Committee Chair in planning the work of the Committee, formulating meeting agendas, maintenance of committee minutes, collation and distribution of information required by the Committee and providing practical support, as and when needed.

COMMITTEE MEETINGS

The Committee met four times during the year under review. The minutes of all meetings were properly documented and communicated to the Board of Directors.

Any member of the Committee who has a potential interest in any Related Party Transaction will disclose his/her interests therein and excuse and abstain from discussions leading to the eventual voting and approval of the Related Party Transaction/s. The RPTR Committee considers all relevant facts and circumstances respecting such transaction/s.

The attendance details during the year under review were as follows:

	30.05.2025	15.08.2025	14.11.2025	13.02.2026	Total
Kalsha Amarasinghe	-	✓	✓	✓	3/4
Kapila Jayawardane	✓	✓	✓	✓	4/4
Chitral Wijesinha	✓	✓	✓	✓	4/4
K.Sundararaj	✓	✓	✓	✓	4/4

ROLE OF THE COMMITTEE

The RPTR Committee is tasked with reviewing all Related Party Transactions of the Company and ensuring that they comply with the Listing Rules of the Colombo Stock Exchange (CSE). The Committee reviews and pre-approves all proposed non-recurrent Related Party Transactions of the Company. Further, the Committee reviews all recurrent Related Party Transactions on a quarterly basis and annually to ensure compliance with the limits and reporting guidelines specified by the Listing Rules of CSE.

REVIEW OF THE YEAR

» The Committee reviewed all related party transactions, and ensured there were neither any non-recurrent transaction nor transactions that require the approval of shareholders of the Company (except for the exempted transactions under Rule 9.14.10 of the CSE Listing Rules);

» Obtained required information from the management, employees or external parties with regard to any transaction entered into with a related party;

» After each meeting, the Committee updated the Board on any disclosures that need to be made in Quarterly Financial Statements or the Annual Report, any other market disclosures with regard to any particular related party transaction and any other observations or comments that may require the attention of the Board;

» Ensured that no Director of the Company participated in any discussion of a proposed related party transaction for which he or she is a related party, unless such Director was requested to do so by the Committee for the express purpose of providing information concerning the Related Party Transaction to the Committee;

» Established guidelines and policies for the management and reporting of related party transactions. The Committee also considered the necessary market disclosures in a timely and detailed manner and disclosures in the Annual Report as required by the applicable rules/regulations;

» Assessed the adequacy of related party reporting systems along with the advice of the External Auditors;

» Ensured that all reporting requirements of the CSE Listing Rules and other relevant statutes and regulations are met;

» The Committee was satisfied that all related party transactions of the entity were transacted on normal commercial terms and were not prejudicial to the interests of the entity and its minority shareholders.

» The effectiveness of the Committee was reviewed at year end by each member and results reviewed and gaps communicated to the Board.

DECLARATION

The Committee has reviewed all related party transactions during the period which were communicated to the Board of Directors by the Committee and has established that they are in the best interest of the Company and comply with all standards of best practice and reporting. A declaration by the Board of Directors as an affirmative statement of compliance with the Listing rules pertaining to RPTs is given on pages 72 to 75 of this report. The recurrent and non-recurrent related party transactions of the Company under Rule 9.14.8 are given in detail on pages 199 to 200.

Chitral Wijesinha
Chairman - Related Party Transactions Review Committee

22nd August 2026

Business Operations Committee Report

This Committee was formed in 2006 to strengthen the business operations of the Company.

The Committee presently comprises of the Executive Chairman and two Non- Executive Directors namely,

» Ishara Nanayakkara
  Executive Chairman

» Kalsha Amarasinghe
  Non-Executive Director

» Kapila Jayawardena
  Non-Executive Director

The primary responsibility of this Committee is to look at strategic directives and investments for the Group, prior to being ratified by the Board, so as to have a better representation in this process and to expedite decisions.

The Committee meets depending on need and urgency.

The Browns Group is in the process of expanding, which includes not only investments into the existing manufacturing and trading operations but also in areas that are strategic and would complement the core growth strategies of the organisation. The Committee also evaluates the pros and cons of such substantial investments and the related opportunity costs of funds, to have a better balance between the growth strategies and stakeholder requirements. In such evaluations the Committee endeavours to strike a balance between the short, medium and long-term investments in order to post continuous and harmonious growth without interruption.

Ishara Nanayakkara
Executive Chairman

22nd August 2026

Report of The Nominations & Governance Committee

The Nominations and Governance Committee is a sub-committee of the Board. It comprises entirely of Non-Executive Directors, a majority of whom are independent. The membership of the Committee as of 31st March 2026 was as follows:

» C Wijesinha
Committee Chairman/ Independent Director

» K Sundararaj
Committee Member/ Independent Director

» Mrs. K U Amarasinghe
Committee Member/ Non-Executive Director

ROLE AND RESPONSIBILITIES

The primary mandate of the Committee is to assist the Board in fulfilling its oversight responsibilities regarding:

» Identifying and evaluating candidates qualified to become Board members.

» Revising the structure, size, and composition of the Board.

» Overseeing succession planning for the Board and Key Management Personnel (KMP).

» Reviewing and monitoring the company's corporate governance framework and code of conduct.

» Evaluating the overall effectiveness and independence of the Board, its committees, and individual directors.

KEY ACTIVITIES AND DECISIONS

During the reporting period, the Committee successfully executed the following key initiatives:

» **Governance and Regulatory Compliance:** The Committee monitored evolving corporate governance regulations and ensured that the Policy on Disclosure and Maintenance of Beneficial Ownership was reviewed and recommended for board approval in compliance with the amended Companies Act No. 12 of 2025.

» **Periodic Evaluations:** During the year under review, the Board conducted its Fit & Proper Evaluations and Declaration of Independence on the directions of the Committee. Results of the Board evaluation were discussed by the committee and noted by the Board.

» **Board Diversity:** To ensure a well-rounded and effective Board, the Committee continued to implement the Board Diversity Policy, prioritising diversity in professional experience, skill sets, geographic knowledge, age, and gender.

» **Re-election of Directors:** The Committee reviewed the performance, fitness, and propriety of directors seeking re-election at the Annual General Meeting (AGM) and recommended their continuation on the Board.

As required by the Articles of Association of the Company the Committee recommended the retirement by rotation of ;

Mrs K U Amarasinghe, Non-Executive Director for re-election in terms of Article No. 24(6).

The Committee ensures that all Directors are required to submit themselves for re-election at regular intervals and at least once in every three years in accordance with the provisions of the Articles of Association of the Company.

» Information pertaining to Director who has been proposed for re-election in terms of the Articles of Association (as required by Rule No. 9.11.6 of the Corporate Governance Rules of the Colombo Stock Exchange) are appended below:

Description	Mrs K U Amarasinghe (Article 24(6))
Date of first appointment as a Director	24.07.2012
Date of last re-election as a Director at an AGM	29.09.2022
Board Committees Served on during the year under review	Audit, RPTRC, NGC & TD&RC
Present directorships in listed Companies	Please refer pages 232 to 240
Any relationships including close family relationships between the Director proposed for re-election and other directors, the Company or its shareholders holding more than ten per centum (10%) of the shares of the Company	Mrs Amarasinghe shares a close family relationship with the Executive Chairman, Mr I Nanayakkara who holds a 0.14% stake in this Company.

TERMS OF REFERENCE

The Company has a board approved Terms of reference for the Nomination & Governance Committee. It sets out the authority, composition, scope and responsibilities of the Committee taking into consideration the Corporate Governance requirements set out in the Listing Rules of the CSE.

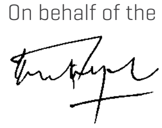
INDEPENDENT DIRECTORS

The Committee is of the opinion that M/s C Wijesinha and K Sundararaj have met the criteria for determining their independence based on their professionalism, conduct, expertise and experience. The said Directors have also submitted declarations in accordance with the requirements of the revised CSE Listing Rules 9.8.5. Based on the recommendation of the Committee the Board has determined that M/s C Wijesinha and K Sundararaj can appropriately be classified as Independent Directors as of report date.

COMPLIANCE WITH THE LISTING RULES OF THE CSE

The Committee has received and reviewed reports from management regarding the Company's compliance with the corporate governance framework. Based on this review, the Committee confirms that, to the best of its knowledge, all Corporate Governance requirements outlined in the Listing Rules have been fully met.

On behalf of the Committee



Chitral Wijesinha
Chairman
Nominations & Governance Committee
22nd August 2026

FINANCIAL INFORMATION

WE WILL CONTINUE TO WORK TOWARDS BUILDING A MORE RESILIENT BUSINESS THAT WILL ENSURE CONTINUITY AND SAFEGUARD OUR 151-YEAR-OLD LEGACY.

Annual Report of The Board of Directors

The Directors of Brown and Company PLC have pleasure in presenting to members their Report and the Audited Consolidated Financial Statements for the year ended 31st March 2026.

The Financial Statements and the disclosures made herein conform to the requirements of the Companies Act No. 7 of 2007. The Report also includes relevant disclosures required to be made under the Listing Rules of the Colombo Stock Exchange and is guided by the recommended best practices on accounting and corporate governance.

BROWN AND COMPANY PLC

Brown and Company PLC is a public limited liability Company incorporated in Sri Lanka on 17th August 1892 under the Joint Stock Companies Ordinance 1861 and the Company was re-registered as required under the provisions of the Companies Act No. 07 of 2007 on 25th July 2007. The Company was listed on the Main Board of the Colombo Stock Exchange on 25th April 1991 and was transferred to Diri Savi Board with effect from 15th October 2018. The Registered Office of the Company is No. 481, T.B. Jayah Mawatha, Colombo 10. The Business Office is situated at No. 34, Sir Mohamed Macan Markar Mawatha, Colombo 3.

VISION, MISSION AND CORPORATE CONDUCT

The Vision and Mission statements are given on Inner Cover of this Annual Report.

The Company conducts its business activities at a high level and maintains ethical standards in achieving its vision and mission. The Board of Directors of the Company as well as its employees have pledged to abide by and comply with the respective Codes of Conduct and Ethics.

PRINCIPAL ACTIVITIES

Browns Group consists of a portfolio of diverse business operations in the commercial market today by continuously expanding in all business segments in line with the core strategy of creating wealth for all stakeholders.

The principal activities of Brown and Company PLC and the review of the Group's progress and performance during the year with comments on the financial results and prospects are given in the Management Discussion and Analysis section on pages 6 to 38 of this Report.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The Browns Group will continue to align itself with strategic areas in the national economy, with Sri Lanka well positioned to grow in sectors such as leisure and tourism, construction, agri business, trading and manufacturing, among others. Large construction projects that are in the pipeline offer significant potential for related goods and services marketed by the organisation.

GROUP REVENUE

The Revenue of the Group was Rs.154 Bn as compared with Rs. 105 Bn in the previous year. A detailed analysis of the Group Revenue is given in Note No 4 of the Financial Statements.

GROSS PROFIT

The Group's Gross Profit for the year was Rs. 31 Bn compared with the Group's Gross Profit of Rs.23 Bn for the previous year.

GROUP INVESTMENTS

Investments of the Group and the Company in subsidiaries, associates, joint ventures, long term and short term investments amounted to Rs. 22 Bn (2025 - Rs. 48 Bn) and Rs. 138 Bn (2025 - Rs. 125 Bn) respectively. A detailed description of the subsidiaries, associates, joint ventures, long term and short term investments are fully described in Notes 17 to 19 and Note 26 respectively.

PROPERTY, PLANT AND EQUIPMENT

Information relating to the movement in Property, Plant and Equipment is given in Note 11 of this Financial Statements.

MARKET VALUE OF PROPERTIES

Revaluations are made with sufficient regularity for land and buildings owned by the Group and the Company by independent professional valuers. A detailed description is given in Notes 11 and 13 to the Financial Statements.

STATED CAPITAL

The Stated Capital of the Company as at the date of this Report is Rs.9,093,101,000 consisting of 212,625,000 ordinary shares. (2025 - Rs.9,093,101,000 consisting of 212,625,000 ordinary shares).

RESERVES

The total Group Reserves as at 31st March 2026 amounts to Rs. 102 Bn as compared with Rs. 91 Bn in the previous year.

SEGMENT REPORTING

Segment wise contribution to the Group revenue, results, assets and liabilities is provided in Note 46 to the Financial Statements.

TAXATION

Income tax expense for the Group is Rs. 69 Mn compared to (Rs. 3 Bn) in the previous year. Income tax expense for the Company is (Rs. 1 Bn) compared to (Rs. 1.2 Bn) in the previous year. Taxation has been provided at the appropriate rates indicated in Note 9 of the Financial Statements.

SHARE HOLDINGS / SHARE INFORMATION

The market value of an ordinary share of the Company as at 31st March 2026 was Rs. 150/25 (31st March 2025 – Rs. 158/25) The number of shareholders as at 31st March 2026 was 5,540. (31st March 2025 – 4,856) An analysis of shareholders based on shares held, the distribution of ownership and market values for the last five years are provided on pages 230 to 231.

The information in respect of earnings, dividends, net assets per share is given on page 1.

SHAREHOLDERS

It is the Group's policy to treat its shareholders equitably and maximise shareholder wealth. Quarterly returns of financial results with any developments or changes are hosted on the CSE website.

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Events Occurring after the Balance Sheet Date are disclosed in Note 45 to the Financial Statements.

EMPLOYMENT POLICIES

The Group employment policies respect the individuals and offer equal career opportunities, regardless of sex, race or religion and consider the relationship with the employees to be good. The number of persons employed in Brown and Company PLC and its Direct Subsidiaries (Excluding Browns Investments PLC) as at 31st March 2026 was 1,115 (31st March 2025 was 1,078).

The Company promotes a culture of teamwork, integrity and dedication and remuneration is linked to performance by annual appraisals of both qualitative and quantitative performance of all employees.

CUSTOMERS

The Group strongly believes in investing time and effort to understand the unique needs of its customers and delivering solutions that provide the best value at competitive prices. By consistently meeting customer expectations with excellence, the Group strives to build long-term relationships and foster customer loyalty. In essence, our focus is on delivering exceptional customer experiences. In addition, the Company conducts customer awareness programmes and customer service campaigns to enhance engagement and satisfaction. The Company serves both corporate and retail customer segments.

SUPPLIER POLICY

The Group places significant importance on maintaining strong and mutually beneficial relationships with its suppliers. It fosters supplier loyalty by ensuring timely payments and upholding transparent communication regarding payment terms, which are clearly defined as part of commercial agreements.

STATUTORY PAYMENTS

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its Group Companies, all contributions, levies and taxes payable on behalf of, and in respect of the employees of the Company and its Group Companies and all other known statutory dues as were due and payable by the Company and Group Companies as at the Statement of Financial Position date have been paid or, where relevant provided for.

ENVIRONMENTAL PROTECTION

It is the Group policy to keep the adverse effect on the environment to a minimum and to promote co-operation and compliance with the relevant authorities and regulations.

CORPORATE GOVERNANCE & INTERNAL CONTROL

The Board of Directors has acknowledged the responsibility to ensure good governance in conducting the Business activities of the Company and confirms that the Company is compliant with section 9 of the Listing Rules of the Colombo Stock Exchange and has also adopted the relevant Corporate Governance practices recommended by the Securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka. Through participation in various workshops / forums and updates from the Company Secretaries and the Management, the Board of Directors keeps abreast of laws, rules, regulations and changes thereto,

PROFIT AND APPROPRIATIONS

Group	**2026 Rs. 000**	2025 Rs. 000
Balance as at 1st April	**76,851,802**	33,838,400
Profit/(Loss) for the year	**(15,558,548)**	32,427,654
Other Comprehensive income	**(588,821)**	(739,318)
Adjustments due to change in group holdings	**10,497,138**	11,325,066
Balance as at 31st March	**71,201,571**	76,851,802

Company	**2026 Rs. 000**	2025 Rs. 000
Balance as at 1st April	**76,851,802**	33,838,400
Profit/ (Loss) for the year	**(15,558,548)**	32,427,654
Other Comprehensive income	**(588,821)**	(739,318)
Adjustments due to change in group holdings	**10,497,138**	11,325,066
Balance as at 31st March	**71,201,571**	76,851,802

DIRECTORATE

The Directors of the Company during the year under review were as follows:

- Ishara Nanayakkara
  Executive Chairman
- Kapila Jayawardena
  Non-Executive Director
- Kalsha Amarasinghe
  Non-Executive Director
- Danesh Abeyrathne
  Executive Director
- Thamotharampillai Sanakan
  Executive Director /Chief Executive Officer
- Chitral Wijesinha
  Independent Non-Executive Director
- Kandiah Sundararaj
  Senior Independent Non-Executive Director

The Board of Directors hereby declare that the Directors and the CEO of the entity satisfy the Fit and Proper Assessment Criteria as stipulated in the Listing Rules of the Colombo Stock Exchange as per their respective declarations made during the year.

Mr. Ishara Nanayakkara, being an Executive Director the Board intends to retain him in the capacity of an Executive Director (being also a shareholder) taking into consideration his business acumen in navigating the group to become one of the most profitable institutions in

Sri Lanka. Therefore, Mr. K. Sundararaj has been appointed as the Senior Independent Director (SID) with effect from 1st January 2025 in terms of rule 9.6 of the Listing Rules, The statement of SID is given on page 78.

DIRECTORS' MEETINGS

The Directors conduct Board Meetings at least once a Quarter and as and when necessary. Board decisions are resolved by resolutions at meetings, by circulation and also through circular Board papers which are approved and signed by all the Directors and tabled at the Board Meetings. The Minutes of the Board Meetings, the Agenda for the next meeting and the Management Reports are circulated to all the Directors in advance of the meetings.

The schedules of Directors' attendance at Board Meetings and at the Board Committee Meetings are appended in the Corporate Governance Report on pages 40 to 63.

RE-ELECTION OF DIRECTORS

In accordance with Article No. 24(6) of the Articles of Association of the Company Mrs K U Amarasinghe, Non-Executive Director retires by rotation and being eligible, offers herself for re-election.

BOARD COMMITTEES

The Board has established committees for better monitoring and guidance of different aspects of operations and control.

AUDIT COMMITTEE

» Kandiah Sundararaj
  Chairman /Senior Independent Director
» Chitral Wijesinha
  Member/ Independent Director
» Kalsha Amarasinghe
  Member/ Non-Executive Director

The report of the Audit Committee is given on pages 64 to 66.

TALENT DEVELOPMENT & REMUNERATION COMMITTEE

» K. Sundararaj
  Chairman/Senior Independent Director
» Kalsha Amarasinghe
  Member/ Non-Executive Director
» Chitral Wjesinha
  Member/ Independent Director

The report of the Committee is given on page 67.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

» Chitral Wijesinha
  Chairman/ Independent Director
» K. Sundararaj
  Member/Senior Independent Director
» Kapila Jayawardena
  Member/ Non-Executive Director
» Kalsha Amarasinghe
  Member/ Non-Executive Director

The report of the Related Party Transactions Review Committee is given on page 68.

BUSINESS OPERATIONS COMMITTEE

» Ishara Nanayakkara
  Executive Chairman
» Kalsha Amarasinghe
  Non-Executive Director
» Kapila Jayawardena
  Non-Executive Director

The report of the Business Operations Committee is given on page 69.

GROUP MANAGEMENT COMMITTEE

» Ishara Nanayakkara
  Executive Chairman

The Members of the Senior Management

NOMINATIONS AND GOVERNANCE COMMITTEE

» C. Wijesinha
  Independent Director (Committee Chairman)
» K. Sundararaj
  Senior Independent Director/Member
» Mrs. K. Amarasinghe
  Non-Executive Director/Member

FIT AND PROPER ASSESSMENT OF DIRECTORS

In accordance with Rule 9.7.4 of the Colombo Stock Exchange's Listing Rules, declarations were obtained from the directors attesting to their continuous satisfaction of the Listing Rules' fit and proper assessment criteria as of the declaration date and throughout the financial year under review

DIRECTORS' INTEREST IN CONTRACTS

The Directors in terms of Section 192 of the Companies Act No 7 of 2007, have declared their interests in contracts with the Company.

The Directors confirm that all material interests in contracts involving the Company have been disclosed to the Board and wherever any Director is materially interested in a contract or proposed contract with the Company, they would refrain from voting on such contracts. Other directorships held by the Directors are disclosed in Board profiles on pages 2 to 4 Directors of subsidiaries are given on pages 232 to 240.

INTEREST REGISTER

The Directors have made the declarations required by the Companies Act No. 7 of 2007. These have been entered into the Interest Register which is maintained by the Company.

The Company carried out transactions in the ordinary course of business with entities in which a Director of the Company is a Director. The transactions with entities where a Director of the Company either has control or exercises significant influence have been classified as related party transactions and disclosed in Note No 42 to the Financial Statements.

RELATED PARTY TRANSACTIONS

In terms of Section 9.14 of the Listing Rules of the CSE, there were no related party transactions that required shareholder approval or non-recurrent related party transactions that required immediate market disclosures during the year under review except those which were duly disclosed by way of market announcements via CSE website.

The Directors declare that the Company has complied with Section 9.14 of the Listing Rules of the CSE.

DIRECTORS' SHAREHOLDINGS

The Directors' interests in shares as at 31st March 2026 and 31st March 2025 were as follows :-

	As at 31st March 2026	As at 31st March 2025
Sampath Bank PLC/ Ishara Nanayakkara	299,700	299,700
Kapila Jayawardena	Nil	Nil
Kalsha Amarasinghe	Nil	Nil
Chitral Wijesinha	Nil	N/A
Kandiah Sundararaj	Nil	N/A
Danesh Abeyrathne	Nil	Nil
Thamotharampillai Sanakan	Nil	Nil

REMUNERATION OF DIRECTORS

The Directors' emoluments are disclosed in Note No 8 to the Financial Statements.

According to the Remuneration policy of the Company, compensation must be commensurate with performance and input in order to encourage and motivate employees. Both staff and director compensation have been determined with consideration for this policy.

The Talent Development & Remuneration Committee report is given on page 67.

LIST OF MAJOR SHAREHOLDERS

The list of 20 major shareholders and the percentage held by each as at 31st March 2026 is given on page 231 of the Financial Statements.

SUBSIDIARY AND ASSOCIATE COMPANIES AND ITS DIRECTORS

The Directors of subsidiary and associate companies as at date are given on pages 232 to 240 of this Annual Report.

AUDITORS' REPORT

The Auditors of the Company Messrs Deloitte Partners, Chartered Accountants have carried out the audit of the Consolidated Financial Statements for the financial year ended 31st March 2026 and their Report on the Financial Statements appear on pages 90 to 93 of this Annual Report.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the Financial Statements are given on pages 103 to 123.

COMPANY SECRETARIES

L O L C Corporate Services (Private) Limited serves as the Company Secretaries of the Company.

ANNUAL REPORT

The Board of Directors approved the Consolidated Financial Statements on 21st August 2026. The appropriate number of copies of this report will be submitted to the Colombo Stock Exchange and to the Sri Lanka Accounting and Auditing Standards Monitoring Board in due course

Furthermore, to the best of the knowledge of the Directors, the Company has not engaged in any activity that contravenes any applicable law or regulation, and has been in compliance with all prudential requirements, regulations and laws. Furthermore, the directors confirm that there were no fines which are material imposed on the Company by any governmental or regulatory authority in the country.

The Company is fully compliant with the Listing Rules of the Colombo Stock Exchange, as of report date.

ANNUAL GENERAL MEETING

The 134th Annual General Meeting will be held on the 24th September 2026 at 11.00 a.m. as an online audio-visual meeting at LOLC Holdings PLC, No.100/1, Sri Jayawardenapura Mawatha, Rajagiriya. The Notice of the Annual General Meeting is given on page 242.

AUDITORS

In accordance with Section 154 (1) of the Companies Act No. 7 of 2007 a resolution proposing the re-appointment of Messrs. Deloitte Partners, Chartered Accountants as the Auditors of the Company for the ensuing financial year will be proposed at the Annual General Meeting.

In terms of Section 155 (a) of the Companies Act No. 7 of 2007 a resolution authorising the Directors to fix the remuneration of the Auditors Messrs. Deloitte Partners, Chartered Accountants for the ensuing financial year will be proposed at the Annual General Meeting.

The fees paid to the Auditors are disclosed in Note 8 to the financial statements.

As far as the Directors are aware, the Auditors do not have any relationship (other than that of an Auditor) with the Company or any of its subsidiaries other than those disclosed above. The Auditors also do not have any interest in the Company or any of its Group Companies.

For and on behalf of the Board

Ishara Nanayakkara
Executive Chairman

Thamotharampillai Sanakan
Director/GCEO

Secretaries
L O L C CORPORATE SERVICES (PRIVATE) LIMITED
Colombo

22nd August 2026

The Statement of Directors' Responsibility

The responsibility of the Directors in relation to the Financial Statements for the year ended 31st March 2026 which have been prepared and presented in conformity with the requirements of the Sri Lanka Accounting Standards, the Listing Rules of the Colombo Stock Exchange and the Companies Act No.7 of 2007, is set out in the following statement.

The responsibility of the Auditors in relation to the Financial Statements is set out in the Report of the Auditors on pages 90 to 93 of the Report. As per the provisions of the Companies Act No. 7 of 2007, the Directors are required to prepare Financial Statements, for each financial year and place before a General Meeting which comprise of:

1] An Income Statement, which presents a true and fair view of the profit and loss of the Company and its subsidiaries for the financial year;
2] 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;
3] A Statement of Changes in Equity which presents a true and fair view of the changes in the Company's and its Subsidiaries retained earnings for the financial year;
4] A Statement of Cash Flow which presents a true and fair view of the flow of cash in and out of the business for the financial year;

and which comply with the requirements of the Act.

The Directors are of the view that, in preparing these Financial Statements:

» The appropriate accounting policies have been selected and applied in a consistent manner. Material deviations, if any have been disclosed and explained;
» All applicable Accounting Standards, as relevant, have been followed;
» Judgements and estimates have been made which are reasonable and prudent.

The Directors are also of the view that the Company has adequate resources to continue in operation and have applied the going concern basis in preparing these Financial Statements.

Further, the Directors have a responsibility to ensure that the Company maintains sufficient accounting records to disclose, with reasonable accuracy the financial position of the Company and of the Group, also to reflect the transparency of transactions and to ensure that the Financial Statements presented comply with the requirements of the Companies Act.

The Directors are also responsible for taking reasonable steps to safeguard the Assets of the Company and that of 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.

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 by the Company and its subsidiaries as at the Balance Sheet date have been paid or, where relevant provided for.

The Board of Directors confirms that the Company, based on the information available, satisfies the Solvency test as and when required according to the Section 56(2) of the Companies Act No 07 of 2007.

By order of the Board

Ishara Nanayakkara
Executive Chairman

22nd August 2026

Group Chief Executive Officer’s and Head of Finance’s Responsibility Statement

The Financial Statements of the Company are prepared in compliance with the following regulations;

- Sri Lanka Accounting Standards (SLFRS/LKAS) issued by The Institute of Chartered Accountants of Sri Lanka
- The Companies Act No. 07 of 2007
- Sri Lanka Accounting & Auditing Standards Act No.15 of 1995
- Code of Best Practice on Corporate Governance issued by CA Sri Lanka.

The Company has used the Accounting policies appropriately to prepare its Consolidated Financial Statements in a consistent manner except unless otherwise stated in the Notes accompanying the Financial Statements. No deviations from the prescribed Accounting Standards were reported in their adoption. The Audit committee of the Company has reviewed significant accounting policies and estimates that involved a high degree of judgement and complexity. The Comparative information has been provided whenever required to comply with the current presentation.

The Board and the Management hereby confirms that they are responsible for preparation and presentation of these financial statements which give a true and fair view of the financial performance and position of the Company. The relevant estimates and judgements were made on a prudent and reasonable basis. For this purpose, proper and adequate measures have been taken to adopt a system of internal controls and accounting records, which are reviewed and updated on a regular basis.

The Company continuously update its accounting controls to ensure prudence and completeness of the financial statements which ensures that the accounting records are free from error and omission. The existing internal controls are regularly reviewed and updated in order to ensure that it functions properly. All procedure manuals are updated whenever necessary and they are easily accessible to all the staff

The Financial Statements of the Company and its subsidiaries for the financial year end of 31st March 2026 were audited by Messrs. Deloitte, Chartered Accountants. Periodic internal audits have been conducted by the internal auditors of the Company to provide reasonable assurance that the Company has followed its established policies and procedures consistently. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls and accounting.

The internal and external auditors of the Company are invited to join the quarterly Audit Committee meetings as and when required to review the performance or to discuss on the audit procedures adopted. Major audit observations and issues regarding any internal controls are discussed with the management during the meetings. Both auditors have free and full access to the members of the Audit committee to discuss any matters of substance.

Thamotharampillai Sanakan
Director/GCEO

Priyantha Udagama
Head of Finance

22nd August 2026

Statement of the Senior Independent Director

The Board of Directors of Brown & Company PLC is committed towards maintaining high standards of Corporate Governance and has been encouraging the Management to improve its governance practices and processes continuously. The Company ensures that it complies with the mandatory requirements whilst embracing voluntary requirements as and when required.

In terms of Section 9 of the Listing Rules, the Company has appointed the Senior Independent Director (SID), as the Chairman of the Board holds an Executive position, thereby to ensure that no individual has unfettered powers of a decision making within the Board.

The Executive Chairman is responsible to provide leadership to the Board whilst the SID is responsible to review the effectiveness of the Board's activities.

Therefore, the presence of the SID will add value to the performance of the Board and support the Chairman performing his duties and responsibilities. With regard to governance related matters, as the SID, I am consulted by the Chairman and I make myself available to any Director to have confidential discussions on affairs of the Company, as and when required.

In order to create long-term value for our stakeholders, I firmly believe that responsible leadership, an engaged and capable Board, an extensive policy framework, efficient controls, and an organisational culture are essential.

K Sundararaj

Senior Independent Director

22nd August 2026

SLFRS Sustainability Related Disclosure

BASIS OF PREPARATION

Compliance with SLFRS Sustainability Disclosure Standards

This Sustainability Report has been prepared in accordance with SLFRS S1 and SLFRS S2, which are aligned with the ISSB Sustainability Disclosure Standards and have been adopted and localised by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

Disclosure topics in the Sustainability Accounting Standards Board (SASB) standards have been referred to and considered when preparing this report. These standards were also considered in the Group's materiality assessment process and the determination of key sustainability matters presented in this Report.

Connectivity with financial statements (reporting period, reporting entity, and presentation currency)

The sustainability report has been prepared for the group and should be read in conjunction with the Group's consolidated financial statements which are prepared in accordance with the Sri Lanka Financial Reporting Standards (SLFRS). This report covers the financial year ended 31 March 2026 and is aligned with the reporting period of the related consolidated financial statements.

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

- short term (0 to 12 months)
- medium term (1 to 5 years)
- long term (beyond 5 years)

The sustainability-related financial disclosures cover the Brown & Company PLC and its material sectoral companies. In preparing these sustainability-related financial disclosures, the company has assessed its own operations and its value chain.

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

First-time adoption of IFRS Sustainability Disclosure Standards and transition reliefs

The Group is reporting under the SLFRS Sustainability Disclosure Standards for the first time for the annual reporting period ended 31st March 2026. It has applied the following standards for its annual reporting period commencing 01st April 2025:

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

As of 31st March 2026, there are no other IFRS Sustainability Disclosure Standards issued by the ISSB and adopted by CA Sri Lanka.

The company has adopted for all available transitional reliefs allowed during the first year of adoption of the SLFRS S1 and S2 reporting framework as outlined below;

- SLFRS S1 - Disclosure of information on only climate related risks and opportunities (CRROs): In the first annual reporting period in which an entity applies this Standard, the entity is permitted to disclose information on only CRROs (in accordance with SLFRS S2) and consequently, apply the requirements in this Standard only in so far as they relate to the disclosure of information on CRROs. As this is the group's first reporting period under SLFRS Sustainability Disclosure Standards, the Company has applied available transitional reliefs relating to climate-related disclosures.
- SLFRS S1 - Disclosure of comparative information in the first annual reporting period in which the entity applies this Standard, it is not required to disclose comparative information about its CRROs and in the second annual reporting period in which the entity applies this Standard, it is not required to disclose comparative information about its sustainability - related risks and opportunities (SRROs), other than its CRROs.
- SLFRS S2 - Disclosure of qualitative information regarding anticipated financial effects of CRROs Entities are permitted to defer the disclosure of qualitative information regarding anticipated financial effects or a period of two years following the mandatory application of the standard.
- SLFRS S2 - Disclosures on Climate resilience: A relief period of two years is granted to apply the requirements from the date of mandatory application to fully comply with climate resilience disclosure requirements.

As this is the group's first reporting period under SLFRS Sustainability Disclosure Standards, the Group has applied available transitional reliefs relating to climate-related disclosures.

Certain quantitative climate-related metrics, including greenhouse gas emissions disclosures and aspects of value chain information, are still under development due to evolving data collection processes, system limitations and methodological considerations.

The group continues to enhance its internal capabilities, governance framework, and reporting processes to support more comprehensive climate related disclosures in future reporting periods.

Reporting Entity, Organisation Boundary and Value Chain

Brown & Company PLC is one of Sri Lanka's most diversified conglomerates. LOLC Holdings PLC, serves as the Group's strategic investment arm. The Company has built a robust and balanced portfolio across high-growth sectors including leisure and hospitality, agriculture and plantations, and construction and real estate.

Guided by a long-term investment philosophy, BI focuses on sectors with strong growth potential while maintaining a prudent balance between risk, profitability, and liquidity. The Company's diversified holdings not only ensure resilience in dynamic market conditions but also support sustainable value creation for all stakeholders.

Over time, the company used the capabilities, capital, institutional knowledge and market experience developed through its plantations and leisure operations to expand into a broad portfolio and real-economy sectors.

Today, Browns Investment operates as a global, multi-sector conglomerate with activities spanning plantations and leisure.

The Group has established operations and investments across Asia, Africa and other international markets. This geographic diversification enables the company to access emerging markets, broaden its revenue base, transfer expertise across jurisdictions and participate in the economic development of the markets in which it operates.

The Group's financial reporting identifies the following principal operating-sector groupings:

» Leisure and entertainment; and
» Plantations and agriculture.

Value chain

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

Significant Judgements and Uncertainties

In the process of preparing this sustainability report, management has exercised judgement in a number of areas, including the process of identifying sustainability-related risks and opportunities and identifying material information to report. Additionally, the preparation of this report requires the use of estimates for certain amounts which cannot be measured directly. Estimates have been made where the sustainability information relates to an entity in the value chain and needs to be estimated, is related to forward-looking information, or involves data limitations.

This section outlines the most critical judgements made by management in preparing this sustainability report as well as the amounts that are subject to a high degree of measurement uncertainty.

Significant Judgements

Area	Description
Materiality process	Management applied significant judgement to identify the sustainability-related risks and opportunities that could reasonably be expected to affect the company's prospects, as well as the material information related to those risks and opportunities. Judgement was also applied in considering which metrics included within the disclosure topics in the industry-based SASB Standards were applicable to the Group.
Organisational boundary for GHG emissions	The company has applied the operational control approach to determine its organisational boundary for reporting GHG emissions. The operational control approach requires the Group to identify the operations over which the Group has full authority to introduce and implement operational policies. Both the determination of organisational boundary consolidation approach and the identification of operations over which the Group has operational control are areas of significant judgement. 1. Brown and Company PLC 2. Browns Investments PLC 3. Browns Group of Companies - Direct Subsidiaries

Measurement Uncertainty

The following amounts have a high degree of measurement uncertainty:

Area	Description
GHG-related metrics	The Group measures its GHG emissions in accordance with the GHG Protocol unless otherwise stated as required by SLFRS S2. The related disclosed metrics are subject to inherent high uncertainties arising from reliance on activity data and emission factors obtained from third parties. Where activity data and emission factors cannot be obtained on a timely basis, or are incomplete, estimation is used.
Climate physical risk – extreme weather events	There is significant uncertainty regarding how climate change, including the effect of the increase/decrease in GHG emissions, will affect the frequency and intensity of the future extreme weather events in the region where the Group operates. These uncertainties arise from the variability in climate projections and the potential unexpected changes in weather behaviour due to shifting weather patterns and evolving climate conditions as well as the corresponding impacts to the company's operations. Hence, the measurement of anticipated financial effects due to extreme weather events, in the short, medium and long term, is subject to significant measurement uncertainty.

Sustainability Governance

As the group operates within the sustainability governance framework established by the company and the parent group and it is aligned with the Group's overall sustainability strategy and objectives. Oversight of sustainability-related and climate-related matters is provided through the Group Board Sustainability Committee, which offers strategic direction and guidance on environmental, social, and governance (ESG) matters across the Group's operations including oversight of sustainability and climate related risks and opportunities, responsibilities for governance, review and approval of sustainability disclosures, and alignment with S1 and S2 requirements. Within the company sustainability governance structure company represents the Insurance sector pillar.

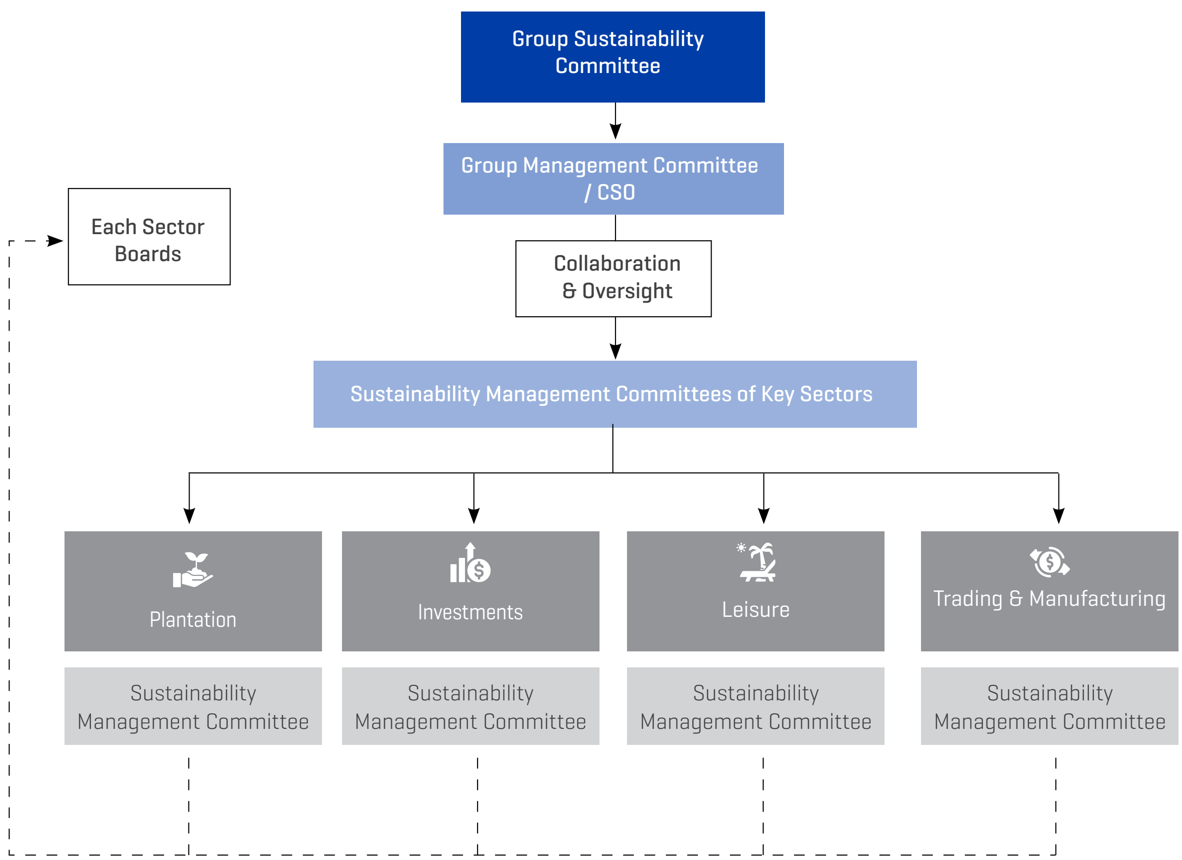
At the Group level, board is responsible for implementing the Group's sustainability policies, action plans, and reporting requirements in a manner appropriate to the group's operational context. Sustainability-related risks and opportunities, including climate-related matters, are monitored and integrated into operational and risk management processes in alignment with the Group's governance framework. All heads of subsidiaries are members of sustainability management committee of the LOLC group headed by Chief operating officer and Head of HR act as the sustainability coordinator to represent the group level sustainability management committee. The Board of directors of Brown & Company PLC is kept informed and obtain necessary approvals for all the processes carried out by group level sustainability management committee on periodic basis.

Members of the Board and relevant management personnel have participated in sustainability awareness and capacity building programmes, including training on SLFRS S1 and SLFRS S2, to strengthen their understanding of sustainability related and climate related disclosure requirements and their integration into strategic and operational decision-making, to strengthen understanding of sustainability and climate related disclosure requirements and their integration into business operations and decision making.

Progress relating to sustainability initiatives and material sustainability-related and climate-related risks and opportunities is periodically reported to the Group's governance structures to support effective oversight, accountability, and continuous improvement in sustainability performance.

The Board of Directors of LOLC has oversight of the approach to sustainability issues, and it is supported by the Sustainability Management Committee within Brown & Company PLC.

An overview of the LOLC Group's sustainability governance structure which covers the Brown & Company PLC as well is set out below:



Risk Management

The processes and policies used to identify and assess sustainability-related risks, including climate-related risks, are described in the Basis of Materiality section below. The risk assessment process incorporates both qualitative and quantitative considerations and evaluates the nature, likelihood, and potential magnitude of identified risks and opportunities.

Sustainability-related risks and opportunities, including climate-related matters, are identified through the Brown & Company PLC's materiality assessment process and are evaluated alongside other strategic and operational risks. Following identification, these risks and opportunities are assessed, prioritised, and monitored through the Group's established sustainability and risk management framework to support informed decision-making, effective oversight, and long-term value creation.

The Brown & Company PLC Sustainability Committee is responsible for the operational management and oversight of sustainability-related and climate-related risks and opportunities, as well as other material sustainability matters across the Brown & Company PLC. The Committee oversees the identification, assessment, monitoring, and review of sustainability-related risks and opportunities, ensuring the implementation of appropriate mitigation and adaptation measures and the integration of sustainability considerations into business strategies, operations, and decision-making processes.

Progress against sustainability-related initiatives and action plans is regularly monitored through Company Sustainability Committee meetings and measured against agreed action items and the Company's sustainability roadmap. Sustainability-related risks and opportunities are subject to ongoing review to ensure their continued relevance in the context of evolving business conditions, stakeholder expectations, and regulatory developments. Details of the Brown & Company PLC's key sustainability-related risks and opportunities are presented in the Risks and Opportunities section below.

Basis of Materiality

This year marks the first reporting period in which Brown & Company PLC has prepared sustainability-related financial disclosures in accordance with the SLFRS Sustainability Disclosure Standards. Accordingly, the Group conducted a comprehensive materiality assessment to identify the sustainability-related risks and opportunities that could reasonably be expected to affect its prospects over the short, medium and long term. Although this is the company's first report prepared in accordance with the SLFRS Sustainability Disclosure Standards, sustainability-related risks and opportunities affecting the Group's diversified operations have previously been considered through its established risk management, strategic planning and operational decision-making processes.

Brown & Company PLC determines the materiality of sustainability-related financial disclosures by assessing how environmental, social, and governance (ESG) factors may affect the Group's business model, strategy, operations, financial performance, and long-term value creation. These assessments consider both the Group's internal activities and, where relevant and practicable, its broader value chain, including relationships with customers, suppliers, business partners, and other stakeholders.

The purpose of this process was to identify information on sustainability-related risks and opportunities that could reasonably be expected to affect the Group's prospects, as well as influence decisions made by primary users of general-purpose financial reports. Management specifically focused on existing and potential investors (shareholders or holders of preferred shares), lenders and other creditors in general.

Sustainability matters are considered material where they have the potential to influence the Group's financial position, performance, cash flows, or future prospects over the short, medium, and long term. The outcomes of the materiality assessment guide the Group's sustainability strategy, risk management processes, and sustainability-related disclosures.

Environment-related risks and opportunities

Identification of Material Sectors

The Group identified the following two sectors as material for the purposes of its sustainability- and climate-related disclosures:

- » Manufacturing and Trading
- » Leisure and Entertainment
- » Plantation
- » Investments

These sectors were identified primarily based on their contribution to Brown & Company PLC's consolidated revenue during the reporting period. Revenue was selected as the principal quantitative basis because it provides a consistent and measurable indication of the relative scale of each sector's operations and its significance to the Group's overall business model and financial performance.

Accordingly, the sectors contributing a significant proportion of the Company's consolidated revenue were considered more likely to be exposed to sustainability- and climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects. Such effects may arise in relation to the Group's financial performance, financial position, cash flows, access to finance and cost of capital over the short, medium and long term.

Climate-related Risks and Opportunities by Material Sector

Hotel and Leisure Sector

Climate change affects the Hotel and Leisure sector through physical damage, changing tourism patterns, increasing regulatory expectations, technological change and evolving customer preferences.

- » Disruption of Operations Due to Extreme Weather Events

Nature of the Risk

The hotel portfolio is exposed to acute risks such as flooding, extreme rainfall and storm surges, and chronic risks including sea-level rise, coastal erosion and rising temperatures.

These risks may disrupt operations, damage assets, increase operating costs and affect tourism demand and long-term asset values.

Risk Classification and Time Horizon

Classification: Acute and chronic physical risk

Time horizon: Short, medium and long term

Effects on the Business Model and Value Chain

Current Effects

Flooding and extreme rainfall may restrict guest access, reduce occupancy and result in temporary operational constraints. Staff mobility and the supply of essential goods and services may also be affected during severe weather.

Coastal erosion and saline intrusion represent emerging risks for beachfront properties. Higher temperatures increase cooling demand, energy consumption and discomfort associated with outdoor guest activities, particularly at inland and dry-zone properties.

Anticipated Effects

Sea-level rise may affect the usability, infrastructure integrity and value of coastal assets over the long term.

More frequent flooding may result in recurring disruptions, higher maintenance requirements and greater dependence on resilient infrastructure. Changing rainfall and temperature patterns may also alter tourism seasons and destination preferences.

Concentration of the Risk

The risk is concentrated within hotel operations, coastal assets, inland and dry-zone properties, access infrastructure and climate-sensitive supply chains.

Effects on Strategy and Decision-Making

Climate risk is currently addressed mainly through operational responses and business continuity measures. The sector intends to integrate climate adaptation more systematically into capital allocation, site selection, refurbishment and asset-development decisions.

Planned responses include:

» Flood protection and improved drainage;

» Elevation of critical infrastructure;

» Energy-efficient cooling and passive cooling technologies;

» Enhanced business continuity and disaster recovery;

» Property-level climate vulnerability assessments;

» Climate scenario analysis; and

» Diversification towards lower-risk locations.

Financial Effects

Current effects may include booking cancellations, reduced occupancy, repair and maintenance expenditure and higher cooling costs. These impacts are presently episodic and have not been identified as materially affecting long-term asset valuations.

Future effects may include greater revenue volatility, higher maintenance and insurance costs, adaptation capital expenditure and possible impairment indicators for beachfront assets.

Climate Resilience

The sector's resilience will depend on property-level adaptation, geographic diversification, adequate insurance, business continuity and the timely integration of climate exposure into investment decisions.

The relevant transitional relief has been applied where a quantitative resilience assessment or scenario analysis has not yet been completed.

Metrics and Targets

Hotels affected by extreme weather events during the reporting period: Nil.

Future indicators may include weather-related closure days, revenue lost from disruptions, adaptation expenditure and the percentage of properties subject to climate-risk assessments.

During the reporting period, Browns Hotels & Resorts completed a comprehensive greenhouse gas (GHG) inventory for five key hotel properties using operational data collected in accordance with internationally recognised GHG accounting principles. Based on the verified results, room-based emission factors were established and applied to estimate greenhouse gas emissions for the remaining operational properties where complete data were not yet available. Using this methodology, the Group's total estimated Scope 1 and Scope 2 GHG emissions for the reporting period were approximately 9,178 tCO_2e. Browns Hotels & Resorts recognises that these estimates will be further refined as data collection systems continue to mature. The Group is committed to expanding property-level GHG quantification and verification across all hotels in future reporting periods to enhance the accuracy, consistency and completeness of its climate-related disclosures.

» Regulatory and Conduct Risk Arising from Increasing Transparency Expectations

Nature of the Risk

Increasing expectations for standardised ESG reporting, climate disclosures and compliance with environmental, safety, labour and consumer-protection requirements may increase the sector's compliance obligations.

Failure to comply may result in fines, license restrictions, reputational damage and reduced customer confidence.

Risk Classification and Time Horizon

Classification: Transition Risk

Time horizon: Short, medium and long term

Effects on the Business Model and Value Chain

Current Effects

The sector operates within regulatory frameworks governing tourism, environmental management, health and safety, labour practices and consumer protection.

National climate and sustainable-tourism policies are increasingly encouraging lower-carbon, resource-efficient and climate-resilient operating models.

SLFRS S1 and SLFRS S2 are also influencing governance, reporting, data collection and consideration of climate-related matters in investment decisions.

Anticipated Effects

The sector expects greater standardisation of ESG information across properties, suppliers and guest services.

The value chain may require enhanced traceability, environmental data and reporting aligned with recognised sustainable-tourism principles and national certification expectations.

Stronger environmental and waste-management requirements may also accelerate circular-economy practices, sustainable sourcing and reduced reliance on single-use materials.

Concentration of the Risk

The risk is concentrated within compliance, operations, procurement, sustainability reporting and guest-facing communications.

Effects on Strategy and Decision-Making

Strategic decisions currently focus on compliance with tourism, environmental and safety requirements.

Future priorities may include:

- Obtaining recognised sustainable-tourism certifications;
- Strengthening environmental and labour compliance;
- Improving sustainability communication;
- Formalising sustainable-material and packaging requirements;
- Developing more robust esg data systems; and
- Incorporating climate and sustainability factors into development and refurbishment decisions.

Financial Effects

Current effects primarily comprise data-collection, reporting, certification and compliance expenditure.

Future effects may include additional expenditure on ESG systems, assurance, certifications, waste-management arrangements and supplier engagement. Strong alignment may support investor confidence, sustainable finance and market competitiveness, while non-alignment may create reputational and commercial risks.

Metrics and Targets

Sustainability-related regulatory non-compliances: Nil.

- Technological Obsolescence Due to Green Market Shifts

Nature of the Risk

Existing hotel infrastructure and systems may become less efficient or competitive as the hospitality industry adopts low-carbon, energy-efficient and sustainability-driven technologies.

Delayed upgrades may result in higher operating costs, reduced market attractiveness and long-term asset value erosion.

Risk Classification and Time Horizon

Classification: Transition risk

Time horizon: Short, medium and long term

Effects on the Business Model and Value Chain

Current Effects

Sustainability-related technology adoption is progressing through refurbishment programs, lighting and HVAC upgrades, infrastructure improvements and solar installations at selected properties.

However, these technologies are not yet uniformly embedded across the portfolio.

Anticipated Effects

The sector may need to adopt:

- Renewable energy;
- Smart energy-management systems;
- Digital environmental monitoring;
- Green-building principles;
- Sustainable procurement;
- Low-emission vehicles; and
- Energy- and resource-efficient operating technologies.

Failure to keep pace may affect occupancy, pricing power, asset performance and competitiveness.

Concentration of the Risk

The risk is concentrated within property infrastructure, energy systems, refurbishment decisions, transportation and operational technology.

Effects on Strategy and Decision-Making

Current technology investments are mainly driven by maintenance, efficiency and cost considerations.

Future capital allocation is expected to place greater emphasis on smart-building technologies, energy optimisation, low-emission transport and ESG criteria within asset-development and refurbishment decisions.

Additional capability may also be required in sustainable hospitality, digital systems and green technology.

Financial Effects

Current financial effects include capital expenditure on refurbishments and energy-efficiency upgrades and continued exposure to utility-price fluctuations.

Future effects may include higher capital expenditure, depreciation and implementation costs. Over time, efficient technologies may reduce operating costs, improve energy-price stability and strengthen market positioning.

Metrics and Targets

Assets relocated or abandoned due to carbon-related regulations: Nil.

The sector is developing additional indicators for the percentage of properties using energy-efficient technology and the financial benefits achieved through efficiency improvements.

» Consumer Shift Towards Green Hospitality

Nature of the Risk

Travellers, corporate customers and travel platforms increasingly prefer environmentally responsible and sustainability-certified accommodation.

Properties that do not meet these expectations may experience reduced demand, weaker pricing power and lower competitiveness.

Risk Classification and Time Horizon

Classification: Transition and market risk

Time horizon: Short, medium and long term

Effects on the Business Model and Value Chain

Current Effects

The sector has introduced energy-efficiency initiatives, selected solar installations and conservation activities. These initiatives support brand perception, although sustainability is not yet consistently positioned as a core customer proposition across all properties.

Guest offerings and marketing remain predominantly driven by location, comfort and price.

Anticipated Effects

Demand is expected to shift towards measurable sustainability performance, certified accommodation and authentic nature- and wellness-based experiences.

The sector may need to:

- Expand environmental certification;
- Increase renewable-energy use;
- Embed sustainability in guest experiences;
- Strengthen sustainable sourcing;
- Improve communication of environmental credentials; and
- Integrate sustainability into brand and marketing strategies.

Concentration of the Risk

The risk is concentrated within marketing, product development, customer experience, property positioning and the supplier value chain.

Effects on Strategy and Decision-Making

Sustainability is currently considered mainly through corporate responsibility and efficiency initiatives.

Future strategy may include repositioning selected properties as sustainable destinations, pursuing recognised certifications and incorporating customer sustainability expectations into investment, pricing and product-development decisions.

Financial Effects

Current effects are limited and indirect, including modest sustainability expenditure and brand benefits.

Short-term investments may be required for property enhancements, certification and marketing. In the medium and long term, proactive alignment may support occupancy, pricing power, customer loyalty and asset values. Properties that fail to adapt may face declining relevance and value erosion.

Metrics and Targets

The amount of revenue attributable to green-marketing or sustainability-positioned initiatives has not yet been quantified. Management is currently compiling the relevant data and developing supporting methodologies and controls.

Plantations Sector

The Plantations sector is highly dependent on climate conditions, natural resources, workforce availability and access to international markets. Physical climate events, policy changes and stakeholder expectations may affect crop productivity, infrastructure, operating costs and market access.

» Disruption of Operations Due to Extreme Weather Events

Nature of the Risk

Plantation operations in Sri Lanka, Kenya, Rwanda, Tanzina and Sierra Leone are exposed to extreme rainfall, flooding, landslides, cyclonic conditions and rising temperatures.

These events may disrupt harvesting, transportation, workforce mobility and crop productivity.

Risk Classification and Time Horizon

Classification: Acute and chronic physical risk

Time horizon: Short, medium and long term

Effects on the Business Model and Value Chain

Current Effects

Heavy rainfall affects harvesting schedules, estate roads, drainage systems and transport. Riverine flooding may restrict access to estates, while intense rainfall in elevated regions contributes to soil erosion, slope instability and landslides.

Road blockages may temporarily isolate estate divisions and delay logistics and harvesting. Cyclonic conditions may damage infrastructure, utilities and crops.

Higher temperatures and dry periods may also affect field-worker productivity, water requirements, crop condition and pest prevalence.

Anticipated Effects

Increasing rainfall variability may heighten flood and landslide risk, increase maintenance requirements and disrupt transportation.

Rising temperatures may affect cultivation patterns, yields, labour productivity and water availability. Maintaining productivity may require climate-smart agriculture, slope stabilisation, improved drainage and more resilient infrastructure.

Concentration of the Risk

The risk is concentrated within plantation land, crop areas, estate roads, drainage systems, processing infrastructure and workforce activities.

Effects on Strategy and Decision-Making

Current management is focused on emergency response, worker safety and operational continuity.

Future adaptation may include:

- Improved drainage and flood mitigation;
- Slope stabilisation and retaining structures;
- Resilient estate roads;
- Weather monitoring and early-warning systems;
- Soil conservation and water management;
- Climate-resilient crop practices; and
- Stronger disaster recovery arrangements.

Financial Effects

Current effects include production losses from delayed harvesting, repair and maintenance costs, adaptation expenditure and higher insurance-related costs.

Future effects may include increased operating expenditure, crop losses, reduced productivity, higher infrastructure investment and additional insurance costs.

Metrics and Targets

The proposed metric is the amount of crops affected by extreme weather events. Management is currently compiling the relevant data and establishing the required methodology and controls.

- Policy and Regulatory Risk

Nature of the Risk

Evolving environmental, agricultural, labour and sustainability regulations may increase compliance obligations and operational complexity.

Changes relating to agrochemical use, emissions, traceability, labour practices and ESG disclosure may affect operating costs and access to export markets.

Risk Classification and Time Horizon

Classification: Transition risk

Time horizon: Short, medium and long term

Effects on the Business Model and Value Chain

Current Effects

The sector is subject to environmental, agricultural, labour, food-safety and export requirements. These affect cultivation practices, workforce management, manufacturing, quality assurance and traceability.

International certifications, including Rainforest Alliance and relevant ISO, HACCP, GMP and FSSC standards, support market access and operational control.

Renewable-energy investments provide a degree of energy resilience and reduce reliance on conventional energy sources.

Anticipated Effects

Stricter regulation may require enhanced control over agrochemicals, emissions, traceability and sustainability data.

The sector may need to accelerate low-chemical, regenerative and climate-smart agricultural practices and strengthen digital monitoring systems to maintain access to premium export markets.

Concentration of the Risk

The risk extends across cultivation, procurement, processing, workforce management, certification, logistics and export activities.

Effects on Strategy and Decision-Making

The sector currently monitors policy developments and maintains national and international certifications.

Future strategy may include:

- Expanding sustainable or organic cultivation;
- Increasing certification coverage;
- Strengthening renewable-energy capability;
- Investing in traceability and monitoring systems; and
- Incorporating regulatory scenarios into long-term planning.

Financial Effects

Current financial effects include certification, audit, regulatory reporting, monitoring and training expenditure.

Future effects may include higher compliance and reporting costs and capital expenditure on traceability, digital systems and sustainable farming. Strong alignment may reduce penalties and support continued access to export markets.

Metrics and Targets

Regulatory cases against Plantation sector companies: Nil.

- Increased Stakeholder ESG Expectations

Nature of the Risk

Investors, customers, regulators, certification bodies and export markets increasingly expect sustainable sourcing, climate action, workforce welfare, biodiversity protection, traceability and transparent ESG reporting.

Failure to meet these expectations may affect reputation, market access and competitiveness.

Risk Classification and Time Horizon

Classification: Transition and reputational risk

Time horizon: Short, medium and long term

Effects on the Business Model and Value Chain

Current Effects

Current responses include soil conservation, agroforestry, integrated pest management, water management, renewable energy and reforestation initiatives such as the Browns Roots Project.

Export customers are increasingly requesting evidence of sustainable sourcing, labour practices, environmental stewardship and supply-chain transparency.

Anticipated Effects

Sustainability performance may become a more significant determinant of market access, pricing and competitiveness.

The sector may need to expand biodiversity initiatives, traceability, climate-smart agriculture, renewable energy, emissions management and sustainability disclosures.

Concentration of the Risk

The risk is concentrated across cultivation, processing, sourcing, workforce practices, export relationships and sustainability reporting.

Effects on Strategy and Decision-Making

Current strategic responses include certification, community programmes, environmental stewardship and ethical workforce practices.

Future actions may include clearer climate targets, stronger ESG governance, deforestation-free sourcing, improved traceability and more structured stakeholder engagement.

Financial Effects

Current expenditure relates to sustainability initiatives, certifications, audits, environmental management, community programmes and workforce welfare.

Future expenditure may arise from ESG systems, traceability, emissions reduction and climate-smart technologies. Strong performance may support premium markets and sustainable financing, while weak performance may result in reputational and commercial pressure.

Metrics and Targets

The Group has not established specific metrics and targets for the current reporting period. The Group is currently strengthening its data collection, monitoring and internal reporting processes and intends to develop appropriate metrics and targets during the next reporting period. These metrics and targets will be designed to support the consistent measurement, monitoring and management of the relevant sustainability- and climate-related risks and opportunities.

» Shift in Consumer Preferences Towards Sustainable Products

Nature of the Opportunity

Growing demand for low-carbon, sustainably produced and ethically sourced agricultural products may create opportunities to strengthen brand value, access premium markets and improve pricing.

Classification and Time Horizon

Classification: Transition opportunity

Time horizon: Short, medium and long term

Effects on the Business Model and Value Chain

Current Effects

Renewable-energy investments, sustainable cultivation, integrated pest management, soil conservation and reforestation support the sector’s sustainability credentials.

These activities also contribute to energy resilience, reduced chemical dependency and alignment with certification requirements.

Anticipated Effects

The sector may expand renewable energy, low-emission machinery, sustainable cultivation, product traceability and specialty agricultural products.

Verified sustainability performance may become increasingly important for access to European and other premium export markets.

Effects on Strategy and Decision-Making

Low-carbon initiatives are presently considered through operational efficiency, certification and environmental stewardship.

Future strategy may place greater emphasis on renewable energy, carbon sequestration, climate-smart cultivation and scenario-informed capital allocation.

Financial Effects

Current effects include expenditure on renewable-energy maintenance, reforestation, land management and sustainable cultivation. These costs may be partly offset by lower energy expenditure.

In the short to medium term, higher investment may increase depreciation, funding requirements and implementation costs. Over the longer term, these activities may improve efficiency, pricing, export access and revenue stability.

Metrics and Targets

The Group has not established specific metrics and targets for the current reporting period. The Group is currently strengthening its data collection, monitoring and internal reporting processes and intends to develop appropriate metrics and targets during the next reporting period. These metrics and targets will be designed to support the consistent measurement, monitoring and management of the relevant sustainability- and climate-related risks and opportunities.

Appendix I: Transition Reliefs

	Description	Transition relief under the IFRS Sustainability Disclosure Standards	Transition relief applied in the Report?
A	Relief from disclosing comparative information	Entities are not required to provide the disclosures specified in IFRS S1 for any period before the date of initial application. Accordingly, applicable entities are not required to disclose comparative information in the first annual reporting period in which it applies SLFRS S1. [SLFRS S1 Appendix E3] A similar relief is available in SLFRS S2 where applicable entities are not required to provide the disclosures specified in SLFRS S2 for any period before the date of initial application. Accordingly, applicable entities are not required to disclose comparative information in the first annual reporting period in which it applies SLFRS S2. [SLFRS S2 Appendix C3]	Yes
B	Relief from reporting sustainability-related financial disclosures at the same time as the related financial statements	In the first annual reporting period in which an entity applies SLFRS S1, the entity is permitted to report its sustainability-related financial disclosures after it publishes its related financial statements. In applying this transition relief, an entity shall report its sustainability-related financial disclosures: (a) at the same time as its next second- quarter or half-year interim general purpose financial report, if the entity is required to provide such an interim report; (b) at the same time as its next second- quarter or half-year interim general purpose financial report, but within nine months of the end of the annual reporting period in which the entity first applies SLFRS S1, if the entity voluntarily provides such an interim report; or (c) within nine months of the end of the annual reporting period in which the entity first applies SLFRS S1, if the entity is not required to and does not voluntarily provide an interim general purpose financial report [SLFRS S1 Appendix E4]	No
C	Relief from reporting information about sustainability-related risks and opportunities beyond climate-related risks and opportunities	In the first annual reporting period in which an entity applies SLFRS S1, the entity is permitted to disclose information on only climate-related risks and opportunities (in accordance with SLFRS S2) and consequently apply the requirements in SLFRS S1 only insofar as they relate to the disclosure of information on climate-related risks and opportunities. If an entity uses this transition relief, it shall disclose that fact. [SLFRS S1 Appendix E5] If an entity uses the transition relief in paragraph E5: (a) in the first annual reporting period in which the entity applies SLFRS S1, it is not required to disclose comparative information about its climate-related risks and opportunities; and (b) in the second annual reporting period in which the entity applies SLFRS S1, it is not required to disclose comparative information about its sustainability- related risks and opportunities, other than its climate-related risks and opportunities. [SLFRS S1 Appendix E6]	Yes

	Description	Transition relief under the IFRS Sustainability Disclosure Standards	Transition relief applied in the Report?
D	Measurement method other than the GHG Protocol can be used to measure Scope 1, Scope 2 and Scope 3 GHG emissions	In the first annual reporting period in which an entity applies SLFRS S2, if, in the annual reporting period immediately preceding the date of initial application of SLFRS S2, the entity used a method for measuring its GHG emissions other than the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004), the entity is permitted to continue using that other method. [SLFRS S2 Appendix C4(a)] If an entity uses the relief in paragraph above, the entity is permitted to continue to use that relief for the purposes of presenting that information as comparative information in subsequent reporting periods. [SLFRS S2 Appendix C5]	Yes
E	Relief from disclosing Scope 3 GHG emissions	In the first two annual reporting periods in which an entity applies SLFRS S2, the entity is not required to disclose its Scope 3 GHG emissions which includes, if the entity participates in asset management, commercial banking or insurance activities, the additional information about its financed emissions. [SLFRS S2 Appendix C4(b)] If an entity uses the relief in the above paragraph, the entity is permitted to continue to use that relief for the purposes of presenting that information as comparative information in subsequent reporting periods. [SLFRS S2 Appendix C5]	Yes
F	Relief on disclosing climate-related scenario analysis	In the first two annual reporting periods in which an entity applies SLFRS S2, the entity is not required to disclose information on conducting a climate-related scenario analysis. [SLFRS S2 Para 22]	Yes
G	Relief on disclosing anticipated financial effects	In the first two annual reporting periods in which an entity applies SLFRS S2, the entity is not required to disclose information anticipated financial effects. [SLFRS S2 Para 15(b)]	Yes

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TO THE SHAREHOLDERS OF BROWN AND COMPANY PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Brown and Company PLC (the Company) and the consolidated financial statements of the Company and its subsidiaries (the Group), which comprise the statement of financial position as at 31 March 2026, and the statement of profit or loss, the statement comprehensive income, the statement of changes in equity, the 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 consolidated financial statements of 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 their cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

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

Key Audit Matters

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

The Group and the Company

Key audit matter	How our audit addressed the Key audit matter
Valuation of Investment Properties Refer to notes 3.10 and 13 of the consolidated financial statements for disclosures of related accounting policies, judgments, estimates and balances. As at 31 March 2026, the carrying value of the land and buildings, classified as investment properties of the Company and Group amounted to Rs. 20,637 Mn and Rs. 134,025 Mn respectively. The Company and the Group measures these investment properties at their fair values with the involvement of independent valuers, annually. During the year ended 31 March 2026, the Company and the Group reported gains on changes in fair values of investment property of Rs. 449 Mn and Rs. 3,906 Mn, respectively.	Our audit procedures, including the work performed with the support of component auditors, included the following key procedures: » Evaluating the design and implementation of the controls over management's assessment in determination of fair value of investment properties; » Through inquiries with management, and by inspecting the underlying supporting documents obtaining an understanding of the specific characteristics of selected individual properties including, amongst other things, any properties acquired during the year and changes, if any, in the use of the respective properties; » Meeting with management's independent valuer, who performed the investment property valuations, to assess the appropriateness of the methodologies adopted, and the reasonableness of assumptions and estimates used in the valuations; » Assessing the independence, qualifications, experience and objectivity of management's valuation expert. » Testing the completeness and accuracy of the information provided to the valuer by the management.

The Group and the Company

Key audit matter	How our audit addressed the Key audit matter
The fair values of investment properties are dependent on the valuation methodology adopted by the independent valuer and the inputs into the valuation model. Factors such as prevailing market conditions, the nature, condition and location of each individual property and the expected future income from each property directly impact fair values. We focused on this matter because the: » Investment property balances in the Company's and Group's statements of financial position are significant; » Quantum of fair value gains reported in the Company's and the Group's financial statements; and » Inherently subjective nature of investment property valuations due to the use of estimates, assumptions and judgments in the valuation methodology.	» Comparing a sample of the recent transactions used by the management's valuation expert to ascertain the valuation of the properties with other publicly available sales listings for similar properties in proximity; » Involving the auditor's valuation specialist to evaluate the appropriateness of the valuation methodologies applied and the key assumptions used by management's independent valuer, including comparing those assumptions, on a sample basis, to relevant market data and industry benchmarks; » Inspecting the final valuation reports and agreed the fair values, including the fair value gains recognised to the accounting records and to the financial statements; » Obtaining evidence over the ownership of the investment properties recorded at the statement of financial position date; and » Reviewing the adequacy and appropriateness of management's disclosures in the financial statements relating to investment properties.

The Group and the Company

Key audit matter	How our audit addressed the Key audit matter
Valuation of consumable biological assets Refer to notes 3.14.2 and 16 of the consolidated financial statements for disclosures of related accounting policies, judgments, estimates and movement in the balances. The Group's consumable biological assets recognised in the consolidated financial statement amounted to Rs. 26,508 Mn as at 31 March 2026 and the gains on change in fair values of such biological assets amounted to Rs. 5,082 Mn for the year then ended. Consumable biological assets that are to be harvested as agricultural produce or sold as biological assets are stated at fair value less estimated point-of-sale cost at harvest. Management engaged internal and independent external valuation experts to assist them in determining the fair value of the consumable biological assets. We considered the valuation of consumable biological assets as a key audit matter because of the following: » It requires significant levels of judgment and technical expertise in selecting appropriate valuation models and assumptions; and » Changes in key assumptions such as discount rate, value of timber per cubic meter and available timber quantity, used for the estimation may have a material impact on the carrying value of biological assets recognised in the consolidated statement of financial position and the quantum of gain recognised in the consolidated statement of profit or loss.	Our audit procedures, including the work performed with the support of component auditors, included the following key procedures: » Evaluating the design and implementation of the controls over determination of biological assets directly owned by the subsidiary companies; » Assessing the qualifications, independence, and objectivity of the internal and external valuation experts engaged by the group; » Meeting with management and the management's valuation expert to understand the valuation models and assumptions used in the valuation; » Assessing the accuracy of the input data, used by the valuers and challenged the key assumptions used by the valuation experts. » Checking the completeness and accuracy of the information provided by management to the internal and external valuation expert; » Comparing historical valuations against current year valuations and checking whether the changes in pricing were in line with the overall movement in the market and the actual sales during the year; » Checking the reasonableness of the quantity and growth considered for the valuation, by selecting a sample, and comparing it to the historical timber content and growth; » Obtaining the valuation calculation and testing the mathematical accuracy; » Testing the physical existence of the biological assets that were subject to valuation by performing physical observations on a sample basis; » Agreeing the valuations to the value recorded in the consolidated statement of financial position and checking the resulting gain recognised in the consolidated statement of profit or loss; and » Assessing the adequacy of disclosures made in the consolidated financial statements in relation to the valuation of consumable biological assets.

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The Group

Key audit matter	How our audit addressed the Key audit matter
Business Combination - Recognition of gain on bargain purchase on acquisition of subsidiaries See notes 3.2.6 and 17.5 of the consolidated financial statements for disclosures relating to the accounting policies, judgements, estimates and balances. During the year, Udapussellawa Plantations PLC, a subsidiary of Browns Investments PLC, which is a subsidiary of the Company, acquired a controlling interest in Tea Smallholder Factories PLC. In addition, Browns Power Holdings (Pvt) Ltd and Browns Plantations Holdings (Pvt) Ltd, both wholly owned subsidiaries of Browns Investments PLC, acquired controlling interests in FLMC Plantations (Pvt) Ltd, Pussellawa Plantations PLC, Melfort Green Teas (Pvt) Ltd and Ceylon Estate Teas (Pvt) Ltd. These acquisitions resulted in the Group recognising gains on bargain purchases amounting to Rs. 2,578 Mn. The gain on bargain purchase arose as the provisional fair value of the identifiable net assets acquired exceeded the consideration paid. We considered the recognition of gain on bargain purchase as a key audit matter because of the following: » The amount recognised in profit or loss is significant, thereby having a considerable impact on the financial results; » It involves significant judgment particularly in the provisional fair value assessment of identifiable assets and liabilities; and » The fair value assessment of net assets acquired has a substantial influence, leading to the gain on bargain purchase.	Our audit procedures, including the work performed with the support of component auditors, included the following key procedures: » Reviewing the Sale and Purchase Agreements and considered management's rationale for the acquisitions; » Assessed whether the management appropriately identified the identifiable assets and liabilities, including contingent liabilities, for the purpose of Purchase Price Allocation with reference to subsidiary company's financial statements and other non-financial information available; » Evaluating whether the effective date of the acquisition was in compliance with the requirements of SLFRSs by inspecting the terms and conditions of the Agreements; » Testing the management's calculation of gain on bargain purchase amount by performing the following procedures: • Agreeing the purchase consideration paid on the acquisition to the agreements and payment details; • Verifying the calculation of gain on bargain purchase as the excess of the fair value of identifiable net assets acquired over the purchase consideration and the non-controlling interests (NCI) recognised on the acquisition, ensuring the arithmetic accuracy of the calculation; • Gaining an understanding of the work performed by the management's valuation expert to determine the fair values of identifiable assets by examining the valuation reports; • Assessing the reasonableness of the key assumptions used in the valuation of assets by the management's valuation expert in deriving the fair values with reference to market comparable; and • Assessing the independence, qualifications, and objectivity of external valuation expert engaged by the management. » Assessing the disclosures in the consolidated financial statements, relating to business combinations per the requirements of SLFRSs.

Other Information

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

Our opinion on the financial statements does not cover the other information and we 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 identified above 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 of the Company and the consolidated financial statements of the Group, management is responsible for assessing the Company's/ 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 Company/ 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.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

» Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of the Company and the consolidated financial statements of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company/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 of the Company and the consolidated financial statements of the Group 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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 Company and the consolidated financial statements of the Group of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 4414.

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CHARTERED ACCOUNTANTS

COLOMBO

22nd August 2026

Statement of Profit or Loss

For the year ended 31st March	Notes	Group		Company	
		2026	2025	**2026**	2025
		Rs.000	Rs.000	**Rs.000**	Rs.000
Revenue from Contracts with Customers	4	**154,386,612**	104,851,149	**29,061,713**	23,165,921
Cost of Sales		**(123,057,769)**	(81,996,748)	**(22,986,190)**	(17,204,203)
Gross Profit		**31,328,843**	22,854,401	**6,075,523**	5,961,718
Other Income/(Expenses)	5	**8,696,287**	5,604,486	**2,092,733**	1,130,417
Distribution Expenses		**(6,025,151)**	(3,678,262)	**(1,106,728)**	(769,555)
Administrative Expenses		**(28,803,055)**	(24,096,253)	**(1,960,739)**	(2,477,385)
Finance Income	6	**2,948,864**	2,374,155	**906,083**	1,021,762
Finance Costs	7	**(46,187,910)**	(44,172,428)	**(8,197,482)**	(8,099,054)
Net Finance Cost		**(43,239,046)**	(41,798,273)	**(7,291,399)**	(7,077,292)
Change in Fair Value of Investment Properties	13	**3,906,182**	2,109,701	**449,074**	16,957
Change in Fair Value of Consumable Biological Assets	16	**5,082,869**	910,096	**-**	-
Gain / (Loss) on disposal of subsidiaries	17.4	**(119)**	46,784	**-**	-
Gain on Bargain Purchase of Subsidiaries	17.5	**2,578,074**	64,896,817	**-**	-
Share of Profit of Equity Accounted Investees (Net of Tax)	18 & 17	**(460,510)**	1,235,781	**(14,292,865)**	41,728,222
Profit/ (Loss) before Taxation from Continuing Operations	8	**(26,935,628)**	28,085,276	**(16,034,401)**	38,513,082
Income Tax Expense	9	**(68,706)**	3,120,055	**975,847**	1,290,406
Profit/ (Loss) for the Year Continuing Operations		**(27,004,334)**	31,205,331	**(15,058,554)**	39,803,488
Profit/(loss) after tax for the year from discontinued operations	27	**(800,375)**	(11,494,607)	**(499,994)**	(7,375,834)
Profit/ (Loss) Attributable to: (Continuing Operations)					
Equity holders of the Company		**(15,058,554)**	39,803,488	**(15,058,554)**	39,803,488
Non-Controlling Interests		**(11,945,780)**	(8,598,157)	**-**	-
		(27,004,334)	31,205,331	**(15,058,554)**	39,803,488
Profit/ (Loss) Attributable to: (Discontinued Operations)					
Equity holders of the Company		**(499,994)**	(7,375,834)	**(499,994)**	(7,375,834)
Non-Controlling Interests		**(300,381)**	(4,118,773)	**-**	-
		(800,375)	(11,494,607)	**(499,994)**	(7,375,834)
Profit/ (Loss) Attributable to:					
Equity holders of the Company		**(15,558,548)**	32,427,654	**(15,558,548)**	32,427,654
Non-Controlling Interests		**(12,246,161)**	(12,716,930)	**-**	-
Profit/ (Loss) for the Year		**(27,804,709)**	19,710,724	**(15,558,548)**	32,427,654
Basic Earnings/ (Loss) per Share (Rs.)	10.1	**(73.17)**	152.51	**(73.17)**	152.51
Diluted Earnings/ (Loss) per Share (Rs.)	10.2	**(73.17)**	152.51	**(73.17)**	152.51

The Notes as set out in Pages 102 to 226 form an integral part of these Financial Statements.

The figures in brackets indicate deductions.

Statement of Comprehensive Income

For the year ended 31st March	Group		Company	
	2026	2025	**2026**	2025
	Rs.000	Rs.000	**Rs.000**	Rs.000
Profit/(Loss) for the Year	**(27,804,709)**	19,710,724	**(15,558,548)**	32,427,654
Other Comprehensive Income				
Items that will not be Reclassified to Profit or Loss				
Revaluation of Property, Plant and Equipment	**449,311**	16,401,412	**-**	212,493
Revaluation of Right-of-Use Assets	**-**	6,922,670	**-**	-
Deferred Tax impact on Revaluation/ PPE Disposal	**(538,001)**	(4,967,951)	**-**	(63,748)
Actuarial Gain/ (Loss) on Retirement Benefit Obligation	**(655,083)**	(683,884)	**3,944**	(216)
Deferred Tax impact on Actuarial Gain/ (Loss) on Retirement Benefit Obligation	**47,702**	209,333	**(1,183)**	65
Share of Other Comprehensive Income of Equity Accounted Investees (Net of Tax)	**568,721**	1,254,116	**7,311,546**	4,543,833
Change in Fair Value of FVOCI Financial Assets	**6,293**	(21,957)	**-**	-
Deferred Tax impact on Change in Fair Value of FVOCI Financial Assets	**(3,509)**	5,465	**-**	-
Transfer on disposal	**(51)**	3,388	**-**	-
Items that may be Reclassified to Profit or Loss				
Exchange Differences on Translation of Foreign Operations	**12,437,725**	(3,009,030)	**-**	-
Other Comprehensive Income for the Year	**12,313,109**	16,113,562	**7,314,307**	4,692,427
Total Comprehensive Income for the Year (Net of Tax)	**(15,491,600)**	35,824,286	**(8,244,241)**	37,120,081
Attributable to:				
Equity Holders of the Company	**(8,244,241)**	37,120,081	**(8,244,241)**	37,120,081
Non-Controlling Interests	**(7,247,359)**	(1,295,795)	**-**	-
Total Comprehensive Income for the Year	**(15,491,600)**	35,824,286	**(8,244,241)**	37,120,081

The Notes as set out in Pages 102 to 226 form an integral part of these Financial Statements.

The figures in brackets indicate deductions.

Statement of Financial Position

As at 31st March	Notes	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	11	**259,675,830**	260,688,541	**3,697,703**	3,646,249
Right-of-Use Assets	12	**169,650,740**	159,145,085	**268,840**	203,401
Investment Properties	13	**134,025,173**	128,438,647	**20,637,550**	20,186,450
Intangible Assets	14	**2,160,470**	2,208,107	**143**	353
Bearer Biological Assets	15	**28,197,712**	22,174,816	**-**	-
Consumable Biological Assets	16	**26,508,660**	16,128,615	**-**	-
Investments in Subsidiaries	17	**-**	-	**129,488,171**	99,759,592
Investments in Equity Accounted Investees	18	**12,299,469**	12,147,284	**3,895,177**	4,616,616
Other Financial Assets	19	**485,621**	542,276	**55,000**	55,000
Deferred Tax Assets	20	**5,786,689**	3,881,299	**1,813,406**	838,742
Total Non-Current Assets		**638,790,364**	605,354,670	**159,855,990**	129,306,403
Current Assets					
Inventories	21	**39,009,022**	32,748,961	**6,219,777**	3,589,184
Trade and Other Receivables	22	**72,097,899**	62,502,496	**10,320,365**	7,248,544
Loans to Related Parties	23	**186,610**	2,836,542	**3,311,310**	3,438,219
Amounts due from Related Parties	24	**9,417,850**	522,016	**3,015,876**	2,775,720
Income Tax Recoverable	25	**565,056**	467,927	**5,032**	5,036
Other Financial Assets	26	**9,614,519**	8,110,209	**4,457,711**	3,070,624
Assets held for sale	27.2	**-**	27,450,749	**-**	17,719,459
Cash and Cash Equivalents	28	**6,922,331**	12,789,729	**811,100**	4,045,348
Total Current Assets		**137,813,287**	147,428,630	**28,141,171**	41,892,134
Total Assets		**776,603,651**	752,783,300	**187,997,161**	171,198,538
EQUITY AND LIABILITIES					
Equity					
Stated Capital	29	**9,093,101**	9,093,101	**9,093,101**	9,093,101
Capital Reserves	30	**30,327,236**	14,152,251	**30,327,236**	14,152,251
Revenue Reserve	31	**71,201,571**	76,851,802	**71,201,571**	76,851,802
Equity Attributable to Equity holders of the Company		**110,621,908**	100,097,154	**110,621,908**	100,097,154
Non-Controlling Interests		**147,991,642**	174,823,613	**-**	-
Total Equity		**258,613,550**	274,920,767	**110,621,908**	100,097,154

As at 31st March	Notes	Group		Company	
		2026	2025	**2026**	2025
		Rs.000	Rs.000	**Rs.000**	Rs.000
Non-Current Liabilities					
Loans and Borrowings	32	**47,271,274**	33,987,551	**8,472,866**	4,298,238
Lease Liabilities	33	**14,785,107**	15,522,278	**303,376**	237,447
Retirement Benefit Obligations	34	**7,224,350**	5,663,218	**192,345**	163,807
Deferred Tax Liabilities	35	**60,499,240**	52,649,203	**-**	-
Deferred Income	36	**1,342,020**	656,764	**330,314**	315,460
Loans from Related Parties	38	**741,541**	685,541	**-**	-
Total Non-Current Liabilities		**131,863,532**	109,164,555	**9,298,901**	5,014,952
Current Liabilities					
Trade and Other Payables	37	**89,714,132**	92,878,038	**5,845,891**	5,025,314
Loans and Borrowings	32	**5,883,762**	7,088,671	**4,678,713**	5,438,347
Lease Liabilities	33	**181,005**	167,455	**71,846**	67,705
Loans from Related Parties	38	**42,095,311**	37,120,418	**37,557,646**	33,552,991
Amounts due to Related Parties	39	**182,775,632**	173,495,983	**3,040,731**	4,536,794
Income Tax Payable	40	**824,458**	752,997	**-**	-
Dividend Payable		**61,336**	55,530	**5,794**	5,794
Short Term Borrowings		**47,064,528**	50,521,871	**16,331,102**	15,596,839
Bank Overdrafts	28	**17,526,405**	6,617,015	**544,629**	1,862,648
Total Current Liabilities		**386,126,569**	368,697,978	**68,076,352**	66,086,432
Total Equity and Liabilities		**776,603,651**	752,783,300	**187,997,161**	171,198,538

The Notes as set out in Pages 102 to 226 form an integral part of these Financial Statements.

I certify that these Financial Statements have been prepared and presented in compliance with the requirements of the Companies Act No.7 of 2007.

Priyantha Udagama
Head of Finance

The Board of Directors is responsible for the Preparation and Presentation of these Financial Statements.

Signed for and on behalf of the Board,

Ishara Nanayakkara
Executive Chairman

Thamotharampillai Sanakan
Director/GCEO

Colombo
22nd August 2026

Statement of Changes in Equity - Group

	Equity Attributable to Equity holders of the Company							
	Stated Capital Rs.000	Revaluation Reserve Rs.000	Fair Value through Other comprehensive income Reserve Rs.000	Foreign Currency Translation Reserve Rs.000	Retained Earnings Rs.000	Total Rs.000	Non-Controlling Interests Rs.000	Total Equity Rs.000
Balance as at 1st April 2024	9,093,101	(1,333,989)	5,224,063	23,369,844	33,838,400	70,191,419	118,552,252	188,743,671
Profit for the year	-	-	-	-	32,427,654	32,427,654	(12,716,930)	19,710,724
Other Comprehensive income	-	10,611,359	(3,229,652)	(1,949,962)	(739,318)	4,692,428	11,421,135	16,113,563
Total Comprehensive Income for the year	-	10,611,359	(3,229,652)	(1,949,962)	31,688,336	37,120,082	(1,295,795)	35,824,287
Other Comprehensive income reclassified to Profit or loss	-	(5,580,222)	(12,153,204)	-	13,670,070	(4,063,356)	-	(4,063,356)
Transactions with owners directly recorded in the Equity								
Adjustments due to change in group holdings and other adjustments	-	-	-	-	(2,347,253)	(2,347,253)	-	(2,347,253)
Amalgamation/merger	-	-	-	-	23,566	23,566	(23,573)	(7)
On acquisition of subsidiaries	-	-	-	-	-	-	46,839,564	46,839,564
Other Adjustments	-	-	(805,986)	-	(21,317)	(827,303)	898,511	71,208
Share issue by subsidiaries to non-controlling interest	-	-	-	-	-	-	2,483,441	2,483,441
Pending share allotment to non-controlling interest	-	-	-	-	-	-	7,369,213	7,369,213
Balance as at 31st March 2025	9,093,101	3,697,148	(10,964,779)	21,419,882	76,851,802	100,097,154	174,823,613	274,920,767
Loss for the year	-	-	-	-	(15,558,548)	(15,558,548)	(12,246,161)	(27,804,709)
Other Comprehensive income	-	124,833	1,683,289	6,095,006	(588,821)	7,314,307	4,998,802	12,313,109
Total Comprehensive Income for the year	-	124,833	1,683,289	6,095,006	(16,147,369)	(8,244,241)	(7,247,359)	(15,491,600)
Transactions with owners directly recorded in the Equity								
Realisation	-	-	-	-	-	-	(3,939,886)	(3,939,886)
Share issued in private placement	-	-	63,942	-	-	63,942	-	63,942
Adjustments due to change in group holdings	-	-	-	-	(61,884)	(61,884)	1,806,606	1,744,722
Amalgamation/merger	-	-	-	-	-	-	(14,638)	(14,638)
On acquisition of subsidiaries (Note 17.5)	-	-	-	-	-	-	5,049,284	5,049,284
Further acquisition of subsidiaries	-	-	-	-	-	-	(12,085)	(12,085)
Other Adjustments	-	19,589,933	-	(6,408,515)	7,905,055	21,086,473	(21,089,690)	(3,217)
Reclassified to Retained earnings	-	(5,234,584)	-	261,081	2,653,968	(2,319,535)	(1,393,504)	(3,713,040)
Forfeited Dividend	-	-	-	-	-	-	9,301	9,301
Balance as at 31st March 2026	9,093,101	18,177,330	(9,217,548)	21,367,454	71,201,571	110,621,908	147,991,642	258,613,550

The Notes as set out in Pages 102 to 226 form an integral part of these Financial Statements.

The figures in brackets indicate deductions.

Statement of Changes in Equity - Company

	Stated Capital Rs.000	Revaluation Reserve Rs.000	Fair Value through Other comprehensive income Rs.000	Foreign Currency Translation Reserve Rs.000	Retained Earnings Rs.000	Total Equity Rs.000
Balance as at 1st April 2024	9,093,101	(1,333,989)	5,224,063	23,369,844	33,838,400	70,191,418
Profit for the year	-	-	-	-	32,427,654	32,427,654
Other Comprehensive Income						
Other Comprehensive Income for the year	-	10,611,359	(3,229,652)	(1,949,962)	(739,318)	4,692,428
Total Comprehensive Income for the year	-	10,611,359	(3,229,652)	(1,949,962)	31,688,336	37,120,082
Other equity adjustment of Equity accounting of Investees	-	(5,580,222)	(12,959,190)	-	11,325,066	(7,214,346)
Restated balance as at 31st March 2025	9,093,101	3,697,148	(10,964,779)	21,419,882	76,851,802	100,097,154
Loss for the year	-	-	-	-	(15,558,548)	(15,558,548)
Other Comprehensive Income						
Other Comprehensive Income for the year	-	124,833	1,683,289	6,095,006	(588,821)	7,314,307
Total Comprehensive Income for the year	-	124,833	1,683,289	6,095,006	(16,147,369)	(8,244,241)
Other equity adjustment of Equity accounting of Investees	-	14,355,349	63,942	(6,147,434)	10,497,138	18,768,996
Balance as at 31st March 2026	9,093,101	18,177,330	(9,217,548)	21,367,454	71,201,571	110,621,908

The Notes as set out in Pages 102 to 226 form an integral part of these Financial Statements.
The figures in brackets indicate deductions.

Statements of Cash Flows

For the year ended 31st March	Notes	Group		Company	
		2026	2025	2026	2025
		Rs.000	Rs.000	Rs.000	Rs.000
Cash flows from Operating Activities					
Profit/(loss) before taxation from continuing operations		(26,935,628)	28,085,276	(16,034,401)	38,513,082
Profit/(loss) before taxation from discontinued operations		(1,337,209)	(11,572,588)	(499,994)	(7,375,834)
Adjustments for:					
Share of Profit of Equity Accounted Investees (Net of Tax)	18	460,510	(1,235,781)	14,292,865	(41,728,222)
Share of Profit of Equity Accounted Investees (Net of Tax) discontinued operations		-	9,382,323	499,994	7,375,834
Depreciation on Property Plant and Equipment	11	8,925,550	6,381,029	150,720	120,034
Amortisation of ROU Assets	12	2,306,046	1,488,977	71,961	58,442
Amortisation of Bearer Biological Assets	15	1,523,973	1,550,568	-	-
Amortisation of Intangible Assets	14	99,910	209,994	210	8,040
Deferred Income	36	(679,060)	(127,358)	(206,586)	(106,301)
Provision for Retirement Benefit Obligations	34	1,496,892	1,008,963	36,762	34,655
Provision/ (Reversal of Provision) for Bad and Doubtful Debts	8	81,619	1,066,885	(227,337)	20,154
Reversal of Provision for Related Party Receivables	5	-	-	155,635	494,531
Provision/(Reversal of Provision) for Impairment Losses for Inventories	8	665,289	185,662	(15,916)	(69,045)
Gain on Bargain Purchase of Subsidiaries	17.5	(2,578,074)	(64,896,817)	-	-
Gain on disposal of subsidiary	17.4	(119)	46,784	-	-
Dividend Income	5	(172,136)	(162,859)	(169,407)	(148,231)
Interest Income	6	(2,948,864)	(2,375,344)	(906,083)	(1,021,762)
Change in Fair Value of Investment Properties	13	(3,906,182)	(2,109,303)	(449,074)	(16,957)
Change in Fair Value of Consumable Biological Assets	16	(5,082,869)	(910,096)	-	-
Gain on Disposal of Investments	5	(1,452,560)	(25,159)	-	320
(Gain)/ Loss on Changes in Fair Value of Short term Investments	5	(2,289,522)	(1,068,733)	(1,387,087)	(1,140,666)
Loss / (Gain) on Disposal of Property, Plant and Equipment	5	34,621	(73,173)	(30)	38
Interest Expense	7	46,187,910	46,106,205	8,197,482	8,099,054
Operating Profit before Working Capital Changes		14,400,098	10,955,454	3,509,713	3,117,164
Changes in					
Inventories		(6,607,101)	1,600,266	(2,614,676)	370,980
Trade and Other Receivables		(7,069,486)	6,674,555	(2,469,645)	(3,046,115)
Amounts due from Related Companies		(8,908,617)	2,875,893	(85,637)	(1,247,958)
Trade and Other Payables		(4,769,567)	(21,394,023)	600,353	1,673,226
Amounts due to Related Companies		(6,595,884)	38,827,314	(1,623,980)	(6,800,698)
Cash Generated from Operations		(19,550,557)	39,539,458	(2,683,872)	(5,933,400)
Interest Paid		(43,697,604)	(44,755,633)	(8,353,285)	(7,504,816)
Income Tax / ESC Paid	25, 40	(1,422,306)	(791,487)	-	-
Retiring Gratuity Paid	34	(1,992,402)	(489,172)	(7,885)	(17,951)
Net Cash Generated from/(Used in) Operating Activities		(66,662,868)	(6,496,834)	(11,045,042)	(13,456,167)

For the year ended 31st March	Notes	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Cash flows from Investing Activities					
Acquisition of Property, Plant and Equipment	11	**(11,688,005)**	(17,197,653)	**(202,187)**	(179,793)
Investment in Bearer Biological Assets	15	**(1,739,372)**	(1,166,954)	**-**	-
Proceeds from Disposal of Bearer Biological Assets	15	**745,036**	188,307	**-**	-
Acquisition of Investment Properties	13	**(374,251)**	(63,147)	**(2,026)**	(7,093)
Proceeds from Disposal of Subsidiaries	17.4	**25,974**	49,900	**-**	50,000
Acquisition of Intangible Assets	14	**(44,078)**	(92,214)	**-**	-
Disposals of Intangible Assets		**4,283**	1,370	**-**	-
Investment in Subsidiaries	17	**(5,488,107)**	(6,222,970)	**-**	(1,920,000)
Net Investment in Financial Assets		**29,745,177**	(3,356,153)	**-**	28,274
Net Investment in Equity Accounted Investees		**-**	(33,261)	**-**	-
Deferred income Received	36	**1,364,316**	376,164	**221,440**	366,024
Net Additions/(Proceeds) from consumable biological assets		**144,160**	230,632	**-**	-
Net Movement in Loans Given to Related Parties		**2,649,932**	(2,333,738)	**-**	-
Proceeds from Loans Given to Related Parties		**-**	-	**4,479,905**	2,932,534
Loans Granted to Related Parties		**-**	-	**(4,352,996)**	(3,456,629)
Proceeds from Disposal of Property, Plant and Equipment		**20,985,333**	481,589	**43**	14,478
Dividend Income Received		**172,136**	1,643,305	**169,407**	148,231
Interest Income Received	6	**2,948,864**	2,375,344	**906,083**	1,021,762
Net Cash Used in Investing Activities		**39,451,400**	(25,119,482)	**1,219,669**	(1,002,212)
Cash flows from Financing Activities					
Proceeds from Interest Bearing Liabilities	32	**31,842,439**	23,437,302	**4,379,820**	3,775,630
Repayment of Interest Bearing Liabilities	32	**(23,656,773)**	(21,095,151)	**(964,826)**	(658,706)
Proceeds from Interest bearing Short term Borrowings		**-**	20,594,202	**4,313,357**	3,449,618
Repayment of Interest bearing Short term Borrowings		**(3,457,344)**	-	**(3,703,947)**	(3,174,882)
Lease Rentals Paid	33	**(1,069,259)**	(665,951)	**(119,915)**	(101,859)
Loans Obtained from Related Parties		**-**	-	**5,850,855**	24,440,384
Repayment of Loans from Related Parties		**-**	-	**(1,846,200)**	(11,168,287)
Net movement in Loans from Related Parties		**5,030,894**	6,723,140	**-**	-
Shares Issued by Subsidiaries to Non-Controlling interest		**1,744,722**	2,483,441	**-**	-
Net Cash Generated/(Used in) from Financing Activities		**10,434,680**	31,476,982	**7,909,144**	16,561,898
Net Increase/(Decrease) in Cash and Cash Equivalents during the year		**(16,776,788)**	(139,334)	**(1,916,229)**	2,103,519
Cash and Cash Equivalents at the beginning of the year		**6,172,714**	6,312,048	**2,182,700**	79,181
Cash and Cash Equivalents at the end of the year		**(10,604,074)**	6,172,714	**266,471**	2,182,700
Analysis of Cash and Cash Equivalents at the end of the year					
Cash at Bank and in Hand		**6,922,331**	12,789,729	**811,100**	4,045,348
Bank Overdrafts		**(17,526,405)**	(6,617,015)	**(544,629)**	(1,862,648)
	28	**(10,604,074)**	6,172,714	**266,471**	2,182,700

The Notes as set out in Pages 102 to 226 form an integral part of these Financial Statements.

The figures in brackets indicate deductions.

Notes to the Financial Statements

Note No	Note Name
Note 01	: Reporting Entity
Note 02	: Basis of Preparation
Note 03	: Summary of Significant Accounting Policies
Note 04	: Revenue From Contracts With Customers
Note 05	: Other Income/(Expenses)
Note 06	: Finance Income
Note 07	: Finance Cost
Note 08	: Profit/ (Loss) Before Taxation
Note 09	: Income Tax Expenses
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Note 11	: Property, Plant and Equipment
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Note 13	: Investment Properties
Note 14	: Intangible Assets
Note 15	: Bearer Biological Assets
Note 16	: Consumable Biological Assets
Note 17	: Investments In Subsidiaries
Note 18	: Investments In Equity Accounted Investees
Note 19	: Other Non-Current Financial Assets
Note 20	: Deferred Tax Assets
Note 21	: Inventories
Note 22	: Trade and Other Receivables
Note 23	: Loans to Related Parties
Note 24	: Amounts due from Related Parties

Note No	Note Name
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Note 26	: Other Current Financial Assets
Note 27	: Non-Current Asset Held for Sale & Discontinued Operations
Note 28	: Cash and Cash Equivalents
Note 29	: Stated Capital
Note 30	: Capital Reserves
Note 31	: Revenue Reserve
Note 32	: Loans and Borrowings
Note 33	: Lease Liabilities
Note 34	: Retirement Benefits Obligations
Note 35	: Deferred Tax Liabilities
Note 36	: Deferred Income
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Note 38	: Loans from Related Parties
Note 39	: Amounts due to Related Parties
Note 40	: Income Tax Payables
Note 41	: Net Assets per Share
Note 42	: Related Party Disclosures
Note 43	: Financial Instruments - Fair Value and Risk Management
Note 44	: Commitments and Contingent Liabilities
Note 45	: Events Occurring After the Reporting Date
Note 46	: Segmental Information
Note 47	: Non-Controlling Interests

1. REPORTING ENTITY

1.1 General

Brown and Company PLC ('the Company') is a public quoted company incorporated on 17th August 1892 and domiciled in Sri Lanka. The address of the Company's registered office is at No. 481, T. B. Jayah Mawatha, Colombo 10, Sri Lanka and the business office is situated at No. 34, Sir Mohamed Macan Markar Mawatha, Colombo 3.

The financial statements as at, and for the year ended 31st March 2026 comprise the separate financial statements of Company and consolidated financial statements of the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in equity-accounted investees.

Ordinary shares of the Company are listed on the Diri Savi Board of the Colombo Stock Exchange (CSE).

1.2 Principal activities and nature of operations

Principal activities of the Company and the Group are described in the 'Management Discussion and Analysis' in pages 6 to 38 of this report.

1.3 Parent entity and ultimate parent entity

In the opinion of the Board of Directors, the Group's ultimate parent undertaking and controlling party as at the date of financial position is LOLC Holdings PLC, a Company incorporated and domiciled in Sri Lanka.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements of the Group and the separate financial statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards (herein referred to as SLFRSs/LKASs) , which comprise Sri Lanka Financial Reporting Standards ("SLFRS"s), Sri Lanka Accounting Standards ("LKAS"s), relevant interpretations of the Standing Interpretations Committee ("SIC") and International Financial Reporting Interpretations Committee ("IFRIC"). Sri Lanka Accounting Standards further comprises of Statements of Recommended Practices (SoRPs), Statements of Alternate Treatments (SoATs) and Financial Reporting Guidelines issued by the Institute of Chartered Accountants of Sri Lanka , and in compliance with the requirements of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995. These financial statements also provide appropriate disclosures as required by the listing rules of the Colombo Stock Exchange.

2.2 Historical cost convention

The financial statements have been prepared on a historical cost basis, except for:

» Certain financial assets, certain classes of property, plant and equipment, right-of-use assets and investment properties measured at fair value;

» Biological assets are measured at fair value less costs to sell on initial recognition and at the end of each reporting period, and

» Agricultural produce harvested from biological assets are measured at its fair value less costs to sell at the point of harvest.

2.3 Directors' Responsibility for Financial Reporting

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards and as per the provisions of the Companies Act No. 07 of 2007. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Board of Directors acknowledges their responsibility as set out in the "Annual Report of the Board of Directors on the Affairs of the Company" and "Director's Responsibility for Financial Reporting".

These Financial Statements include the following components:

» A Statement of Profit or Loss providing the information on the financial performance of the Group and the Company for the year under review;

» A Statement of Other Comprehensive Income providing the information of the other comprehensive income of the Group and the Company;

» A Statement of Financial Position providing the information on the financial position of the Group and the Company as at the yearend;

» A Statement of Changes in Equity depicting all changes in shareholders' funds during the year under review of the Group and the Company;

» A Statement of Cash Flows providing the information to the users, on the ability of the Group and the Company to generate cash and cash equivalents and the needs of entities to utilise those cash flows; and

» Notes to the Financial Statements comprising Accounting Policies and other explanatory information.

2.4 Approval of financial statements by the Board of Directors

The consolidated financial statements of the Group and the separate financial statements of the Company for the year ended 31st March 2026 were approved and authorised for issue by the Board of Directors on 22nd August 2026. The directors have the power to amend and reissue the financial statements.

2.5 Consolidation of Subsidiaries with different accounting periods

The financial statements of all subsidiaries in the Group other than those mentioned below to the Financial Statements are prepared for a common financial year, which ends on 31 March. Most subsidiaries with 31 December and 30th June financial year end prepare for consolidation purposes, additional financial information as of the same date as the financial statements of the parent.

Company Name	Financial Year Ended
B Commodities ME (FZE)	31st December
BI Leisure Holdings (FZE)	30th June
Browns Plantations Finlay (Kenya) Ltd	31st December
NPH Investments (Pvt) Ltd	31st December
Bodufaru Beach Resorts (Pvt) Ltd	31st December
Browns Kafu N Resort (Pvt) Ltd	31st December
Browns Raa Resort (Pvt) Ltd	31st December
PL Resorts Limited	30th June
Sunbird Bioenergy (SL) Ltd	31st December
Browns East Africa Plantations Ltd	31st December
Browns Plantations Tanzania Ltd	31st December
Browns Plantations Rwanda Ltd	31st December
Browns Plantations (Gaizhou) Tea Co, Ltd	31st December

2.6 Functional currency and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Sri Lankan Rupee (Rs.), which is Company's functional and Group's presentation currency.

Functional currency of all the Group companies is Sri Lankan Rupees, other than the following companies whose functional currency is given below.

Company	Country of Incorporation	Functional Currency
Bodufaru Beach Resorts (Private) Limited	Maldives	United States Dollar
NPH Investments (Private) Limited	Maldives	United States Dollar
Browns Ari Resorts (Private) Limited	Maldives	United States Dollar
Browns Raa Resorts (Private) Limited	Maldives	United States Dollar
Browns Kaafu N Resorts (Private) Limited	Maldives	United States Dollar
LOLC Global (Private) Limited	Singapore	United States Dollar
B Commodities ME (FZE)	United Arab Emirates (U.A.E.)	United States Dollar
Browns E&C Technical Services Contracting LLC	United Arab Emirates (U.A.E.)	United States Dollar
Sunbird Bioenergy (SL) Limited	Sierra Leone	Euro
Grey Reach Investments Limited	British Virgin Islands	United States Dollar
BI Leisure Holdings FZE	United Arab Emirates (U.A.E.)	United States Dollar
PL Resorts Limited	Mauritius	MUR -Rupee of Mauritius
Browns Plantations (Kenya) Limited	Kenya	British Sterling Pound
Browns Plantations (Rwanda) Limited	Rwanda	Rwandan Franc
Browns Plantations (Tanzania) Limited	Tanzania	Tanzania Shilling
Browns Plantations (East Africa) PLC	Kenya	Kenya Shilling
Limuru Tea PLC	Kenya	Kenya Shilling
Browns Plantations (Guizhou) Limited	China	Chinese Yuan
Browns Tea Trading FZCO	United Arab Emirates (U.A.E.)	United States Dollar

2.6.1 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income/other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

2.6.2 Group companies

The results and financial position of foreign operations (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in statement of comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

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.

2.7 Comparative information

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period in the financial statements in order to enhance the understanding of the current period's financial statements and to enhance the inter period comparability. The presentation and classification of the financial statements of the previous year are amended, where relevant for better presentation and to be comparable with those of the current year.

2.8 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard - LKAS 1 on 'Presentation of Financial Statements' .

Notes to the financial statements are presented in a systematic manner which ensures the understandability and comparability of financial statements of the Group and the Company. Understandability of the financial statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

2.9 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position, only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously. Income and expenses are not offset in the statement of profit or loss, unless required or permitted by Sri Lanka Accounting Standards and as specifically disclosed in the significant accounting policies.

2.10 Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Board is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the Company. Therefore, the financial statements continue to be prepared on the going concern basis.

2.11 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current / non-current classification.

An asset is current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle and held primarily for the purpose of trading.

Or

Is 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 and is held primarily for the purpose of trading and 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.

2.12 Use of accounting estimates and judgements

The preparation of the financial statements of the Group and Company in conformity with SLFRSs/LKAS's requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

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

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes to these financial statements.

Critical accounting estimate/judgement	Note
Useful lives of bearer biological assets	15
Fair value of consumable biological assets	16
Determination of fair value of Investment Properties	13
Revaluation of Land and Buildings	11
Goodwill on Acquisition	14
Retirement Benefit Obligations	34
Deferred Tax Assets/ Liabilities	20 & 35
Useful lives of Property, Plant and Equipment	11
Useful lives of Intangible Assets	14
Provisions and contingencies	44
Fair Value of Financial Assets	3.29
Leases	3.11 & 12

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of Brown and Company PLC and its subsidiaries.

3.1.1 Changes in accounting policies

The Group has consistently applied the accounting policies as set out in Note 3 to all periods presented in these consolidated financial statements except for the following. While there are other amendments to the existing standards which are effective from 1st January 2026, those do not have a material effect on the Group/ separate financial statements.

3.1.2 New standards and amendments – applicable for the first time for periods commencing 1 January 2025

The group has applied the following standards and amendments for the first time for their annual reporting periods commencing 1st April 2025

(i) Amendments to LKAS 21 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not. The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency. The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

3.1.3. New standards and amendments issued but not adopted in 2025/2026

The following standards and interpretations had been issued by IASB, but not mandatory for annual reporting periods ending 31st March 2026. Further, the group has not early adopted these new standards and/or amendments.

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- Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments
- Amendments to SLFRS 9 and SLFRS 7 - Contracts Referencing Nature-dependent Electricity
- Amendments to SLFRS 18 - Presentation and Disclosures in Financial Statements
- Amendments to SLFRS 19 - Subsidiaries without Public Accountability: Disclosures
- Annual improvements to IFRS – Volume 11
- Amendment to IAS 21 - Translation to a Hyperinflationary Presentation Currency
- Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37- Disclosures about Uncertainties in the Financial Statements

The Company anticipate that the application of these amendments may have/not have an impact on the group's/company's consolidated financial statements in future periods.

(i) Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. These amendments further clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion.

These amendments add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

(ii) Amendments to SLFRS 9 and SLFRS 7 - Contracts Referencing Nature-dependent Electricity

The amendments apply only to contracts that reference nature-dependent electricity; the amendments:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the SLFRS 7 disclosure amendments must be implemented alongside the SLFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The Company anticipate that the application of these improvements may have/not have an impact on the group's/ company's consolidated financial statements in future periods.

(iii) Amendments to IFRS 18 Presentation and Disclosures in Financial Statements

SLFRS 18 replaces LKAS 1, carrying forward many of the requirements in LKAS 1 unchanged and complementing them with new requirements. In addition, some LKAS 1 paragraphs have been moved to LKAS 8 and SLFRS 7.

SLFRS 18 introduces new requirements to

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply SLFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. SLFRS 18 requires retrospective application with specific transition provisions.

The Company anticipate that the application of this standard may have an impact on the group's/company's consolidated financial statements in future periods.

(iv) Amendments to SLFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements. The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted.

The Company do not anticipate that SLFRS 19 will be applied for purposes of the consolidated financial statements of the Group/company.

(v) Annual improvements to IFRS – Volume 11

Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

These annual improvements are effective for annual periods beginning on or after 1 January 2026 with earlier application permitted.

The Company anticipate that the application of these improvements may have/not have an impact on the group's/company's consolidated financial statements in future periods.

(vi) Amendment to IAS 21 - Translation to a Hyperinflationary Presentation Currency

These narrow-scope amendments specify the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. The entity applies the amendments if:

- its functional currency is that of a non-hyperinflationary economy and it is translating its results and financial position into the currency of a hyperinflationary economy; or
- it is translating into the currency of a hyperinflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy.

The amendments aim to improve the usefulness of the resulting information in a cost-effective manner. Developed in response to stakeholder feedback, these amendments are expected to reduce diversity in practice and provide a clearer basis for reporting in a hyperinflationary currency.

The amendments are effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted.

The Company anticipate that the application of these improvements may have/not have an impact on the group's/company's consolidated financial statements in future periods.

(vii) Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37- Disclosures about Uncertainties in the Financial Statements

The IASB has published the final version of a set of examples that illustrate the reporting of the effects of uncertainties in financial statements through climate-related fact patterns. The Examples demonstrate how to disclose the impacts of uncertainties within climate-related scenarios, but the principles and requirements are also applicable to disclosure of other uncertainties. The Examples do not add to or change requirements in IFRS Accounting Standards and therefore there are no transition requirements and effective date. Instead, these Examples will accompany the respective IFRS Accounting Standards to which they relate.

The Company anticipate that the application of these improvements may have/not have an impact on the group's/company's consolidated financial statements in future periods.

3.2 Principles of consolidation and equity accounting

3.2.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 3.2.6).

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, comprehensive income, statement of changes in equity and statement of financial position respectively.

3.2.2 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (3.2.4) below), after initially being recognised at cost.

The determination of significant influence over an investee involves significant judgment by management. In assessing whether significant influence exists, management considers various qualitative factors in accordance with LAKS 28, Investments in Associates and Joint Ventures. The key qualitative factors considered by management in exercising this judgment include participation in policy decisions, the nature and frequency of the material transactions with the investee, provision of managerial expertise by the Company and any other factors that may indicate the Company's ability to affect the decisions of the investee.

Management has evaluated these qualitative factors to determine whether significant influence exists and has concluded that the Company has significant influence over the investee based on the assessment of these factors. The exercise of judgment in this area reflects management's evaluation of the relevant circumstances and the application of professional expertise.

3.2.3 Joint arrangements

Under SLFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Interests in joint ventures are accounted for using the equity method (see (3.2.4) below), after initially being recognised at cost in the consolidated statement of financial position.

3.2.4 Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in statement of comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 3.13.

3.2.5 Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in statement of profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in statement of comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in statement of comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in statement of comprehensive income are reclassified to profit or loss where appropriate.

3.2.6 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

SLFRS 3, Business Combination, provides a 'measurement period', to finalise the accounting for a business combination. The measurement period ends on the earlier of the date when the acquirer receives the information that it needs (or determines that it cannot obtain the information) and one year after the acquisition date.

3.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Company which assesses the financial performance and position of the Group, and makes strategic decisions have been identified as being the chief operating decision maker.

The Group's reportable segments comprise of Trading, Manufacturing & Construction, Plantation, Investments, Leisure, Real Estate and others.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Expenses that cannot be directly identified to a particular segment are allocated on bases decided by the management and applied consistently throughout the year.

3.4 Revenue from Contracts with Customers

3.4.1 Sale of goods - wholesale

The Group imports / manufactures and sells a range of products in the wholesale market. Sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler / dealer, the wholesaler / dealer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's / dealer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler / dealer, and either the wholesaler / dealer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision, see note 3.22.1.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Payment of the transaction price is due immediately when the customer purchases the products and takes delivery in store.

3.4.2 Sale of goods - retail

The Group operates retail stores selling range of products. Revenue from the sale of goods is recognised when a Group entity sells a product to the customer.

Payment of the transaction price is due immediately when the customer purchases the products and takes delivery in store. The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision, see note 3.22.1.

3.4.3 Sale of goods - export

In relation to sales with foreign customers, the Group take in to account the term related to each shipment of goods. A receivable is recognised when the term related to each shipment of goods is satisfied as this is the point in time that the consideration is unconditional.

3.4.4 Sale of goods - plantation produce

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

3.4.5 Sale of services

Revenue from providing services is recognised in the accounting period in which the services are rendered. All revenues are recognised on an accrual basis over the time duration of the providing of the services to the customer. Payment of the transaction price is due immediately when the customer receives the services.

3.4.6 Construction contracts

Revenue from construction-related contracts is recognised upon satisfaction of a performance obligation agreed in the contract. At contract inception, the Group determines whether it satisfies the performance obligation over time or at a point in time. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer. For each performance obligation satisfied over time, the Group recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

The progress is assessed based on surveys of work performed. When the outcome of construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

The Group provides aluminium fabricators, doors and windows design, manufacturing, civil, telecommunication, engineering, installation and support services under fixed-price and variable price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual costs spent relative to the total expected costs.

Some contracts include multiple deliverables, such as the sale of products and related installation services. However, the installation is simple, does not include an integration service and could be performed by another party. It is therefore accounted for as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. If contracts include the installation of products, revenue for the products is recognised at a point in time when the products are delivered, the legal title has passed, and the customer has accepted the products.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

If the contract includes an hourly fee, revenue is recognised in the amount to which the Group has a right to invoice. Customers are invoiced based on actual services provided and consideration is payable when invoiced.

3.4.7 Hotel Operations

Apartment revenue is recognised for the rooms occupied on a daily basis. All revenues are recognised on an accrual basis over the time of the duration of the stay of the customer and matched with the related expenditure where they simultaneously receive and consumes the benefits of the services rendered.

Restaurant revenue includes the revenue recognised on the sale food and beverage. All revenue is accounted for at the time of sale.

Bar revenue are accounted for at the time of sale.

Spa is operated by a third party and invoices are raised together with the spa bills. Spa related revenue is recognised gross after completion of service/treatments.

Transfers and excursions include the consideration earned from providing excursions to customers. Revenue is recognised for at the time of rendering the service.

Telephone, laundry, and diving represents the services provided to customers which are implied as business practice in the industry. All revenue is recognised for at the time of rendering the service.

3.4.8 Sale of live timber trees and rubber trees

Revenue from the sale of live timber trees and Rubber trees is recognised at the point that the legal ownership, risk of loss and the rewards have been passed to the purchaser and the quantity sold is determinable. Revenue on harvesting of live timber trees and Rubber trees is recognised when the purchaser acquires the right to harvest specified no of trees on a tract of land, at an agreed-to price by entering into a contractual agreement at which point the risk and rewards are transferred. Those revenue are deducted from the relevant biological assets to arrive at gain/(loss) on valuation in statement of profit or loss.

Payment of the sale of the timber trees is due at the time of entering an agreement with the customer for the sale of timber.

3.4.9 Energy Supplied

Revenue from energy supplied is recognised upon delivery of energy. Delivery of electrical energy shall be completed when electrical energy meets the specifications as set out in Power Purchase Agreements (PPA) is received at the metering point.

Payment for the energy supplied is due when invoiced on a monthly basis.

3.4.10 Commission income

When the Group acts in the capacity of an agent rather than the principal in a transaction, the revenue recognition is the net amount of commission earned by the Group.

Payment of the commission price is due when invoiced on pre-agreed terms.

3.4.11 Other Income

Rent income is accounted for on accrual basis.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised in profit or loss as it accrues, using the effective interest method.

Gain on disposal of property, plant and equipment and other non-current assets, including investments held by the Group have been accounted for in the Statement of profit or loss, after deducting from the net sales proceeds on disposal of the carrying amount of such assets.

3.4.12 Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

3.5 Government grants and subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be compiled with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the Company receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the Profit or loss over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

Grants related to property, plant and equipment and bearer biological assets are initially deferred and allocated to the Profit or loss on a systematic basis over the useful life of the related property, plant and equipment.

Revenue grants are recognised in the profit or loss in the period in which they are receivable.

3.6 Expenses recognition

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

For the presentation of the statement of profit or loss the Directors are of the opinion that the function of the expenses method present fairly the elements of the Group's performance, and hence such a presentation method is adopted.

Preliminary and pre-operational expenditure is recognised in the statement of profit or loss.

Repairs and renewals are charged to the Statement of profit or loss in the year in which the expenditure is incurred.

3.7 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in statement of comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Companies enjoying tax holidays

Group companies enjoying a tax exemption period shall only recognise deferred tax in their financial statements for temporary differences, where reversals of such differences extend beyond the tax exemption period.

Deferred Tax shall not be considered nor provided for assets / liabilities for which tax impacts and reversals take place within the tax exemption period. If there will be no tax implications that take place after the expiration of the tax exemption period for such assets.

Where a Company is entitled to claim the total value or any part of expenditure made during the tax holiday period, as deductions for tax purposes after the tax holiday period, such an entity will treat such amount of expenditure as part of the tax base throughout the tax holiday period in the purpose of recognising deferred tax.

3.8 Property, plant and equipment

3.8.1 Freehold property, plant and equipment

i) Basis of recognition

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the assets will flow to the Group and cost of the asset can be reliably measured.

ii) Basis of measurement

Items of property, plant and equipment other than freehold land and building, are measured at cost less accumulated depreciation and any impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site at which they are located and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

iii) Cost model

The Group applies the cost model to all property, plant and equipment except freehold land and buildings and motor vehicles which are recorded at cost of purchase together with any incidental expenses thereon less accumulated depreciation and any accumulated impairment losses.

iv) Revaluation model

The Group revalues its freehold land and buildings and motor vehicles which are measured at its fair value at the date of revaluation less any subsequent accumulated depreciation and any accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

On revaluation of land and buildings and motor vehicles, any increase in the revaluation amount is credited to the revaluation reserve in shareholder's equity unless it offsets a previous decrease in value of the same asset that was recognised in profit or loss. A decrease in value is recognised in profit or loss where it exceeds the increase previously recognised in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from the revaluation reserve to retained earnings and is not taken into account in arriving at the gain or loss on disposal.

v) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised. The costs of the day-to-day servicing of property, plant and equipment are expensed as incurred.

vi) Depreciation

Depreciation is based on the cost / revalued amount of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each component of an item of property, plant and equipment. Land is not depreciated. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is de-recognised.

Depreciation methods, useful lives, residual values are assessed at the reporting date and adjusted if appropriate.

The estimated useful lives for the current year are listed below.

Property, Plant & Equipment	No. of years range	Rate range
Building	20-60 Years	2% to 5%
Plant and Machinery	4-30 Years	3.33% to 20%
Motor Vehicles	1-15 Years	6.66% to 100%
Furniture and Office Equipment	4-20 Years	5% to 20%
Ergonomic Equipment	25 Years	4%
Land Preparation/Land Improvements	20-30 Years	3% to 5%
Sugar Cane Roots	20 Years	20%
Pivots and Pump Stations in Plantations	5-25 Years	4% to 20%
Water, Sanitation and Others	20 Years	5%
Roads and Bridges	50 Years	2%
Penstock Pipeline	20 Years	5%
Security Fences	3 Years	33.33%
Air Conditioners	5 Years	20%

Property, Plant & Equipment	No. of years range	Rate range
Generator	8 Years	12.5%
Cutlery, Crockery and Glassware	2-5 Years	20%
Linen	3 Years	20% to 50%
Sewage System	20 Years	5%
Solar Power Plant	10 - 20 Years	5% to 10%
Surge Arrestors 33 kv	20 Years	5%

The cost of areas coming into bearing are transferred to mature plantations and depreciated as follows.

No depreciation Is provided for Immature plantations.

Bearer Biological Assets	No. of years range	Rate range
Tea	30 to 33 1/3 years	3% to 3.33%
Mixed/Other Crops	10 to 15 years	6.66% to 10%

vii) De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net within other income/other expenses in the Statement of profit or loss. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

3.9 Capital work-in progress

Capital work-in-progress is stated at cost. These are expenses of a capital nature directly incurred in the construction of capital assets.

3.10 Investment properties

3.10.1 Basis of recognition

Investment property is a property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

3.10.2 Basis of measurement

i) Fair value model

Investment properties are initially recognised at cost. 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 profit or loss in the year in which they arise.

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 as per LKAS 16 - Property, Plant and Equipment.

ii) De-recognition

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

iii) Subsequent transfers to / from investment property

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party or completion of construction or development.

For a transfer from investment property to owner occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the Group as an owner-occupied property becomes an investment property, 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.

iv) Determining Fair Value

External and independent valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the investment property portfolio every year.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

3.11 Leases

The Group leases various offices, warehouses, equipment and vehicles.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

» fixed payments (including in-substance fixed payments), less any lease incentives receivable

» variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date

» amounts expected to be payable by the group under residual value guarantees

» the exercise price of a purchase option if the group is reasonably certain to exercise that option, and

» payments of penalties for terminating the lease, if the lease term reflects the group exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

» where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;

» uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing; and

» makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

» the amount of the initial measurement of lease liability;

» any lease payments made at or before the commencement date less any lease incentives received;

» any initial direct costs; and

» restoration costs.

The Group revalue Right-Of-Use Assets relating to Lands which meets the definition of a property, plant and equipment. Revaluations are made with sufficient regularity, by carrying out a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the Right-of-use assets being valued.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

3.11.1 Permanent land development costs

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

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

Permanent impairments to land development costs are charged to the Profit or loss in full or reduced to the net carrying amounts of such assets in the year of occurrence after ascertaining the loss.

3.12 Intangible assets

3.12.1 Goodwill

Goodwill is measured as described in note (3.2.6). Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

3.12.2 Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

» it is technically feasible to complete the software so that it will be available for use;

» management intends to complete the software and use or sell it;

» there is an ability to use or sell the software;

» it can be demonstrated how the software will generate probable future economic benefits;

» adequate technical, financial and other resources to complete the development and to use or sell the software are available; and

» the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

3.12.3 Subsequent expenditure

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied by these assets. All other expenditure is expensed when incurred.

3.12.4 De-recognition

Intangible assets are de-recognised on disposal or when no future economic benefits are expected from its use. The gain or loss arising from de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset.

3.12.5 Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful life of each intangible asset is as follows;

Computer Software	3 - 8 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.13 Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3.14 Biological assets

Biological assets are classified in to mature biological assets and immature biological assets. Mature biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature biological assets are those that have not yet attained harvestable specifications. Tea, rubber, standing sugar cane, commercial grass, other plantations and nurseries are classified as biological assets.

Biological assets are further classified as bearer biological assets and consumable biological assets. Bearer biological asset includes tea and rubber trees, those that are not intended to be sold or harvested, however used to grow for harvesting agricultural produce from such biological assets. Consumable biological assets include managed timber trees those that are to be harvested as agricultural produce or sold as biological assets.

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

3.14.1 Bearer biological assets

The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, inter-planting and fertilizing, etc., incurred between the time of planting and harvesting (when the planted area attains maturity), are classified as immature plantations. These immature plantations are shown at direct costs plus attributable overheads, including interest attributable to long-term loans used for financing immature plantations. The expenditure incurred on bearer plants (Tea, Rubber & Coconut fields), which come into bearing during the year, has been transferred to mature bearer biological assets and depreciated over their useful life in accordance with the LKAS16 – Property, Plant and Equipment.

i) Agricultural produce attached to bearer biological assets

The fair value of produce growing on trees prior to year end is classified as agricultural produce attached to bearer biological assets. Such agricultural produce prior to harvest continues to be in the scope of LKAS 41 - Agriculture and measured at fair value less cost to sell.

When deriving the estimated quantity, the Group limits to one harvesting cycle and measured based on the last day of the harvest in the immediately preceding cycle.

In order to ascertain the fair value of produce growing on trees, 50% of estimated crop in that harvesting cycle is used for the valuation as follows,

» Tea - 3 days crop (50% of 6 days Cycle)

» Rubber 1 day Crop (50% of 2 days Cycle)

» Coconut 1 months (50% of 2 months Cycle)

For the valuation of the produce it was agreed to use the farm gate price of the produce adjusted for the cost of harvest. Hence market value on the crop in the bush should be based on the selling value of agricultural produce adjusted for the cost of harvesting and transport.

» **Tea** - Bought Leaf rate (current month) less cost of harvesting & transport

» **Rubber** - latex Price (95% of current RSS1 Price) less cost of tapping & transport

Further it was not considered the risk adjustments for weather and other factors of the plant in to biological transformation in the valuation.

ii) Immature and Mature Plantations

The cost of replanting and new planting are classified as immature plantations up to the time of being ready for harvesting.

Further, the general charges incurred on the plantation are apportioned based on the labour days spent on respective replanting and new planting areas and capitalised on the immature areas. The remaining portion of the general charges is expensed in the accounting period in which it is incurred.

The cost of areas coming into bearing is transferred to mature plantations at end of the financial year.

iii) Growing Crop Nurseries

Nursery cost includes the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads.

iv) Infilling Costs on Bearer Biological Assets

The land development costs incurred in the form of infilling have been capitalised to the relevant mature field, only where the number of plants per hectare exceeded 3,000 plants and, also if it increases the expected future benefits from that field, beyond its pre-infilling standard of performance assessment. Infilling costs so capitalised are depreciated over the newly assessed remaining useful life of the relevant mature plantation or the unexpired lease period, whichever is lower.

Infilling cost that are not capitalised have been charged to the Profit or loss for the year in which they are incurred.

v) Amortisation

The cost of areas coming into bearing are transferred to mature plantations and depreciated as follows.

Bearer Biological Assets (Mature Plantations) at Cost - Replanting and New Planting.

Category	No. of Years
Tea	30 Years
Rubber	20 Years
Coconut	50 Years
Cinnamon	30 Years
Other Crops	15 – 30 Years

No amortisation is provided for immature plantations.

3.14.2 Consumable Biological Assets

Consumable biological assets include managed timber trees that are to be harvested as agricultural produce or sold as biological assets.

The managed timber trees of the Group are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell in terms of LKAS 41 – Agriculture. The cost of young plants which are below 4 years is treated as an approximation to the fair value as the impact on biological transformation of such plants to price during the period is immaterial. All assumptions and sensitivity analysis are given in note 16.

Nursery cost includes the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads, less provision for overgrown plants.

The gain or loss arising on initial recognition of biological assets at fair value less cost to sell and from a change in fair value less cost to sell of biological assets are included in the profit or loss for the period in which it arises.

3.15 Discontinued Operation

A discontinued operation is a component of the Group that has been disposed of, or is classified as held for sale, and represents either:

» a separate major line of business or geographical area of operations;

» Part of a single coordinated plan to dispose of a major line of business or geographical area of operations; or

» a subsidiary acquired exclusively with a view to resale.

The Group classifies an operation as discontinued when the criteria specified in SLFRS 5 – Non-current Assets Held for Sale and Discontinued Operations are met.

The results of discontinued operations are presented separately from continuing operations in the Statement of Profit or Loss and Other Comprehensive Income. The post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or disposal of the related assets are disclosed separately.

Where applicable, comparative information is re-presented to present the results of discontinued operations separately from continuing operations.

3.16 Investments and other financial assets and liabilities

3.16.1 Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

» those to be measured subsequently at fair value (either through OCI or through profit or loss); and

» those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. 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.

(iii) Measurement

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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

» 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. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

» FVOCI: 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. 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 recognised 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 separate line item in the statement of profit or loss.

» FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other income/ (expenses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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.

3.16.2 Non-derivative financial liabilities

i) Other financial Liabilities

All financial liabilities other than those at fair value through profit and loss are classified as other financial liabilities.

All other financial liabilities are recognised initially at fair value plus directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities include trade and other payables, bank overdrafts, loans and borrowings.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

ii) Derecognition of financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

3.16.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.17 Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost incurred in bringing inventories to its present location and condition is accounted using the following cost formula:

Agricultural Produce Harvested from Biological Assets

Agricultural produce harvested from the Group's biological assets is measured at its fair value less cost to sell at the point of harvest. Such measurement is deemed to be the cost at the time of transferring the harvested crop to inventories.

Finished goods manufactured from agricultural produce of biological assets

These are valued at the lower of cost and estimated net realisable value, after making due allowance for obsolete and slow moving items.

Input Material, Spares and Consumables

At actual cost on weighted average basis.

Finished Goods

First In First Out (FIFO) basis.

Food and Beverages

Weighted average cost basis.

3.18 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 180 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Group applies the SLFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 month before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments according to an agreed repayment plan with the Group.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

3.19 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

3.20 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.21 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as finance costs.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

3.22 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

3.23 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

3.23.1 Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

3.24 Deferred income

3.24.1 PHDT Lease Rentals

Premises at St. Andrew's Drive in Nuwara Eliya has been leased out to Plantation Human Development Trust (PHDT) for a period of 20 years commencing from August 2005 at a total lease rental of Rs.10,734,696/-.

Lease Rentals received are deferred and amortised over the lease period commenced from August 2005.

3.24.2 Rain Forest Eco Loge (Private) Limited (RFELL)

Value of 6,399,375 Ordinary Shares received by Maturata Plantations Limited, which is equivalent to 14.5% of the issued Ordinary Shares of RFELL at Rs.10/= each in lieu of releasing the company's right to use the leasehold land of 488 Hectares in Enselwatte, Deniyaya to RFELL for Eco Tourism Project is deferred and amortised as income to the statement of profit or loss over the unexpired balance lease period.

3.25 Employee benefits

3.25.1 Defined contribution plans

A Defined Contribution Plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Defined Contribution Plans are recognised as an employee benefit expense to profit or loss in the periods during which services are rendered by employees.

i) Employee provident fund and employee trust fund – Sri Lanka

For employees in Sri Lanka the Group contributes a sum not less than 12% of the gross emoluments as provident fund benefits and a sum equivalent 3% of the gross emoluments as trust fund benefits.

ii) Employees' pension scheme – Maldives

All Maldivian employees of the Group are members of the retirement pension scheme established in the Maldives. The Group contributes 7% of the pensionable wage of such employees to this scheme.

iii) Voluntary Pension – Sierra Leone

The Sierra Leone employees of the Group, makes a voluntary contribution towards the retirement of its employees at a rate of 5% of employees' basic salary on a monthly basis. These contributions are kept in a separate fund account and are paid to employees upon their retirement.

3.25.2 Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs are deducted.

The calculation is performed every year by a qualified actuary using the projected unit credit method. For the purpose of determining the charge for any period before the next regular actuarial valuation falls due, an approximate estimate provided by the qualified actuary is used.

The Group recognises all actuarial gains and losses arising from the defined benefit plan in Statement of Comprehensive Income and all other expenses related to defined benefit plans are recognised in profit loss. The retirement benefit obligation is not externally funded.

3.25.3 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.26 Stated capital and equity

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

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

3.27 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

3.28 Related party transactions

The Group carries out transactions in the ordinary course of its business with parties who are defined as related parties in LKAS 24 - "Related Party Disclosures". Disclosure has been made in respect of the related party transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies / decisions of the other, irrespective of whether a price is being charged or not.

3.28.1 Transactions with key management personnel

According to LKAS 24 - Related Party Disclosures, Key Management Personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity.

3.29 Earnings per share

3.29.1 Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

3.29.2 Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding during the financial year.

3.30 Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable further information about the assumptions made in determining fair value is disclosed in the notes specific to that asset or liability.

3.30.1 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the assets and liabilities that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its assets and liabilities into the three levels prescribed under the accounting standards. An explanation of each level is disclosed in note 42 to the financial statements.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

3.30.2 Valuation techniques used to determine fair values

Specific valuation techniques used to value assets and liabilities include:

i) Property, plant and equipment acquired in business combinations

The fair value of property, plant and equipment recognised as a result of a business combination is the estimated amount for which a property could be exchanged on the date of acquisition between a willing buyer and a willing seller in an arm's length transaction. The fair value of items of plant, equipment fixtures and fittings is based on market prices for similar items when available and depreciated replacement cost when appropriate.

ii) Property, plant and equipment owned by the Group including the right-of-use assets on Land

External, independent qualified valuers having appropriate experience in valuing properties in locations of properties being valued, value the land and building owned by the Group based on market values, this 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.

iii) Investment property

External, independent qualified valuers having appropriate experience in valuing properties in locations of properties being valued, value the land and building owned by the Group based on market values, this 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.

iv) Equity securities

The fair value of the equity securities is determined by reference to their quoted share price at the reporting date if quoted; or if unquoted either using discounted cash flow analysis using expected future cash flows and a market related discounted rate or based on the adjusted net assets of the investee company.

v) Financial instruments other than equity securities carried at fair value through profit or loss and fair value through other comprehensive income

Fair value of these financial instruments is estimated by discounting the difference between the contractual price of the instrument and the current price of the instrument for the residual maturity of the contract based on quoted price, or obtained from brokers if not quoted, using a credit adjusted risk free interest rate.

vi) Consumable Biological Assets

The fair value of timber trees is determined using a discounted cash flow model based on the expected timber content and the market prices of timber after allowing for harvesting costs and other costs yet to be incurred in getting the trees up to a harvestable size.

4 REVENUE FROM CONTRACTS WITH CUSTOMERS

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Gross Revenue (Note 4.1)	**154,386,612**	104,851,149	**29,061,713**	23,165,921

4.1 Revenue

Manufacturing	**11,355,149**	216,962	**-**	-
Trading	**61,192,627**	45,858,265	**29,061,713**	23,165,921
Hotelier revenue	**14,432,543**	10,252,108	**-**	-
Provision of services	**3,522,844**	7,742,711	**-**	-
Plantation	**63,883,449**	40,781,103	**-**	-
Total Revenue	**154,386,612**	104,851,149	**29,061,713**	23,165,921

5 OTHER INCOME/(EXPENSES)

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Rent Income	**528,308**	174,660	**113,948**	120,382
Gain/ (Loss) on Disposal of Property, Plant and Equipment	**(34,621)**	73,173	**30**	(38)
Gain/ (Loss) on Translation of Foreign Currency	**2,206,583**	1,215,137	**-**	-
Change in Fair Value of Other Financial Assets	**2,289,522**	1,068,733	**1,387,087**	1,140,667
Change in fair Value of bearer biological assets	**(6,865)**	1,180	**-**	-
Gain on Disposal of Other Financial Assets	**1,452,560**	25,160	**-**	-
Dividend Income	**172,136**	162,859	**169,407**	148,231
Provision for Inter Company Receivables	**-**	-	**(155,635)**	(494,531)
Provision for Other Receivables	**-**	-	**(1,422)**	-
Miscellaneous Income/ (Expenses)	**2,088,664**	2,883,584	**579,319**	215,706
	8,696,287	5,604,486	**2,092,733**	1,130,417

6 FINANCE INCOME

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Interest Income	**2,948,864**	2,374,155	**906,083**	1,021,762
	2,948,864	2,374,155	**906,083**	1,021,762

7 FINANCE COST

For the year ended 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Interest on Borrowings	**(44,857,001)**	(43,107,143)	**(8,146,315)**	(8,056,798)
Interest on Lease Assets	**(1,330,909)**	(1,065,285)	**(51,167)**	(42,256)
	(46,187,910)	(44,172,428)	**(8,197,482)**	(8,099,054)
Net Finance Cost	**(43,239,046)**	(41,798,273)	**(7,291,399)**	(7,077,292)

8 PROFIT/(LOSS) BEFORE TAXATION

For the year ended 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Profit/(Loss) before Taxation is stated after charging / (crediting) all expenses / (income) including the following:				
Directors' Emoluments	**176,972**	163,833	**8,117**	5,716
Auditors' Remuneration	**228,926**	123,171	**9,275**	7,378
Depreciation on Property, Plant and Equipment	**8,925,550**	6,381,029	**150,720**	120,033
Amortisation of Finite Life Intangible Assets	**99,910**	209,994	**210**	8,040
Provision/ (Reversal of Provision) for Bad and Doubtful Debts	**81,619**	1,066,885	**(227,337)**	20,154
Provision/ (Reversal of Provision) for Impairment Losses for Inventories	**665,289**	185,662	**(15,916)**	(69,045)
Amortisation of Right-of-Use Assets	**2,306,046**	1,488,977	**71,961**	58,442
Amortisation of Bearer Biological Assets	**1,523,973**	1,550,568	**-**	-
Salaries and Wages	**24,052,462**	18,569,196	**633,889**	552,602
Defined Contribution Plan Cost- EPF and ETF	**441,070**	279,810	**85,452**	74,409
Defined Benefit Plan Cost- Retiring Gratuity	**1,496,892**	1,008,963	**36,762**	34,655

9 INCOME TAX EXPENSE

The Company and its Subsidiaries operating in Sri Lanka, are liable to taxation at the rate of 30% in accordance with the provisions of Inland Revenue Act No. 24 of 2017 and subsequent amendments there to.

For the year ended 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
9.1 Income Tax Expense				
Current Tax Expense				
Income Tax on current year profits (Note 9.2)	**1,323,279**	985,578	**-**	-
Under/(Over) Provision in respect of previous years	**39,254**	(117,518)	**-**	-
	1,362,533	868,060	**-**	-
Deferred Tax				
Origination and (Reversal) of Temporary Differences (Note 9.4)	**(1,293,827)**	(3,988,115)	**(975,847)**	(1,290,406)
	68,706	(3,120,055)	**(975,847)**	(1,290,406)

9 INCOME TAX EXPENSE (CONTD.)

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
9.2 Reconciliation of Accounting Profit/(Loss) to Income Tax				
Accounting Profit/(Loss) before Taxation	(26,935,627)	28,085,276	(16,034,401)	38,513,082
Adjustment on Disallowable Expenses	26,202,279	7,040,231	352,601	410,375
Adjustment on Allowable Expenses	(6,864,119)	(64,839,793)	(251,313)	(241,075)
Income from Other Sources and Exempt Income	(5,482,457)	(10,623,240)	12,282,848	(42,834,662)
Tax Losses Utilised (Note 9.3)	(2,884,711)	(1,052,302)	(1,020,031)	(1,142,144)
Tax Loss incurred for the year (Note 9.3)	20,447,799	44,702,654	4,670,296	5,294,425
Taxable Income	4,483,163	3,312,826	-	-
Income Tax @ 30%	1,300,097	944,226	-	-
Income Tax @ 25%	12,750	41,351	-	-
Income Tax @ 15%	1,743	-	-	-
Income Tax @ 10%	8,689	-	-	-
Income Tax on Current year Profits	1,323,279	985,578	-	-

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
9.3 Tax Losses Utilised				
Tax Loss Brought Forward	93,380,661	53,030,793	16,056,086	11,933,067
Adjustments for brought forward tax losses	(2,172,416)	(3,300,483)	209,196	(29,262)
Tax Losses Utilised during the year	(2,884,711)	(1,052,302)	(1,020,031)	(1,142,144)
Loss incurred during the year	20,447,799	44,702,654	4,670,296	5,294,425
Acquisition of subsidiaries	6,187	-	-	-
Disposal of subsidiaries	(109,582)	-	-	-
Tax Losses carried forward	108,667,939	93,380,661	19,915,547	16,056,086
9.4 Deferred Tax Expense				
Origination and Reversal of Temporary Differences	(1,293,827)	(3,988,115)	(975,847)	(1,290,406)
	(1,293,827)	(3,988,115)	(975,847)	(1,290,406)

9.5 Companies Exempt From Income Tax

Company	Statute	Exemption period
Companies exempt from income tax under the Board of Investment (BOI) Law		
Sun and Fun Resorts Ltd	Section 17 of BOI Law no .04 of 1978.	15 years from the year in which the enterprise commences to make profits or any year of assessment not later than two (02) years reckoned from the date of commencement of commercial operations, which year is earlier
Companies exempt from income tax under Port City Commission Act No.11 of 2021		
Colombo Marina Development (Pvt) Ltd	Port City Commission Act No.11 of 2021	25 years exempt up to 2059 and 50% incentive from the prevailing rate for another 10 years.

9.6 Companies Incorporated and Operating Outside Sri Lanka

Company	Country	Rate
Bodufaru Beach Resort (Pvt) Ltd.	Republic of Maldives	15%
NPH Investments (Pvt) Ltd.	Republic of Maldives	15%
Browns Ari Resorts (Pvt) Ltd	Republic of Maldives	15%
Browns Raa Resorts (Pvt) Ltd	Republic of Maldives	15%
Browns Kaafu N Resorts (Pvt) Ltd	Republic of Maldives	15%
Browns Engineering & Construction (Fiji) Pte Ltd	Republic of Fiji	20%
Sunbird Bioenergy (SL) Limited	Republic of Sierra Leone	25%
B Commodities ME (FZE)	United Arab Emirates (U.A.E.)	9% above AED 375,000
PL Resorts Limited	Mauritius	15%
BI Leisure Holdings FZE	United Arab Emirates (U.A.E.)	9% above AED 375,000
Grey Reach Investments Ltd	British Virgin Islands	Nil
Browns Plantations (Kenya) Ltd	Kenya	30%
Browns Plantations Rwanada Ltd	Rwanda	28%
Browns Plantations Tanzania Ltd	Tanzania	30%
Browns Plantations East Africa Ltd	Kenya	30%
Browns Plantations (Guizhou) Tea Co., Ltd.	China	25%
Browns Tea Trading FZCO	United Arab Emirates (U.A.E.)	9% above AED 375,000

10 EARNINGS/(LOSS) PER SHARE

10.1 Basic Earnings/(Loss) per Share

The calculation of basic earnings/(loss) per share is based on the profit/(loss) attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the year

Basic Earnings/(Loss) per share is calculated as follows:

	Group		Company	
	2026	2025	**2026**	2025
Profit/(Loss) Attributable to Equity holders of the Company (Rs.000)	**(15,558,548)**	32,427,654	**(15,558,548)**	32,427,654
Profit/(Loss) Attributable to Equity holders of the Company from continuing operations (Rs.000)	**(15,058,554)**	39,803,488	**(15,058,554)**	39,803,488
Weighted Average Number of Ordinary Shares in Issue ('000)	**212,625**	212,625	**212,625**	212,625
Basic Earnings/(Loss) per Share (Rs.)	**(73.17)**	152.51	**(73.17)**	152.51
Basic Earnings/(Loss) per Share from continuing operations (Rs.)	**(70.82)**	187.20	**(70.82)**	187.20

10.2 Diluted Earnings/(Loss) Per Share

There were no potentially dilutive ordinary shares outstanding at any time during the year / previous year, hence diluted earnings/(loss) per share is equal to the basic earnings/(loss) per share.

11 PROPERTY, PLANT AND EQUIPMENT

11.1 Property, Plant and Equipment - Group

As at 31st March	Immovable (JEDB/ SLSPC) Assets on Finance Lease Rs.000	Freehold Land Rs.000	Reclaimed Land Rs.000	Freehold Buildings Rs.000	Buildings on leasehold land Rs.000	Plant and Machinery Rs.000	Furniture and Office Equipment Rs.000	Freehold Motor Vehicles Rs.000	Leasehold Motor Vehicles Rs.000	Loose Tools & Computers Rs.000	Other Tangible Assets Rs.000	Capital Work-in -progress (Note -11.6) Rs.000	**Total 2026 Rs.000**	Total 2025 Rs.000
Cost/Valuation														
Balance at the beginning of the year	882,707	31,121,933	24,198,526	87,636,747	594,044	91,383,070	3,863,679	11,579,387	64,512	2,764,225	54,535,889	47,516,841	**356,141,558**	273,431,661
On Acquisition of subsidiary	57,541	170,901	-	1,752,080	-	1,300,224	301,753	459,916	-	21,766	198,439	78,878	**4,341,498**	60,986,583
Disposal of Subsidiaries	-	-	-	-	-	(6,115)	(2,076)	-	-	(132)	(855)	-	**(9,179)**	(3,116)
Additions	24,589	15,406	-	2,485,266	48,557	1,193,874	399,881	385,270	-	130,987	321,170	6,683,005	**11,688,004**	17,197,653
Revaluation	-	449,000	-	973	-	-	-	-	-	-	-	-	**449,973**	13,976,180
Disposals/ Derecognitions	-	(454,000)	(7,855,407)	(12,341,369)	-	(1,052,268)	(679,820)	234,710	-	(203,558)	(302,293)	(69,291)	**(22,723,296)**	(2,483,337)
Impairment Losses	-	-	-	-	-	-	-	-	-	-	-	-	**-**	(397,654)
Transfers from/(to) PPE/ WIP/ROU	-	-	-	34,625,476	-	3,457,077	953,092	325,481	-	154,303	316,769	(38,920,402)	**911,796**	(2,956,558)
Transfers from/(to) Investment Properties	-	(173,500)	-	(634,270)	-	-	-	-	-	-	-	-	**(807,770)**	(10,000)
Exchange Translation Difference	-	223,696	1,259,031	3,841,545	-	7,922,636	70,940	635,616	-	92,667	6,700,392	1,271,046	**22,017,569**	(3,599,850)
Balance at the end of the year	964,837	31,353,435	17,602,150	117,366,448	642,601	104,198,498	4,907,448	13,620,380	64,512	2,960,258	61,769,511	16,560,078	**372,010,152**	356,141,561
Accumulated Depreciation														
Balance at the beginning of the year	861,405	-	150,891	7,299,811	431,194	39,755,673	2,389,901	8,501,127	4,014	2,086,171	33,972,830	-	**95,453,017**	77,810,644
On Acquisition of subsidiary	57,521	-	-	373,074	-	881,029	242,982	66,978	-	19,594	79,286	-	**1,720,465**	16,615,527
Charge for the year	10,931	-	502,278	2,299,253	35,041	3,376,696	381,346	882,933	7,952	281,132	1,147,989	-	**8,925,550**	6,381,029
Disposal of Subsidiaries	-	-	-	-	-	(3,633)	(2,038)	-	-	(106)	(855)	-	**(6,632)**	(6)
Disposals	-	-	(136,044)	(276,295)	-	(779,535)	(180,647)	(132,963)	-	(92,820)	(105,038)	-	**(1,703,343)**	(2,074,921)
On Revaluation	-	-	-	-	-	-	-	-	-	-	-	-	**-**	(2,473,055)
Impairment Losses				-		-	-	-		-			**-**	(67,268)
Transfers	-	-	-	(234,216)	-	(17,956)	(7,953)	-	-	(1,599)	15,823	-	**(245,900)**	(190,365)
Exchange Translation Difference	-	-	22,633	392,562	-	2,850,804	14,665	547,674	-	69,371	4,293,454	-	**8,191,164**	(548,565)
Balance at the end of the year	929,857	-	539,758	9,854,191	466,234	46,063,078	2,838,255	9,865,749	11,966	2,361,743	39,403,490	-	**112,334,322**	95,453,020
Carrying Value														
As at 31st March 2026	34,980	31,353,435	17,062,392	107,512,257	176,367	58,135,420	2,069,193	3,754,630	52,546	598,514	22,366,021	16,560,078	**259,675,830**	
As at 31st March 2025	21,302	31,121,933	24,047,635	80,336,936	162,850	51,627,398	1,473,778	3,078,260	60,497	678,054	20,563,058	47,516,841	**260,688,541**	

11.1.1 The fully depreciated Property, Plant and Equipment of the group, which are still in use as at the reporting date is Rs. 37,773 Mn (2024/25 - Rs. 37,649 Mn) and the company which are still in use as at the reporting date is Rs. 598 Mn (2024/25 - Rs.814 Mn).

11.1.2 During the year the group capitalised borrowing cost amounting to Rs.1,652 Mn (2024/25 - Rs. 5.605 Mn).

11.1.3 As at the reporting date, the Group had no idle property, plant and equipment, and no items had been retired from active use. There were no restrictions on the title of property, plant and equipment, nor were any items pledged as security other than those disclosed in Note 32 to these financial statements. Further, no compensation was received during the year from third parties for items of property, plant and equipment that were impaired, lost, or disposed of.

11 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

11.2 Property, Plant and Equipment - Company

As at 31st March,	Freehold Land Rs.000	Freehold Buildings Rs.000	Buildings on leasehold land Rs.000	Plant and Machinery Rs.000	Furniture and Office Equipment Rs.000	Freehold Motor Vehicles Rs.000	Computers Rs.000	**Total 2026 Rs.000**	Total 2025 Rs.000
Cost/Valuation									
Balance at the beginning of the year	3,028,050	260,422	446,343	154,088	232,777	112,152	211,214	**4,445,043**	4,175,736
Additions	-	32,420	39,274	50,147	39,562	17,915	22,869	**202,187**	179,793
On Revaluation	-	-	-	-	-	-	-	**-**	130,978
Transfers	-	-	-	-	-	-	-	**-**	(23,506)
Disposals	-		-	(3,280)	(23)	-	(121)	**(3,424)**	(17,957)
Balance at the end of the year	3,028,050	292,842	485,617	200,955	272,316	130,067	233,962	**4,643,806**	4,445,043
Accumulated Depreciation									
Balance at the beginning of the year	-	7,891	367,624	94,237	162,713	14,308	152,021	**798,794**	774,795
Charge for the year	-	8,197	26,323	20,895	26,928	34,945	33,432	**150,720**	120,033
On Disposals	-	-	-	(3,280)	(10)	-	(121)	**(3,411)**	(3,441)
Transfers	-	-	-	-	-	-	-	**-**	(11,078)
On Revaluation	-	-	-		-	-	-	**-**	(81,515)
Balance at the end of the year	-	16,088	393,947	111,852	189,631	49,253	185,332	**946,103**	798,794
Carrying Value									
As at 31st March 2026	3,028,050	276,754	91,670	89,103	82,685	80,814	48,630	**3,697,703**	
As at 31st March 2025	3,028,050	252,532	78,719	59,851	70,064	97,843	59,192	**3,646,249**	

11.3 The carrying value of the company's land and building that would have been recognised had the assets been carried out under cost model amounts to Rs. 3,297 Mn.

Land and Buildings	**2026 Rs.000**
Cost	**3,313,001**
Accumulated depreciation	**16,088**
Net book amount	**3,296,913**

11 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

11.4 Property, Plant and Equipment - Group

11.4.1 Revaluation of Land and Buildings

Details of Group's land and building stated at valuation are indicated below;

Company	Property	Effective Date of Valuation	Total Land Extent	Main Building Sq.Ft.	Land and Building Rs.000
Brown & Company PLC	Land & Building At No. 75, Devanampiyatissa Mawatha, Colombo-10	31st March 2025	A0-R3-P39.7	36,540	2,599,199
Brown & Company PLC	Land & Building At Dambulla	31st March 2025	A0-R3-P00	3,842	386,345
Brown & Company PLC	Land At Palle Bogala, Kegalle	31st March 2025	A0-R1-P16.5	-	800
Brown & Company PLC	Land & Building At Ranala	31st March 2025	A0-R3-P27.25	13,534	217,463
Brown & Company PLC	Land No 25/366, 3rd Lane, Dharmapala Mawatha , Pamburana, Matara .	31st March 2025	A0-R0-P18.50	-	101,000
Dolphin Hotels PLC	Land & Building At Waikkal	31st March 2025	A15-R3-P27	231,254	3,967,443
Frontier Capital Lanka (Pvt) Ltd.	Land & Building At Lantern Boutique Hotel Mirissa	31st March 2025	A0-R1-P30.80	10,069	375,663
Frontier Capital Lanka (Pvt) Ltd.	Land At Lantern Boutique Hotel at Kamburugamuwa	31st March 2025	A0-R1-P5.24	-	136,000
Frontier Capital Lanka (Pvt) Ltd.	Land & Building At Ubuntu 1 Beach Villa at Mirissa	31st March 2025	A0-R1-P34	9,283	398,947
Frontier Capital Lanka (Pvt) Ltd.	Land & Building At Ubuntu 1 Beach Villa 2 at Mirissa	31st March 2025	A0-R1-P38.40	9,283	411,948
Sansun Boutique Hotels Ltd.	Land & Building At Pothana in Dambulla	31st March 2025	A53-R1-P09	61,546	1,348,679
Hotel Sigiriya PLC	Building Sigiriya	31st March 2025		68,167	645,311
Maturata Plantations Limited.	Building	31st March 2025		-	213,379
Browns Properties (Private) Limited.	Building No.19,Dudley Senanayake Mw,Colombo 08	31st March 2025		-	1,347,782
Samudra Beach Resorts (Private) Limited.	Land & Building At Okade Road, Kosgoda	31st March 2025	A5-R1-P00.50	244,126	8,526,322
Samudra Beach Resorts (Private) Limited.	Land & Building At Okade Road, Kosgoda	31st March 2025	A0-R1-P17.00	900	28,500
Samudra Beach Resorts (Private) Limited.	Land & Building At Okade Road, Kosgoda	31st March 2025	A0-R0-P15.70	1,730	15,500
Samudra Beach Resorts (Private) Limited.	Land & Building At Okade Road, Kosgoda	31st March 2025	A0-R1-P32	280	102,000

Company	Property	Effective Date of Valuation	Total Land Extent	Main Building Sq.Ft.	Land and Building Rs.000
Samudra Beach Resorts (Private) Limited.	Land At Okade Road, Kosgoda	31st March 2025	A0-R1-P10.50	-	38,000
Samudra Beach Resorts (Private) Limited.	Land At Okade Road, Kosgoda	31st March 2025	A0-R01-P16.30	-	50,000
Samudra Beach Resorts (Private) Limited.	Land At Okade Road, Kosgoda	31st March 2025	A0-R0-P44.00	-	46,000
Samudra Beach Resorts (Private) Limited.	Land At Okade Road, Kosgoda	31st March 2025	A0-R0-P09.90	-	12,000
Samudra Beach Resorts (Private) Limited.	Land At Okade Road, Kosgoda	31st March 2025	A0-R3-P6.50	-	323,000
Palm Garden Hotels PLC	Land Area Fronting Galle Road	31st March 2025	A2-R1-P27	-	812,700
Palm Garden Hotels PLC	Land Middle Area Galle Road	31st March 2025	A8-R0-P11.69	-	2,453,300
Palm Garden Hotels PLC	Land Area with Beach Frontage Galle Road	31st March 2025	A7-R2-P0	-	3,240,000
Serendib Hotels PLC	Land & Building At Bentota	31st March 2025	A0-R0-P20	98,829	1,021,278
Browns Engineering & Construction (Pvt) Ltd.	Land At Battaramulla	31st March 2025	A0-R1-P36.33	-	991,900
Newburgh Green Teas (Private) Limited.	Building	31st March 2025	-	-	5,258
Browns Metal and Sands (Pvt) Ltd.	Land & Building Neboda Village Dodangoda	31st March 2025	A216-R2-P33.5	2,369	371,875
Dickwella Resort (Private) Limited.	Land & Building At Batheegama,Dickwella	31st March 2025	A6-R2-P3.93	96,648	3,657,973
Dickwella Resort (Private) Limited.	Land At Batheegama,Dickwella	31st March 2025	A1-R3-P29.25	-	309,000
BI Logistics and Commodities Pvt Ltd	Land Hendala,Wattala	31st March 2025	A3-R0-P30	-	442,534
BI Logistics and Commodities Pvt Ltd	Building Hendala,Wattala	31st March 2025	-	24,050	93,804
Green Paradise (Private) Limited.	Land & Building Dambulla	31st March 2025	A11-R0-P13.27	103,866	2,465,828
Bodufaru Beach Resort (Pvt) Ltd.	Reclaimed Land North Male Atoll in Maldives	31st March 2025	299,000 sqm	-	15,530,765
Browns Raa Resort (Pvt) Ltd.	Reclaimed Land Raa atoll in Republic of Maldives	31st March 2025	52,500 sqm	-	1,531,628
Sunbird Bioenergy (SL) Limited.	Land & Building Sierra Leone	31st March 2025	23,500 ha	257,110	1,670,910

11 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

11.4 Property, Plant and Equipment - Group (Contd.)

11.4.1 Revaluation of Land and Buildings (Contd.)

Company	Property	Effective Date of Valuation	Total Land Extent	Main Building Sq.Ft.	Land and Building Rs.000
Browns Investments PLC	Land At Hiddaruwa, Kosgoda	31st March 2025	A0-R1-P36.7	-	61,000
Sun & Fun Resorts Ltd.	Building At Pasikuda Village, Kalkuda	31st March 2025	-	109,240	1,759,757
Tropical Villas (Private) Limited.	Land At Moragalle, Beruwala	31st March 2025	A2-R1-P27	-	774,000
Browns Leisure (Pvt) Ltd.	Building At Kotmalgama, Katukitula, Pussellawa	31st March 2025		29,324	274,118
Browns Leisure (Pvt) Ltd.	Building Ayr bungalow, bope village, Padukka	31st March 2025		15,337	262,663
Eden Hotel Lanka PLC	Land & Building At Kaluwamodara, Aluthgama	31st March 2025	A6-R1-P25.82	237,571	6,311,691
Tropical Island Commodities (Pvt) Ltd.	Land & Building At Kamburugoda, Bandaragama	31st March 2025	A0-R0-P16	1,200	18,600
Tropical Island Commodities (Pvt) Ltd.	Land At Ethkandura, Kurundugaha Hathapma	31st March 2025	A0-R1-P39.5	-	12,000
Tropical Island Commodities (Pvt) Ltd.	Land At Aluthwala,Baddegama	31st March 2025	A0-R3-P14	-	33,500
Tropical Island Commodities (Pvt) Ltd.	Buildings At Homagama	31st March 2025	A0-R1-P37.14	12,747	75,050
Browns Piling (Pvt) Ltd.	Land At Hanwella	31st March 2025	A5-R0-P26	-	229,000
Sierra Cables PLC	Land and Buildings Galwarusa Road, Korathota, Kaduwela.	31st March 2025	A11-R1-P05	177,387	2,654,140
Sierra Cables PLC	Land and Buildings Kananvila Village, Horana	31st March 2025	A0-R1-P18	6,950	36,374
Mahaweli Agro Trading (Pvt) Ltd.	Building At Sandunpura, Dehiattakandiya	31st March 2025		41,600	111,625
Agstar PLC	Land & Building No.93, Minuwangoda Road, Ekala	31st March 2025	A8-R3-P19.55	190,988	3,106,899
Agstar PLC	Land & Building Dambulla Matale Road at Panampitiya Village	31st March 2025	A0-R1-P23.75	8,645	74,100
Agstar PLC	Building No-2012/Thama/05 Habarana Polonnaruwa road at Bendiwewa	31st March 2025	-	14,300	102,600

Company	Property	Effective Date of Valuation	Total Land Extent	Main Building Sq.Ft.	Land and Building Rs.000
Udapussellawa Plantations PLC	Building	31st March 2025	-	4,596,022	232,652
Hapugastenne Plantation PLC	Building	31st March 2025	-	2,049,844	237,748
PL Resorts Limited.	Building	31st March 2025	-	*8,556.60 Sq.m	3,111,729
LOLC Investment Holding Four (Pvt) Ltd.	Land Thambiliyana Kuruwita	*Cost	A3-R0-P16	-	15,700
Browns Plantations Kenya Ltd	Land and Buildings Kenya	31st December 2023		7,728	14,923,878
Browns Plantations East Africa Ltd	Land and Buildings Kenya	31st July 2024		8,140	15,085,329
Browns Plantations Tanzania Ltd	Land and Buildings Tanzania	31st December 2024		1,820	4,142,084
Browns Plantations Rwanada Ltd	Buildings Rwanda	31st July 2024			2,052,668
Browns Plantations (Guizhou) Tea Co., Ltd.	Buildings China	31st July 2024			417,932
Limiru PLC	Land and Buildings Kenya	31st July 2024		431	4,047,955
Browns Group Industrial Park (Pvt) Ltd.	Land and Buildings At Rahula Road, Andiambalama, Katunayake	31st March 2025	A8-R2-P28.16	186,623	2,843,461
Three Tips Ella (Pvt) Limited	Building Newburgh Ella The Tea Facrory Resorts, Passara Road, Ella	*Cost		47,511	627,437
NPH Investments Pvt Ltd	Land and Buildings	31st March 2025		30,828	34,885,804
Tea Small Holders Factories PLC	Land and Buildings	31st December 2024	A43-R2-P8.80	117,527	712,424
Pussellawa Plantations PLC	Building	30th June 2025			803,511
Melfort Green Teas (Pvt) Ltd.	Building	30th June 2025			620
					155,928,084

The above land and buildings have been revalued by qualified valuers, who hold recognised and relevant professional qualifications and have recent experience in the location and category of the revalued properties on the basis of current market value method of valuation.

In determining the fair value, the current condition of the properties, future usability and market evidence of transaction prices for similar on the basis of
current market value method of valuation.

Land and buildings are considered under Level 03 of the fair value hierarchy.

11 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

11.4 Property, Plant and Equipment - Group (Contd.)

11.4.1 Revaluation of Land and Buildings (Contd.)

Significant unobservable inputs used as follows;

Property	Method of valuation	Significant unobservable inputs		
		Estimated price per perch	Estimated price per square foot	Correlation to fair value
Land and Buildings				
Brown & Company PLC	DCC/CM	Rs.800,000 - Rs.13,700,000	Rs.3,000-Rs. 13,500	Positive
Dolphin Hotels PLC	DCC/CM	Rs.600,000	Rs. 3,000 - Rs. 18,000	Positive
Frontier Capital Lanka (Pvt) Ltd	DCC/CM	Rs.3,000,000	Rs.6,000-Rs.25,000	Positive
Sansun Boutique Hotels Ltd	DCC/CM	Rs.45,000-Rs.73,400	Rs.3,800-25,000	Positive
Hotel Sigiriya PLC	CM	-	Rs.500-20,000	Positive
Sierra Readymix (Pvt) Ltd	DCC/CM	Rs.350,000	Rs.1,500	Positive
Samudra Beach Resorts (Pvt) Ltd	DCC/CM	Rs.500,000-Rs.1,700,000	Rs.3,500-Rs.32,000	Positive
Palm Garden Hotels PLC	DCC	Rs.1,150,000-Rs.1,300,000	-	Positive
Serendib Hotels PLC	DCC/CM	Rs.500,000	Rs.3,000-Rs.21,000	Positive
Browns Engineering & Construction (Pvt) Ltd	DCC/CM	Rs.11,000,000	Rs.2,000-Rs.4,750	Positive
Browns Metal and Sands (Pvt) Ltd	DCC/CM	Rs.900,000-Rs.1,850,000	Rs.935-Rs.1,800	Positive
Dickwella Resort (Pvt) Ltd	DCC/CM	Rs.1,000,000-Rs.2,200,000	Rs.1000-Rs.27,000	Positive
BI Commodities and Logistics (Pvt) Ltd	DCC/CM	Rs.750,000-Rs.800,000	Rs.1,000-Rs.5,000	Negative
Green Paradise (Pvt) Ltd	DCC/CM	Rs.200,000	Rs.7,000-Rs.25,000	Positive
Browns Investments PLC	DCC/CM	Rs.200,000-Rs.300,000	Rs.1,300 - Rs.2,750	Positive
Sun & Fun Resorts Ltd.	CM	-	Rs.1,200-Rs.18,000	Positive
Tropical Villas (Pvt) Ltd	DCC	Rs.1,200,000		Positive
Browns Leisure (Pvt) Ltd	CM	-	Rs.1,500-Rs.12,000	
Eden Hotel Lanka PLC	DCC/CM	Rs.1,000,000-Rs.2,500,000	Rs.1,000-Rs.27,000	Positive
Tropical Island Commodities (Pvt) Ltd	DCC/CM	Rs.115,000-Rs.500,000	-	Positive
Browns Piling (Pvt) Ltd	DCC	Rs.300,000-Rs.500,000	-	Positive
Agstar PLC	DCC/CM	Rs.300,000-Rs.1,200,000	Rs.2,000-Rs.25,000	Positive
Mahaweli Agro Trading (Pvt) Ltd	CM	-	Rs.3,300-Rs.8,000	Positive
Sierra Cables PLC	DCC/CM	Rs.200,000 -850,000	Rs. 250 -9,500	Positive

Summary description of valuation methodologies;

Open market value method (OMV)

Open market value method uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities, such as a business.

Direct capital comparison method (DCC)

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.

Contractors method (CM)

The replacement cost (contractor's) 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 price will be established by comparison.

Investment method (IM)

The investment method is used to value properties which are let to produce an income for the investor. Conventionally, investment value is a product of rent and yield. Each of these elements is derived using comparison techniques.

11.5 Property, Plant and Equipment - Company

11.5.1 Revaluation of Land and Buildings - Company

Property	Effective Date of Valuation	Total Land Extent	Main Building Sq.Ft.	Carrying Value of Land & Building Rs.000	No of Buildings
Land & Building At No. 75, Devanampiyatissa Mawatha, Colombo-10	31st March 2025	A0-R3-P39.7	36,540	2,599,196	1
Land & Building At Dambulla	31st March 2025	A0-R3-P00	3,842	386,345	1
Land At Palle Bogala, Kegalle	31st March 2025	A0-R1-P16.5	-	800	-
Land & Building At Ranala	31st March 2025	A0-R3-P27.25	13,534	217,463	5
Land At No 25/366, 3rd Lane, Dharmapala Mawatha , Pamburana, Matara.	31st March 2025	A0-R0-P18.50	-	101,000	-
				3,304,804	7

Property	Method of valuation	Significant unobservable inputs		
		Estimated price per perch	Estimated price per square foot	Correlation to fair value
Land and Building				
Brown & Company PLC	DCC/CM	Rs.800,000 - Rs.15,465,000	Rs.3,000-Rs. 15,000	Positive

11.5.2 Summary description of valuation methodologies;

Open market value method (OMV)

Open market value method uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities, such as a business.

Direct capital comparison method (DCC)

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.

Contractors method (CM)

The replacement cost (contractor's) 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 price will be established by comparison.

Investment method (IM)

The investment method is used to value properties which are let to produce an income for the investor. Conventionally, investment value is a product of rent and yield. Each of these elements is derived using comparison techniques.

11.6 Capital Work in Progress

Capital Work in Progress includes the construction of capital assets which mainly consists of buildings and plant & machinery.

12 RIGHT OF USE ASSETS

As at 31st March	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Balance at the beginning of the year	**159,145,085**	65,605,337	**203,401**	248,343
Additions	**688,029**	269,378	**140,589**	17,839
Amortisation expense	**(2,306,046)**	(1,488,977)	**(71,961)**	(58,442)
Transferred to Property, Plant and Equipment	**(47,126)**	(60,644)	**-**	-
Acquisition of Subsidiaries	**6,128,763**	88,666,781	**-**	-
Reversal on Disposal	**-**	1,863	**-**	-
Other Adjustments	**(3,441,952)**	969,969	**(3,189)**	(4,339)
Revaluation gain during the year	**-**	6,922,670	**-**	-
Exchange difference	**9,483,987**	(1,741,292)	**-**	-
As at 31st March	**169,650,740**	159,145,085	**268,840**	203,401

12.1 Right-of-Use-Assets of the Group Include the Following

As at 31st March	2026 Rs.000
Land	**168,898,945**
Buildings	**676,898**
Vehicles	**46,070**
Machinery	**28,827**
	169,650,740

The above Right of use asset land and buildings have been revalued by qualified valuers, who hold recognised and relevant professional qualifications and have recent experience in the location and category of the revalued properties on the basis of current market value method of valuation.

In determining the fair value, the current condition of the properties, future usability and market evidence of transaction prices for similar on the basis of current market value method of valuation.

13 INVESTMENT PROPERTIES

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Balance at the beginning of the year	128,438,647	126,202,988	20,186,450	20,152,400
Additions	374,251	63,147	2,026	7,093
Acquisition of subsidiaries	813,202	-	-	-
Transfers from Property,Plant and Equipment	573,577	10,000	-	10,000
Change in Fair Value	3,906,182	2,109,701	449,074	16,957
Exchange difference	(80,686)	52,811	-	-
Balance at the end of the year	134,025,173	128,438,647	20,637,550	20,186,450

13.1 Income Earned from Investment Properties

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Rental income	1,211,796	1,041,311	97,830	85,038
Direct Operating expenses	(16,271)	(33,244)	-	-

13.2 Details of Investment Properties

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Owned properties	129,506,173	32,335,647	19,668,550	19,312,450
Properties held under operating leases	4,519,000	96,103,000	969,000	874,000
	134,025,173	128,438,647	20,637,550	20,186,450

13 INVESTMENT PROPERTIES (CONTD.)

13.3 Investment Properties of the Group Include the Following

Company	Property	Effective Date of Valuation	Total Land Extent	Land Rs.000	Buildings Rs.000
Brown & Company PLC	Land & Building At No. 481, T.B. Jayah Mawatha, Colombo 10	31st March 2026	A1-R2-P3.20	5,593,000	1,098,000
Brown & Company PLC	Land At Dunbar Rd, Dumburugiriya, Hatton	31st March 2026	A0-R3-P1.3	87,550	-
Brown & Company PLC	Land At Negombo-Divulapitiya Road, Demanhandiya	31st March 2026	A24-R0-P07	407,000	-
Brown & Company PLC	Land At Main Street, Ambalantota	31st March 2026	A0-R1-P24.8	178,000	-
Brown & Company PLC	Land At Glennie Street, Colombo 02	31st March 2026	A0-R2-P3.29	2,465,000	-
Brown & Company PLC	Land At T.B. Jayah Mawatha, Colombo 10	31st March 2026	A2-R3-P11.41	9,794,000	46,000
Brown & Company PLC	Land & Building At Orugodawatta	31st March 2026	A1-R0-P6.77	904,000	65,000
S. F. L. Services (Pvt) Ltd.	Land At Glennie Street, Colombo 02	31st March 2026	A0-R0-P30.50	823,000	-
S. F. L. Services (Pvt) Ltd.	Land At Malabe Rd, Malabe	31st March 2026	A0-R2-P33.50	388,000	-
Browns Group Industries (Pvt) Ltd.	Land At Shantha Sebastiyan Mw, Mudungoda, Kadawatha	31st March 2026	A0-R1-P25	42,000	-
Browns Industrial Park Ltd.	Land & Building At Gonawila, Markandura	31st March 2026	A21-R2-P19.80	405,000	2,704,000
Browns Industrial Park Ltd.	Land At Gonawila, Markandura	31st March 2026	A3-R2-P3.09	66,654	
Browns Industrial Park Ltd.	Land At Gonawila, Markandura	31st March 2026	A0-R2-P37.1	29,275	
Millennium Development (Pvt) Ltd.	Land & Building At No.381, T.B. Jayah, Mawatha, Colombo 10	31st March 2026	A5-R2-P17.17	5,319,000	367,000
Browns Properties (Pvt) Ltd.	Land & Building At No.19, Dudley Senanayake Mawatha, Colombo 08	31st March 2026	A0-R1-P9.5	1,066,000	663,681
Browns Properties (Pvt) Ltd.	Land At No.05, Summer Place, Colombo 08.	31st March 2026	A0-R0-P33.75	455,500	-
Browns Investments PLC	Land At Kuchchaveli, Trincomalee	31st March 2026	A5-R0-P14.5	183,000	-
Browns Investments PLC	Land At Nos.781 & 781/2, Nalluruwa, Panadura	31st March 2026	A0-R1-P38.32	250,500	-
Browns Investments PLC	Land At No.328, Kaduwela Rd, Malabe	31st March 2026	A0-R2-P5.05	565,500	-
Browns Investments PLC	Land At Egoda Uyana, Moratuwa	31st March 2026	A1-R0-P32.78	356,500	-

Company	Property	Effective Date of Valuation	Total Land Extent	Land Rs.000	Buildings Rs.000
Browns Investments PLC	Land & Building At "Nadungahalanda", Dampe, off Diggala Piliyandala road, Kesbewa	31st March 2026	A3-R0-P5	838,000	38,000
Browns Investments PLC	Land & Building At Pahala Yagoda, Gampaha	31st March 2026	A0-R1-P4.50	24,000	6,000
Browns Investments PLC	Land At Sunethradevi Road, Kohuwala	31st March 2026	A0-R2-P1.81	376,000	-
Browns Investments PLC	Land & Building At Batawala Road, Meegoda, Homagama	31st March 2026	A2-R3-P12.9	181,000	104,000
Browns Investments PLC	Land Mattakkuliya ,Colombo 15	31st March 2026	A0-R2-P20.53	402,000	-
Browns Hotels & Resorts Ltd.	Land At Duwemodara, Kosgoda	31st March 2026	A1-R0-P16.98	126,000	-
Eden Hotels Lanka PLC	Land At Waththala, Gampaha	31st March 2026	A0-R1-P25.66	93,000	-
Agstar PLC	Land & Building At Bawa Place, Colombo 08	31st March 2026	A0-R0-P16.32	222,000	51,000
Agstar PLC	Land & Building Puliyankulama Village, Jaffna Rd, Anuradhapura	31st March 2026	A3-R2-P19.22	202,000	361,300
Browns Developments Ltd.	Land & Building At Havelock Road, Colombo 05	31st March 2026	A0-R1-P16.40	1,184,000	3,718,000
Ceylon Real Estate Holdings (Pvt) Ltd.	Land At Port City, Colombo	31st March 2026	A7-R2-P11.01	37,750,000	-
Colombo Marina Development (Pvt) Ltd.	Land At Port City, Colombo	31st March 2026	A7-R2-P16.79	36,206,000	-
Marina Hotel Holdings (Pvt) Ltd.	Land At Port City, Colombo	31st March 2026	A3-R0-P34.21	15,300,000	-
Browns Plantations Kenya Ltd.	Building Kenya	31st March 2026	-	-	1,524,714
Tea Smallholder Factories PLC	Land & Building No.77A, New Nuge Road, Peliyagoda.	31st March 2026	A0-R3-P37.19	491,000	55,000
Tea Smallholder Factories PLC	Building Uda Karawita, Rathnapura	31st March 2026	-	-	213,000
Tea Smallholder Factories PLC	Land & Building Kahawatta, Rathnapura	31st March 2026	A10-R2-P14	52,140	184,860
Group Total				122,825,619	11,199,554

The fair value of the above investment property was determined based on an independent valuation carried out by Mr. W. M. Chandrasena, Chartered Valuation Surveyor, and Mr. C. U. Suwandarathna, who possess experience in valuing properties in similar locations on the basis of current market value method of valuation. Investment Property is appraised in accordance with LKAS 40 - "Investment Property" and International Valuation Standards published by the Royal Institute of Chartered Surveyors (RICS), by an Independent Valuer.

In determining the fair value, the current condition of the properties, future usability and associated re-development requirements have been considered. Also, the Valuer has made reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location. The appraised fair values are rounded within the range of values.

Investment Properties are considered under Level 3 of the fair value hierarchy.

13 INVESTMENT PROPERTIES (CONTD.)

13.3 Investment Properties of the Group Include the Following (Contd.)

Significant unobservable inputs used as follows;

Property	Method of valuation	Significant unobservable inputs		
		Estimated price per perch	Estimated price per square foot	Correlation to fair value
Land and Building				
Brown & Company PLC	DCC / CM	Rs.52.500 - Rs.29,600,000	Rs.5,000 - Rs.21,000	Positive
S. F. L. Services (Pvt) Ltd.	DCC	Rs.2,600,000 - Rs.27,000,000	-	Positive
Browns Group Industries (Pvt) Ltd.	DCC	Rs.650,000	-	Positive
Browns Industrial Park Ltd.	DCC / CM	Rs.250,000 - Rs.275,000	Rs.3,200 - Rs.21,000	Positive
Millennium Development (Pvt) Ltd.	DCC / CM	Rs.5,000,000 - Rs.6,000,000	Rs.5000 - Rs.7,500	Positive
Browns Properties (Pvt) Ltd.	DCC / CM	Rs.13,000,000 - Rs.25,000,000	Rs.25,000 - Rs. 30,000	Positive
Browns Investments PLC	DCC / CM	Rs.200,000 - Rs.6,700,000	Rs.2,500 - Rs.5,500	Positive
Browns Hotels & Resorts Ltd.	DCC	Rs.120,000 - Rs.775,000	-	Positive
Eden Hotel Lanka PLC	DCC	Rs.950,000 - Rs.1,420,000	-	Positive
Agstar PLC	DCC / CM	Rs.350,000 - Rs.13,600,000	Rs.4,500 - Rs.12,200	Positive
Browns Developments Ltd.	DCC / CM	Rs.16,000,000 - Rs.20,000,000	Rs.20,000 - Rs.32,000	Positive
Ceylon Real Estate Holdings (Pvt) Ltd.	DCC	Rs.32,500,000 - Rs.33,000,000	-	Positive
Colombo Marina Development (Pvt) Ltd.	DCC	Rs.30,000,000 - Rs.31,500,000	-	Positive
Marina Hotel Holdings (Pvt) Ltd.	DCC	Rs.30,500,000 - Rs.31,500,000	-	Positive
Tea Smallholder Factories PLC	DCC	Rs.2,500,000 - Rs.5,000,000	Rs.1,000 - Rs.7,000	Positive

13.3.1 Summary description of valuation methodologies;

Open market value method (OMV)

Open market value method uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities, such as a business.

Direct capital comparison method (DCC)

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.

Contractors method (CM)

The replacement cost (contractor's) 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 price will be established by comparison.

Investment method (IM)

The investment method is used to value properties which are let to generate an income for the investor. Conventionally, investment value is a product of rent and yield. Each of these elements is derived using comparison techniques.

13.4 Summary of Investment Properties - Group

As at 31st March	Group	
	2026	2025
	Rs.000	Rs.000
Land	**122,825,619**	118,407,449
Buildings	**11,199,554**	10,031,198
	134,025,173	128,438,647

13.5 Investment Properties of the Company Include the Following

Company	Property	Effective Date of Valuation	Total Land Extent	Land Rs.000	Buildings Rs.000	No of Buildings in Each Location
Brown & Company PLC	Land & Building At No. 481, T.B. Jayah Mawatha, Colombo 10	31st March 2026	A1-R2-P3.20	5,593,000	1,098,000	5
Brown & Company PLC	Land At Dunbar Rd, Dumburugiriya, Hatton	31st March 2026	A0-R3-P1.3	87,550	-	-
Brown & Company PLC	Land At Negombo-Divulapitiya Road, Demanhandiya	31st March 2026	A24-R0-P07	407,000	-	-
Brown & Company PLC	Land At Main Street, Ambalantota	31st March 2026	A0-R1-P24.8	178,000	-	-
Brown & Company PLC	Land At Glennie Street, Colombo 02	31st March 2026	A0-R2-P3.29	2,465,000	-	-
Brown & Company PLC	Land At T.B. Jayah Mawatha, Colombo 10	31st March 2026	A2-R3-P11.41	9,794,000	46,000	3
Brown & Company PLC	Land & Building At Orugodawatta	31st March 2026	A1-R0-P6.77	904,000	65,000	1
				19,428,550	1,209,000	9

Significant unobservable inputs used as follows;

Property	Method of valuation	Significant unobservable inputs		
		Estimated price per perch	Estimated price per square foot	Correlation to fair value
Land and Building				
Brown & Company PLC	DCC / CM	Rs.52.500 - Rs.29,600,000	Rs.5,000 - Rs.21,000	Positive

13 INVESTMENT PROPERTIES (CONTD.)

13.5 Investment Properties of the Company Include the Following (Contd.)

13.5.1 Summary description of valuation methodologies;

Open market value method (OMV)

Open market value method uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities, such as a business.

Direct capital comparison method (DCC)

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.

Contractors method (CM)

The replacement cost (contractor's) 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 price will be established by comparison.

Investment method (IM)

The investment method is used to value properties which are let to produce an income for the investor. Conventionally, investment value is a product of rent and yield. Each of these elements is derived using comparison techniques.

13.6 Summary of Investment Properties - Company

As at 31st March	Company	
	2026	2025
	Rs.000	Rs.000
Land	**19,428,550**	19,003,450
Buildings	**1,209,000**	1,183,000
	20,637,550	20,186,450

14 INTANGIBLE ASSETS

As at 31st March	Group		Company	
	2026	2025	**2026**	2025
	Rs.000	Rs.000	**Rs.000**	Rs.000
Gross Value				
Balance at the beginning of the year	**4,175,147**	3,827,374	**167,673**	167,673
On Acquisition of Subsidiary	**21,274**	195,843	**-**	-
Disposals	**(4,738)**	(9,019)	**-**	-
Disposal of Subsidiaries	**-**	(196)	**-**	-
Additions/ Adjustments during the year	**44,078**	92,214	**-**	-
Exchange Difference	**75,260**	68,931	-	-
Balance at the end of the year	**4,311,021**	4,175,147	**167,673**	167,673
Amortisation and impairment				
Balance at the beginning of the year	**1,967,040**	1,700,062	**167,320**	159,280
Amortisation during the year	**99,910**	209,994	**210**	8,040
Disposals	**(455)**	(7,649)	**-**	-
On Acquisition of Subsidiary	**13,971**	25,936	**-**	-
Disposal of Subsidiaries	**-**	(196)	**-**	-
Exchange Difference	**70,085**	38,893	-	-
Balance at the end of the year	**2,150,551**	1,967,040	**167,530**	167,320
Carrying Value	**2,160,470**	2,208,107	**143**	353

14.1 Summary of Intangible Assets - Group

As at 31st March	2026				2025			
	Goodwill Rs.000	Software Rs.000	Brand value Rs.000	Total Rs.000	Goodwill Rs.000	Software Rs.000	Brand value Rs.000	Total Rs.000
Gross value								
Balance at the beginning of the year	1,841,476	2,283,671	50,000	4,175,147	1,650,183	2,177,191	-	3,827,374
Additions/ Adjustments during the year	-	44,078	-	44,078	-	42,214	50,000	92,214
Disposals	-	(4,738)	-	(4,738)	-	(9,019)	-	(9,019)
Acquisition of subsidiary	-	21,274	-	21,274	191,293	4,550	-	195,843
Disposal of Subsidiaries	-	-	-	-	-	(196)	-	(196)
Exchange Difference	-	75,260	-	75,260	-	68,931	-	68,931
Balance at the end of the year	1,841,476	2,419,545	50,000	4,311,021	1,841,476	2,283,671	50,000	4,175,147
Amortisation and impairment								
Balance at the beginning of the year	66,314	1,900,726	-	1,967,040	66,314	1,633,748	-	1,700,062
Amortisation during the year	-	99,910	-	99,910	-	209,994	-	209,994
Disposals	-	(455)	-	(455)	-	(7,649)	-	(7,649)
Impairment during the year	-	-	-	-	-	-	-	-
On Acquisition of Subsidiary	-	13,971	-	13,971	-	25,936	-	25,936
Disposal of Subsidiaries	-	-	-	-	-	(196)	-	(196)
Exchange Difference	-	70,085	-	70,085	-	38,893	-	38,893
Balance at the end of the year	66,314	2,084,237	-	2,150,551	66,314	1,900,726	-	1,967,040
Carrying Value	1,775,162	335,308	50,000	2,160,470	1,775,162	382,945	50,000	2,208,107

14.2 Summary of Intangible Assets - Company

As at 31st March	2026		2025	
	Software Rs.000	Total Rs.000	Software Rs.000	Total Rs.000
Gross value				
Balance at the beginning of the year	167,673	167,673	167,673	167,673
Balance at the end of the year	167,673	167,673	167,673	167,673
Amortisation and impairment				
Balance at the beginning of the year	167,320	167,320	159,281	159,281
Amortisation during the year	210	210	8,040	8,040
Balance at the end of the year	167,530	167,530	167,320	167,320
Carrying Value	143	143	353	353

14 INTANGIBLE ASSETS (CONTD.)

14.3 Summary of Goodwill - Group

As at 31st March	Carrying Value	
	2026	2025
	Rs.000	Rs.000
Klevenberg (Pvt) Ltd.	**51,805**	51,805
Browns Healthcare Negombo (Pvt) Ltd.	**250**	250
Browns Investments PLC	**9,564**	9,564
Ajax Engineers (Pvt) Ltd.	**25,057**	25,057
Excel Restaurants (Pvt) Ltd.	**20,524**	20,524
Browns Hotels & Resorts Ltd.	**1,205,258**	1,205,258
NPH Investments (Pvt) Ltd.	**151,646**	151,646
Gurind Accor (Pvt) Ltd.	**8,490**	8,490
Tropical Island Commodities (Pvt) Ltd	**111,276**	111,276
Browns Group Industrial Park (Pvt) Ltd	**6,926**	6,926
Sierra Cables PLC	**184,366**	184,366
	1,775,162	1,775,162

14.4 Goodwill as at the reporting date has been tested for impairment and appropriate adjustments has been made for the impairment loss for the year.

The group tests whether goodwill has suffered any impairment on an annual basis. For the 2026 and 2025 reporting periods, the recoverable amount was determined based on value in use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each entity operates.

The key assumptions used are given below;

Business growth rate – Based on the long term average growth rate for each business unit.

Inflation rate – Based on current inflation rate.

Discount rate – Risk free rate adjusted for the specific risk relating to the industry.

14.5 Software with a finite life is amortised over the period of the expected economic benefit. As per the Group policy, software is amortised over 3 to 8 years.

15 BEARER BIOLOGICAL ASSETS

As at 31st March	Group 2026 Rs.000	Group 2025 Rs.000
On Finance Lease [Note 15.1]	**16,586,338**	15,629,662
Investments after formation of the Company [Note 15.2]	**11,555,885**	6,373,822
Growing Crop Nurseries [Note 15.3]	**55,489**	171,331
	28,197,712	22,174,816

As at 31st March	On Finance Lease Rs.000	Investments after formation of the Company Rs.000	Growing Crop Nurseries Rs.000	Total 2026 Rs.000	On Finance Lease Rs.000	Investments after formation of the Company Rs.000	Growing Crop Nurseries Rs.000	Total 2025 Rs.000
Cost	**25,015,531**	**27,051,235**	**55,489**	**52,122,255**	23,185,450	17,187,103	171,331	40,543,885
Accumulated amortisation	**(8,429,193)**	**(15,495,351)**	**-**	**(23,924,544)**	(7,555,788)	(10,813,281)	-	(18,369,069)
	16,586,338	**11,555,884**	**55,489**	**28,197,711**	15,629,662	6,373,822	171,331	22,174,816

15.1 On Finance Lease

As at 31st March	Mature Plantations Tea 2026	Mature Plantations Tea 2025	Mature Plantations Rubber 2026	Mature Plantations Rubber 2025	Mature Plantations Coconut 2026	Mature Plantations Coconut 2025	Total 2026	Total 2025
Balance as at the beginning of the year	**23,177,180**	9,783,686	**-**	227	**8,271**	8,271	**23,185,451**	9,792,184
Additions	**791,682**	130,913	**-**	-	**-**	-	**791,682**	130,913
Disposals	**(11)**	(280,279)	**-**	(227)	**-**	-	**(11)**	(280,506)
Changes due to Business Combinations	**168,662**	13,598,980	**182,170**	-	**3,315**	-	**354,147**	13,598,980
Transfer in	**138,165**	293,289	**-**	-	**-**	-	**138,165**	293,289
Exchange Differences	**546,097**	(349,409)	**-**	-	**-**	-	**546,097**	(349,409)
Balance as at the end of the year	**24,821,775**	23,177,180	**182,170**	-	**11,586**	8,271	**25,015,531**	23,185,451
Accumulated Amortisation								
Balance as at the beginning of the year	**7,547,518**	3,431,333	**-**	227	**8,271**	8,271	**7,555,789**	3,439,831
Disposals	**(11)**	(161,919)	**-**	(227)	**-**	-	**(11)**	(162,146)
Charge for the year	**453,097**	380,426	**738**	-	**10**	-	**453,845**	380,426
On disposals	**-**	-	**181,432**	-	**-**	-	**181,432**	-
Written off during the year	**-**	2,172	**-**	-	**-**	-	**-**	2,172
Changes due to Business Combinations	**167,935**	3,763,287	**-**	-	**3,293**	-	**171,228**	3,763,287
Exchange Differences	**66,910**	132,219	**-**	-	**-**	-	**66,910**	132,219
Balance as at the end of the year	**8,235,449**	7,547,518	**182,170**	-	**11,574**	8,271	**8,429,193**	7,555,789
Carrying amount								
As at 31st March 2026	**16,586,326**		**-**		**12**		**16,586,338**	
As at 31st March 2025	**15,629,662**		**-**		**-**		**15,629,662**	

15 BEARER BIOLOGICAL ASSETS (CONTD.)

15.2 Investments after formation of Subsidiaries

As at 31st March	Immature Plantations					Mature plantations						Total 2026	Total 2025
	Tea	Rubber	Coconut	Mixed Crops	Total	Tea	Rubber	Coconut	Mixed Crops	Sugar Cane	Total		
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	**Rs.000**	Rs.000
Cost/Valuation													
Balance as at the beginning of the year	1,116,994	192,553	12,520	175,650	1,497,718	2,442,730	1,362,332	78,151	1,073,275	10,732,900	15,689,387	**17,187,103**	15,732,257
Additions	281,064	390,105	2,247	42,291	715,706	-	-	-	-	362,783	362,783	**1,078,489**	1,035,246
Disposals	(639,936)	-	(1,536)	(53,016)	(694,488)	-	(6,724)	-	-	-	(6,724)	**(701,212)**	(69,947)
Transfers	(263,104)	(22,951)	-	(69,009)	(355,064)	263,104	22,951	-	69,009	-	355,064	**-**	(4,287)
Acquisition of Subsidiaries	864,996	1,723,369	-	16,602	2,604,966	1,713,493	3,605,675	12,185	116,024	-	5,447,377	**8,052,343**	720,500
Impairment	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Exchange Differences	20,033	-	-		20,033	-	-	-	-	1,414,479	1,414,479	**1,434,512**	(226,666)
Balance as at the end of the year	1,380,047	2,283,076	13,231	112,518	3,788,871	4,419,327	4,984,234	90,336	1,258,308	12,510,161	23,262,366	**27,051,235**	17,187,103
Accumulated Depreciation													
Balance as at the beginning of the year	-	-	-	-	-	1,185,324	567,377	25,843	177,729	8,857,005	10,813,281	**10,813,281**	9,795,055
Charge for the year	-	-	-	-	-	136,939	210,222	2,385	66,980	653,602	1,070,128	**1,070,128**	1,170,142
Disposals	-	-	-	-	-	-	(6,724)	-	-	-	(6,724)	**(6,724)**	-
Acquisition of Subsidiaries	-	-	-	-	-	570,650	1,816,943	5,795	-	-	2,393,388	**2,393,388**	-
Exchange Differences	-	-	-	-	-	-	-	-	49,103	1,176,174	1,225,277	**1,225,277**	(151,916)
Balance as at the end of the year	-	-	-	-	-	1,892,913	2,587,818	34,023	293,812	10,686,781	15,495,349	**15,495,350**	10,813,281
Carrying amount													
As at 31st March 2026	1,380,047	2,283,076	13,231	112,518	3,788,871	2,526,414	2,396,416	56,313	964,496	1,823,380	7,767,016	**11,555,885**	
As at 31st March 2025	1,116,994	192,553	12,520	175,650	1,497,718	1,257,406	794,955	52,308	895,546	1,875,895	4,876,106	**6,373,822**	

15.3 Growing Crop Nurseries

As at 31st March	2026				2025		
	Tea	Rubber	Mixed Crops	Total	Tea	Mixed Crops	Total
Balance as at the beginning of the year	**171,331**	**-**	**-**	**171,331**	8,670	-	8,670
Additions	**(145,252)**	**10,453**	**4,000**	**(130,799)**	795	-	795
Disposals/ Written off	**(23,876)**	**(26,672)**	**-**	**(50,548)**	-	-	-
Changes due to Business Combinations	**34,957**	**29,362**	**-**	**64,319**	170,744	-	170,744
Exchange Differences	**1,186**	**-**	**-**	**1,186**	(8,878)	-	(8,878)
Balance as at the end of the year	**38,346**	**13,143**	**4,000**	**55,489**	171,331	-	171,331

15.4 Amortisation/ Depreciation for the year recognised for bearer biological assets

For the year ended 31st March	2026 Rs.000	2025 Rs.000
On Finance Lease (15.1)	**453,845**	380,426
Investments after formation of the Company (15.2)	**1,070,128**	1,170,142
	1,523,973	1,550,568

These are investments in bearer biological assets carried at cost (Tea, Rubber, Coconut,Cinnamon and Mixed Crop) which comprises of immature/ mature plantations since the formation of the Company. Further, investment in immature plantations taken over by way of leases are shown in this note. When such plantations become mature, the additional investments since, taken over to bring them to maturity will be reclassified from immature to mature under this note.

16 CONSUMABLE BIOLOGICAL ASSETS

As at 31st March	Group	
	2026 Rs.000	2025 Rs.000
Balance as at the beginning of the year	**16,128,615**	10,599,662
Increase due to new planting	**90,003**	24,858
Net increase/ (decrease) due to births/deaths (Growing Crop Nurseries)	**1,298**	(218)
Acquisition of subsidiary	**5,027,207**	4,971,146
Written off during the year	**(2,127)**	(4,270)
Decrease due to harvesting of timber trees	**(233,334)**	(251,002)
Change in fair value less estimated costs to sell	**5,082,868**	910,096
Exchange Differences	**414,130**	(121,657)
Balance as at the end of the year	**26,508,660**	16,128,615

16 CONSUMABLE BIOLOGICAL ASSETS (CONTD.)

16.1 Change in fair value less estimated costs to sell

As at 31st March	Group	
	2026 Rs.000	2025 Rs.000
Due to change in the discount rate and price	2,039,663	585,321
Due to physical changes	3,043,206	324,774
	5,082,869	910,095

16.1.1 The carrying value of Consumable biological assets as at the year end has been computed as follows;

As at 31st March	Group	
	2026 Rs.000	2025 Rs.000
Valuation of consumable biological assets	26,073,500	15,811,579
Carrying value of immature timber trees	436,389	318,160
Growing Crop Nurseries	3,595	3,338
Allowance for impairment - Consumable Biological assets	(4,824)	(4,462)
	26,508,660	16,128,615

Managed timber trees include commercial timber plantations cultivated on estates. The above carrying amount as at 31st March 2026 includes a sum of Rs. 436.4 Mn /- (As at 31st March 2025 - Rs. 318 Mn/-) which is the cost of immature trees up to the age of 4 years which is treated as approximate fair value particularly on the ground of little biological transformation taking place and impact of such transformation on price is expected to be immaterial.

Borrowing costs of Rs. 84 Mn (2024/25 - NIL) have been capitalised during the year in to immature fields.

16.1.2 Growing crop nurseries

As at 31st March	Group	
	2026 Rs.000	2025 Rs.000
Balance as at 01st April	3,338	3,555
Acquisition of subsidiaries	725	-
Additions	1,297	-
Impairment/writeoff	(1,765)	(217)
Balance as at 31st March	3,595	3,338

16.2 Valuation techniques and significant unobservable inputs

Following table shows the valuation techniques in measuring Level 3 fair value of consumable biological assets as well as the significant unobservable inputs used

Local Subsidiaries

Valuation Technique	Significant observable and unobservable inputs	Interrelationship between key inputs and fair value measurement
Discounted cash flows The valuation model considers present value of future net cash flows expected to be generated by the plantation from the timber content of managed timber plantation on a tree-per-tree basis.	**Determination of Timber Content** Timber trees in inter-crop areas and pure crop areas have been identified field-wise and spices were identified and harvestable trees were separated, according to their average girth and estimated age.	The estimated fair value would increase / (decrease) if; - the estimated timber content were higher/(lower) - the estimated timber prices per cubic meter were higher/(lower) - the estimated timber prices per cubic meter were higher/(lower)
Expected cash flows are discounted using a risk-adjusted discount rate of 19% comprising a risk premium of 4%.	Timber trees that have not come up to a harvestable size are valued working out the period that would take for those trees to grow up to a harvestable size.	- the estimated selling related costs were lower/(higher) - the estimated maturity age were higher/(lower) - the risk-adjusted discount rate were lower/(higher)
	Determination of Price of Timber Trees have been valued as per the current timber prices per cubic meter based on the price list of the State Timber Corporation and prices of timber trees sold by the estates and prices of logs sawn timber at the popular timber traders in Sri Lanka. In this exercise, following factors have been taken into consideration. a) Cost of obtaining approval of felling b) Cost of felling and cutting into logs c) Cost of transportation d) Sawing cost Risk-adjusted discount rate 2025/2026 - 14.75% - 15% (Risk Premium - 4%) 2024/2025 - 15% (Risk Premium - 4%)	

16 CONSUMABLE BIOLOGICAL ASSETS (CONTD.)

16.2 Valuation techniques and significant unobservable inputs (Contd.)

Foreign Subsidiaries

Valuation Technique	Significant observable and unobservable inputs	Interrelationship between key inputs and fair value measurement
Trees (Standing timber for firewood)		
Discounted cash flows: The valuation model considers the present value of the net cash flows expected to be generated by the plantation. The cash flow projections include specific estimates for 10 years. The expected net cash flows are discounted using a risk-adjusted discount rate	Estimated future timber market prices per cubic meter (3.63% - 5% of current prices of KShs 3,100 - 3500/M3) (2024/25: (5% of current prices of KShs 3,163/M3) Estimated future costs (3.59% - 5% inflation of current cost of KShs 481 - 1,795/M3) (2024/25: (5% of current prices of KShs 2,520/M3) Estimated yields per hectare (552-690/M3) (2024/25: 690/M3) Risk-adjusted annual discount rate :13.45% - 17.8% (2025 : 17.35%) (2022: 16.93%) (2021: 16.93%)	The estimated fair value would increase / (decrease) if; - The estimated timber prices per cubic meter were lower (higher) - The estimated yields per hectare were similar - The estimated harvest, replanting, weeding and transportation costs were higher/ (lower) - The risk-adjusted discount rates were lower/ (higher)
Trees (Standing timber for timber)		
Discounted cash flows: The valuation model considers the present value of the net cash flows expected to be generated by the plantation. The cash flow projections include specific estimates for 25 years. The expected net cash flows are discounted using a risk-adjusted discount rate	Estimated future timber market prices per cubic meter (3.63% of current prices of KShs 31,307/M3) (2024/25: 6% of current prices of KShs 37,278/M3) Estimated future costs (3.59%% inflation of current cost of KShs 24,947/M3) (2024/25: 5% of current prices of KShs 29,658/M3) Estimated yields per hectare (500M3) (2024/25: 500M3) Risk-adjusted annual discount rate 13.45%) (2024/25: 18.49%)	The estimated fair value would increase / (decrease) if; - The estimated timber prices per cubic meter were lower (higher) - The estimated yields per hectare were similar - The estimated harvest, replanting, weeding and transportation costs were higher/ (lower) - The risk-adjusted discount rates were lower/ (higher)

16.3 The valuation of consumable biological assets was carried by Mr. W.M.Chandrasena, an independent Chartered Valuation Surveyor, using Discounted Cash Flow (DCF) methods. In ascertaining the fair value of timber, a physical verification was carried covering all the estates.

16.4 Timber Trees namely Eucalyptus Torariyana, Albezzia, Graveelia, Eucalyptus Grandis, Astonia, Pinus, Toona, Mahogany, Teak, Jak, Turpentine, Nadun, Mango, Pellen, Hora, Domba, Lunumidella, Wal Del and Mara on the plantations have been taken into consideration in this valuation of Timber Trees.

16.5 In valuing the timber plantations, under-mentioned factors have been taken into consideration.

1 The present age of trees

2 Maturity age of the tree - Maturity of the tree is based on the variety of the species of the tree

3 Annual marginal increase in timber content

4 Number of years to harvest

5 Timber content of harvestable trees on maturity

6 Timber Plants having below three years of age have not been taken into the valuation

7 The timber content of immature trees at an estimated future harvestable year

8 The current price of species of timber per cubic foot at the relevant year

16.6 Trees have been valued as per the current timber prices in the domestic market based on the price list of the State Timber Corporation and prices of timber trees sold by estates and prices of logs and sawn timber in the popular timber traders in Sri Lanka.

16.7 The fair value is determined on the basis of net present value of expected future cash flows using a discount rate of 14.75% - 15% per annum. The significant assumptions used in the valuation of Consumable Biological Assets are as follows:

1 Future cash flows are determined by references to current timber prices without considering the inflationary effect

2 The ongoing cost of growing trees which are deducted in determining the net cash flows are constant in real terms

3 Timber trees that have not come upto a harvestable size are valued working out the period that would take for those trees to grow up to a harvestable size

4 The present value of the trees is worked out based on the projected size and the estimated number of years it would take to reach the size. This is worked out on the basis of an annual marginal increase of timber content which normally ranges from 0.50 to 1.50 cm per year for trees of diameter girth over 10 cm

5 The value of each matured species of timber is worked out on the price of a cubic foot of timber in the market of the species and the available cubic content of timber in the tree

6 Due consideration has been given for cost of felling, transport, sawing, cost to sell including obtaining of approval for felling

16.8 Managed trees include commercial timber plantations cultivated in estates. The cost of immature trees are measured at approximate fair value particularly on the ground of little biological transformation has taken place and impact of the biological transformation on price is not material. When such Plantations become mature, the additional investments since taken over to bring them to maturity are transferred from immature to mature.

16.9 The fair value of managed trees was ascertained since LKAS 41 is only applicable for managed agricultural activity in terms of the ruling issued by the Institute of Chartered Accountants of Sri Lanka. The valuation was carried but by using Discounted Cash Flow (DCF) methods. In ascertaining the fair value of timber a physical verification was carried out covering all the estates.

16.10 The valuations, as presented in the external valuation models based on net present values, take into account the long-term exploitation of the timber plantation. Because of the inherent uncertainty associated with the valuation at fair value of the biological assets due to the volatility of the variables, their carrying value may differ from their realisable value. The Board of Directors retains their view that commodity markets are inherently volatile and that long-term price projections are highly unpredictable. Hence, the sensitivity analysis regarding selling price and discount rate variations as included in this note allows every investor to reasonably challenge the financial impact of the assumptions used in LKAS 41 against his own assumptions.

16.11 The biological assets of Group is cultivated in the leasehold lands. When measuring the fair value of the biological assets it was assumed that these concessions can and will be renewed at normal circumstances. Timber content expects to be realised in future and is included in the calculation of the fair value that takes into account the age of the timber plants and not the expiration date of the lease.

16 CONSUMABLE BIOLOGICAL ASSETS (CONTD.)

16.12 Sensitivity analysis for biological assets

16.12.1 Sensitivity variation on sales price

Values as appearing in the Statement of Financial Position are sensitive to price changes with regard to the average sales prices applied. Simulation made for timber to show that a increase or a decrease by 10% of the estimated future selling price has the following effect on the net present value of biological assets:

As at 31st March	Notes	Group 2026 Rs.000	Group 2025 Rs.000
Carrying amount	16.1.1	**26,508,660**	16,128,615
Sensitivity on sales price	+10%	**3,173,247**	933,603
	-10%	**(3,173,247)**	(933,603)

16.12.2 Sensitivity variation on discount rate

Values as appearing in the Statement of Financial Position are sensitive to changes of the discount rate applied. Simulations made for rubber, coconut and timber show that a increase or decrease by 1% of the estimated future discount rate has the following effect on the net present value of biological assets;

As at 31st March	Notes	Group 2026 Rs.000	Group 2025 Rs.000
Carrying amount	16.1.1	**26,508,660**	16,128,615
Sensitivity on Discount Rate			
	+1%	**(990,446)**	(424,156)
	-1%	**1,073,284**	709,975

16.13 Risk factors

The Group is exposed to a number of risks related to its timber plantations;

Regulatory and environmental risks

The Group is subject to laws and regulations imposed by the environmental authorities of Sri Lanka. The Group established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

Supply and demand risk

The Group is exposed to risks arising from fluctuations in the price and sales volume of timber. When possible Group manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses to ensure that Group's pricing structure is in line with the market and to ensure that projected harvest volumes are consistent with the expected demand.

Climate and other risks

The Group's timber plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular forest health inspections and industry pest and disease surveys.

17 INVESTMENTS IN SUBSIDIARIES

17.1 Company

As at 31st March	No. of shares	Group Holding % 2026	Group Holding % 2025	Company Holding % 2026	Company Holding % 2025	Cost Rs.000	Balance as at 1st April 2025 Rs.000	Share of Profit/(loss) net of Tax from continuing Operations Rs.000	Share of Profit/(loss) net of Tax from discontinued Operations Rs.000	Equity accounting adjustment Rs.000	Balance as at 31st March 2026 Rs.000
Browns Group Motels Ltd.	15,762,359	**99.37%**	99.37%	**99.37%**	99.37%	160,364	327,804	(1)	-	25,843	**353,646**
CFT Engineering Ltd.	3,075,850	**99.99%**	99.99%	**99.99%**	99.99%	307,698	355,340	-	-	26,004	**381,345**
The Hatton Transport & Agency Co. (Pvt) Ltd.	1,537,250	**100%**	100%	**100%**	100%	153,835	322,551	(1)	-	26,007	**348,557**
S.F.L. Services (Pvt) Ltd.	1,627,500,000	**100%**	100%	**100%**	100%	16,845,296	15,063,732	(204,207)	-	26,007	**14,885,532**
Browns Group Industries (Pvt) Ltd.	18,162,500	**100%**	100%	**100%**	100%	275,744	142,474	(86,749)	-	25,840	**81,565**
Browns Thermal Engineering (Pvt) Ltd.	16,862,497	**100%**	100%	**100%**	100%	269,913	150,310	(12,876)	-	25,716	**163,150**
Snowcem Products Lanka (Pvt) Ltd.	15,762,500	**100%**	100%	**100%**	100%	156,999	296,761	(1)	-	26,007	**322,767**
Klevenberg (Pvt) Ltd.	30,962,500	**100%**	100%	**100%**	100%	358,889	633,821	(44,315)	-	25,940	**615,446**
Browns Healthcare Negombo (Pvt) Ltd.	158,625,000	**100%**	100%	**100%**	100%	158,625	331,325	-	-	26,007	**357,332**
Walker & Greig (Pvt) Ltd.	15,362,501	**100%**	100%	**100%**	100%	192,263	322,919	(1)	-	26,007	**348,925**
Browns Investments PLC	6,618,280,773	**64.55%**	64.55%	**46.06%**	46.06%	17,051,228	1,351,001	(1,358,563)	-	7,561	**-**
Browns Pharma Ltd.	25,362,500	**100%**	100%	**100%**	100%	253,625	407,785	-	-	26,007	**433,792**
BI Holdings (Pvt) Ltd.	301,000,000	**100%**	100%	**17.58%**	17.58%	3,010,000	3,009,580	493	-	-	**3,010,073**
Browns Agri Solutions (Pvt) Ltd.	32,500,001	**100%**	100%	**100%**	100%	325,000	485,206	55,454	-	(340)	**540,320**
Browns Global Farm (Pvt) Ltd.	11,837,608	**100%**	100%	**20%**	20%	56,702	-	-	-	-	**-**
Browns Leisure (Pvt) Ltd.	4,500,000	**90%**	90%	**90%**	90%	45,000	-	-	-	-	**-**
Browns Property Holdings (Pvt) Ltd	1	**100%**	100%	**100%**	100%	0.01	0.01	-	-	-	**0.01**
Agstar PLC	286,509,384	**58.77%**	59%	**58.77%**	58.77%	4,272,245	4,236,313	158,186	-	1,607	**4,396,106**
Browns Group Industrial Park (Pvt) Ltd. (Formally known as ISIN Lanka (Pvt) Ltd)	40,934,550	**100%**	100%	**100%**	100%	1,920,000	2,128,265	(69,328)	-	-	**2,058,937**
Equity Investments through Indirect Holdings							70,194,405	(11,817,333)	(499,994)	43,313,602	**101,190,680**
Share of Equity Accounted Investees - subsidiaries						45,813,428	99,759,592	(13,379,240)	(499,994)	43,607,815	**129,488,171**
Share of Equity Accounted Investees - Associates (Note 18.2)						1,227,958	4,616,616	(913,625)	-	192,186	**3,895,177**
Total						**47,041,386**	**104,376,208**	**(14,292,865)**	**(499,994)**	**43,800,001**	**133,383,348**

17 INVESTMENTS IN SUBSIDIARIES (CONTD.)

17.2 Provision for fall in value of Investments

As at 31st March	2026 Rs.000	2025 Rs.000
Browns Global Farm (Pvt) Ltd.	56,702	56,702
	56,702	56,702

17.3 Group Holdings in Subsidiaries

As at 31st March Subsidiary	Principal Place of Business	Principal Activity	2026		2025	
			No of Shares	Control Holding %	No of Shares	Control Holding %
Ajax Engineers (Pvt) Ltd	Sri Lanka	Aluminium Fabrication	469,987	100%	469,987	100%
B G Air Services (Pvt) Ltd	Sri Lanka	Travel	50,000	100%	50,000	100%
BI Commodities and Logistics (Pvt) Ltd	Sri Lanka	Manufacturing	35,500,250	100%	35,500,250	100%
B.I Leisure Holdings (FZE)	United Arab Emirates	Investments holding	300	100%	300	100%
BI Zhongtian Holdings (Pvt) Ltd	Sri Lanka	Pre-Operational	25,500,000	51%	25,500,000	51%
Bodufaru Beach Resorts (Pvt) Ltd	Maldives	Hotelier - Pre operational	235,800	88%	235,800	88%
Browns Agri Solutions (Pvt) Ltd	Sri Lanka	Trading	32,500,001	100%	32,500,001	100%
Browns Ari Resort (Pvt) Ltd	Maldives	Hotelier - Pre operational	40,100	100%	40,100	100%
Browns Kaafu N Resort (Pvt) Ltd	Maldives	Hotelier - Pre operational	100	99.96%	100	99.96%
Browns Raa Resort (Pvt) Ltd	Maldives	Hotelier - Pre operational	100	100%	100	100%
Browns Engineering and Construction (Pvt) Ltd	Sri Lanka	Construction and Engineering	350,000,002	50%	350,000,002	50%
Browns Metal and Sands (Pvt) Ltd	Sri Lanka	Pre-Operational	1	100%	1	100%
B Commodities ME (FZE)	United Arab Emirates	Pre-Operational	150,000	100%	150,000	100%
Browns Development Ltd	Sri Lanka	Construction	4,310,005	100%	4,310,005	100%
Browns Teas (Pvt) Ltd	Sri Lanka	Pre-Operational	1	100%	1	100%
Browns Global Farm (Pvt) Ltd	Sri Lanka	Agriculture	58,295,328	100%	58,295,328	100%
Browns Group Industries (Pvt) Ltd	Sri Lanka	Trading	18,162,500	100%	18,162,500	100%
Browns Group Motels Ltd	Sri Lanka	Non-operating	15,762,359	99%	15,762,359	99%
Browns Hotels and Resorts Ltd	Sri Lanka	Holding Company	1,191,919,624	100%	1,191,919,624	100%
Browns Industrial Park Ltd.	Sri Lanka	Renting Premises	30,767,637	100%	30,767,637	100%
Browns Investments PLC	Sri Lanka	Holding Company	9,275,581,367	65%	9,275,581,367	65%
Browns Healthcare Negombo (Pvt) Ltd	Sri Lanka	Pre-Operational	158,625,000	100%	158,625,000	100%
Browns Leisure (Pvt) Ltd	Sri Lanka	Leisure	4,500,000	90%	4,500,000	90%
Browns Pharma Ltd	Sri Lanka	Pre-Operational	25,362,500	100%	25,362,500	100%
BI Holding Ltd	Sri Lanka	Holding Company	1,712,300,000	100%	1,712,300,000	100%
Browns Thermal Engineering (Pvt) Ltd	Sri Lanka	Trading	16,862,497	100%	16,862,497	100%
CFT Engineering Ltd	Sri Lanka	Non-operating	3,076,130	100%	3,076,130	100%
Ceylon Roots Lanka (Pvt) Ltd	Sri Lanka	Pre-Operational	12,000,000	60%	12,000,000	60%
Dickwella Resort (Pvt) Ltd	Sri Lanka	Hotelier	481,314	100%	481,314	100%
Eden Hotels Lanka PLC	Sri Lanka	Hotelier	1,508,252,227	95%	1,508,252,227	95%
Excel Global Holdings (Pvt) Ltd	Sri Lanka	Holding Company	53,448,329	100%	53,448,329	100%
Excel Restaurants (Pvt) Ltd	Sri Lanka	Food & beverages	10,004	100%	10,004	100%
F L C Estates Bungalows (Pvt) Ltd	Sri Lanka	Liquidation	100,000	100%	100,000	100%
Browns Power Holdings (Pvt) Ltd	Sri Lanka	Investing	100,000,000	100%	100,000,000	100%

As at 31st March Subsidiary	Principal Place of Business	Principal Activity	2026 No of Shares	2026 Control Holding %	2025 No of Shares	2025 Control Holding %
Browns Properties (Pvt) Ltd	Sri Lanka	Real estate	**82,500,000**	**100%**	82,500,000	100%
F L P C Management (Pvt) Ltd	Sri Lanka	Plantation management	**92,052,838**	**95%**	92,052,838	95%
Green Paradise (Pvt) Ltd	Sri Lanka	Hotelier	**5,000,007**	**100%**	5,000,007	100%
Gurind Accor (Pvt) Ltd	Sri Lanka	Manufacturing	**7,102,001**	**100%**	1,544,002	60%
Klevenberg (Pvt) Ltd	Sri Lanka	Trading	**30,962,500**	**100%**	30,962,500	100%
LOLC Investment Holdings Four (Pvt) Ltd	Sri Lanka	Trading	**1**	**100%**	1	100%
Maturata Plantations Ltd	Sri Lanka	Plantations	**25,200,000**	**94%**	25,200,000	72%
Millennium Development (Pvt) Ltd	Sri Lanka	Renting Premises	**44,390,823**	**100%**	44,390,823	100%
NPH Investments (Pvt) Ltd	Maldives	Investing	**141,555,600**	**51%**	141,555,600	51%
Palm Garden Hotels PLC	Sri Lanka	Holding Company	**470,800,660**	**99%**	470,800,660	99%
PL Resorts Ltd	Mauritius	Hotelier	**100**	**100%**	100	100%
Riverina Resort (Pvt) Ltd	Sri Lanka	Hotelier - Pre operational	**35,050,000**	**100%**	35,050,000	100%
S.F.L. Services (Pvt) Ltd	Sri Lanka	Intra-Group Funding	**1,627,500,000**	**100%**	1,627,500,000	100%
Sifang Lanka (Pvt) Ltd	Sri Lanka	Trading	**17,362,500**	**100%**	17,362,500	100%
Sifang Lanka Trading (Pvt) Ltd	Sri Lanka	Non-operating	**2,997,750**	**100%**	2,997,750	100%
Snowcem Products Lanka (Pvt) Ltd	Sri Lanka	Non-operating	**15,762,500**	**100%**	15,762,500	100%
Samudra Beach Resorts (Pvt) Ltd	Sri Lanka	Hotelier	**219,027,500**	**100%**	219,027,500	100%
Sun & Fun Resorts Ltd	Sri Lanka	Hotelier	**16,287,848**	**51%**	16,287,848	51%
Sunbird Bioenergy (SL) Limited	Siera Leone	Plantations	**2,816**	**75%**	2,816	75%
Serendib Hotels PLC	Sri Lanka	Hotelier	**182,739,232**	**56%**	182,739,232	56%
Dolphin Hotels PLC	Sri Lanka	Hotelier	**43,849,317**	**69%**	43,849,317	69%
Hotel Sigiriya PLC	Sri Lanka	Hotelier	**11,300,770**	**64.29%**	11,300,770	64.29%
Frontier Capital Lanka (Pvt) Ltd	Sri Lanka	Hotelier	**3,216,295**	**100%**	3,216,295	100%
Serendib Leisure Mgt Ltd	Sri Lanka	Holding Company	**6,050,000**	**100%**	6,050,000	100%
Sanctuary Resorts Lanka (Pvt) Ltd	Sri Lanka	Hotelier	**2**	**100%**	2	100%
Sri Spice (Pvt) Ltd	Sri Lanka	Plantations	**65,000**	**65%**	65,000	65%
Grey Reach Investment Limited	United Arab Emirates	Investing	**20,000**	**67%**	20,000	67%
The Tea Leaf Resort Holding (Pvt) Ltd	Sri Lanka	Leisure	**250,000**	**50%**	250,000	50%
The Hatton Transport & Agency Company (Pvt) Ltd	Sri Lanka	Non-operating	**153,725,000**	**100%**	153,725,000	100%
Tropical Island Commodities (Pvt) Ltd	Sri Lanka	Cinnamon export	**65,000**	**65%**	65,000	65%
Tropical Villas (Pvt) Ltd	Sri Lanka	Non-operating	**14,959,232**	**100%**	14,959,232	100%
Walker & Greig (Pvt) Ltd	Sri Lanka	Non-operating	**15,362,501**	**100%**	15,362,501	100%
Hapugastenne Plantations PLC	Sri Lanka	Plantations	**46,315,790**	**90%**	46,315,790	90%
Udapussellawa Plantations PLC	Sri Lanka	Plantations	**17,458,966**	**90%**	17,458,966	90%
Newburgh Green Teas (Pvt) Ltd	Sri Lanka	Plantations	**6,500,000**	**54%**	6,500,000	54%
ICONIC Trust (Pvt) Ltd	Sri Lanka	Investment	**1**	**100%**	1	100%
Browns Piling (Pvt) Ltd	Sri Lanka	Construction	**4,310,005**	**100%**	4,310,005	100%
Agstar PLC	Sri Lanka	Trading	**269,308,461**	**55%**	269,308,461	55%
AgStar Cropcare (Pvt) Ltd	Sri Lanka	Trading	**5,000,000**	**100%**	5,000,000	100%
AgStar Seeds (Pvt) Ltd	Sri Lanka	Trading	**5,000,000**	**100%**	5,000,000	100%
AgStar Grains (Pvt) Ltd	Sri Lanka	Trading	**34,000,000**	**100%**	34,000,000	100%
Mahaweli Agro Trading (Pvt) Ltd	Sri Lanka	Trading	**19,549,996**	**100%**	19,549,996	100%
AgStar Exports (Pvt) Ltd	Sri Lanka	Trading	**-**	**-**	4,500,000	100%

17 INVESTMENTS IN SUBSIDIARIES (CONTD.)

17.3 Group Holdings in Subsidiaries (Contd.)

As at 31st March	Principal Place of Business	Principal Activity	2026		2025	
Subsidiary			No of Shares	Control Holding %	No of Shares	Control Holding %
Prith Seeds (Pvt) Ltd	Sri Lanka	Trading	10,000	100%	10,000	100%
Royal Seeds (Pvt) Limited	Sri Lanka	Trading	2	100%	2	100%
Sansun Boutique Hotels Ltd	Sri Lanka	Leisure	50,100,868	88%	50,100,868	88%
Colombo Marina Development (Pvt) Ltd	Sri Lanka	Investment	1	100%	1	100%
Marina Hotel Holdings (Pvt) Ltd	Sri Lanka	Investment	1	100%	1	100%
Ceylon Real Estate Holdings (Pvt) Ltd	Sri Lanka	Investment	1	100%	1	100%
Browns Engineering & Construction (Fiji) Pte Ltd	Fiji	Construction	600,000	50%	600,000	50%
Browns Plantations Kenya Ltd	Kenya	Plantations	6,375,000	85%	6,375,000	85%
Browns E&C Technical Services Contracting LLC	United Arab Emirates	Construction	300	100%	300	100%
Browns Plantation Holdings (Pvt) Ltd	Sri Lanka	Holding Company	1,000	100%	1,000	100%
Browns Plantations Rwanada Ltd	Rwanda	Plantations	20,745,293	100%	20,745,293	100%
Browns Plantations Tanzania Ltd	Tanzania	Plantations	8,014,373,342	100%	8,014,373,342	100%
Browns Plantations East Africa Ltd	Kenya	Plantations	65,644,010	99%	65,644,010	99%
Limuru Tea PLC	Kenya	Plantations	2,400,000	52%	2,400,000	52%
Browns Plantations (Guizhou) Tea Co., Ltd	China	Plantations	1	100%	1	100%
Browns Group Industrial Park (Pvt) Ltd (formally known as ISIN Lanka (Pvt) Ltd)	Sri Lanka	Real estate	40,934,550	100%	40,934,550	100%
Colombo Marina International (Pvt) Ltd	Sri Lanka	Real estate	1	100%	1	100%
Marina Hotel (Pvt) Ltd	Sri Lanka	Real estate	1	100%	1	100%
Three Tips Ella (Pvt) Ltd	Sri Lanka	Leisure	1	100%	1	100%
Browns Tea Trading FZCO	United Arab Emirates	Trading	7,500	60%	7,500	60%
Sierra Cables PLC	Sri Lanka	Manufacturing	537,512,430	57%	537,512,430	57%
Tea Small Holder Factories PLC	Sri Lanka	Plantations	22,578,000	75%	-	-
FLMC Plantations (Pvt) Ltd	Sri Lanka	Plantations	10,000,000	100%	-	-
Pussellawa Plantation Ltd	Sri Lanka	Plantations	14,236,154	60%	-	-
Melfort Green Teas (Pvt) Ltd	Sri Lanka	Plantations	749,980	54%	-	-
Ceylon Estate Teas (Pvt) Ltd	Sri Lanka	Plantations	7,550,020	100%	-	-

17.4 Disposal of Subsidiaries

On 14th August 2025, a subsidiary of the Company, Agstar PLC has disposed the entire of its shareholding amounting to 100% of Agstar Export (Pvt) Ltd. The details are as follows,

Subsidiaries	Date of Disposal	Controlling Interest Sold Rs. 000	Cash and Cash Equivalent Received Rs. 000	Disposal Related Costs Rs. 000	Total Consideration of Disposal Rs. 000
Agstar Export (Pvt) Ltd	14-08-2025	100%	35,300	-	35,300

Fair values of the identifiable assets and liabilities of the disposed entities;

Subsidiaries	Agstar Export (Pvt) Ltd Rs. 000
Assets	
Property, plant and equipment	2,546
Deferred tax assets	417
Inventories	3,097
Trade and other receivables	8,545
Amounts due from Related Parties	12,783
Cash and cash equivalents	9,326
Total assets	**36,714**
Liabilities	
Trade and other Payables	1,211
Total liabilities	1,211
Net assets disposed	**35,503**
Gain on disposal of subsidiaries	
Total consideration received	35,300
Consideration attributable to the Non Controlling Interest	(14,554)
Derecognition of Non Controlling Interest	14,638
Fair value of net assets disposed	(35,503)
Gain/ (Loss) on disposal	**(119)**
Net cash received from divestment	
Purchase consideration received	35,300
Positive cash balances	(9,326)
Net cash received from divestment	**25,974**

17 INVESTMENTS IN SUBSIDIARIES (CONTD.)

17.5 Acquisition of Subsidiaries

Udapussellawa Plantations PLC, a subsidiary of the Group, acquired a 75.27% equity stake in Tea Smallholder Factories PLC for Rs. 793.27 million during the period.

Browns Power Holdings (Pvt) Ltd, a subsidiary of the group, acquired 100% equity in FLMC Plantations (Pvt) Ltd, the holding company and managing agent of Pussellawa Plantations Ltd and Melfort Green Teas (Pvt) Ltd for a consideration of Rs. 4.8 billion on 5th May 2025.

Company Name	Country of Incorporation	Percentage of acquired	Effective Holding of Brown & Company PLC
Tea Smallholder Factories PLC	Sri Lanka	75.27%	43.72%
FLMC Plantations (Pvt) Ltd - Group	Sri Lanka	100%	64.55%

The provisional fair values of the identifiable assets and liabilities of the acquiree as at the date of acquisition were;

Company Name	Tea Smallholder Factories PLC	FLMC Plantations (Pvt) Ltd - Group	Total Rs. '000
Assets			
Property, plant and equipment	962,618	1,658,414	2,621,032
Right-of-use assets (Land)	1,932	6,126,831	6,128,763
Investment Properties	813,202	-	813,202
Intangible assets	7,303	-	7,303
Investment in Subsidiaries	-	591,181	591,181
Bearer biological assets	-	5,675,657	5,675,657
Consumable biological assets	-	5,027,207	5,027,207
Deferred tax assets	-	627,165	627,165
Inventories	489,448	942,467	1,431,915
Trade and other receivables	115,462	2,187,104	2,302,566
Current Tax Assets	6,096	48,172	54,268
Cash and cash equivalents	2,246	102,921	105,167
Total Assets	**2,398,307**	**22,987,119**	**25,385,426**
Liabilities			
Retirement benefit obligations	47,683	1,266,830	1,314,513
Deferred tax liabilities	332,670	5,395,694	5,728,364
Deferred income	382	684,098	684,480
Interest-bearing borrowings	-	1,099,028	1,099,028
Other current liabilities	4,214	61,502	65,716
Trade and other Payables	209,967	2,406,114	2,616,081
Bank overdrafts	65,746	-	65,746
Total Liabilities	**660,662**	**10,913,266**	**11,573,928**
Fair value of identifiable net assets acquired	**1,737,645**	**12,073,853**	**13,811,498**

Company Name	Tea Smallholder Factories PLC	FLMC Plantations (Pvt) Ltd - Group	Total Rs. '000
Results of the acquisitions of above subsidiaries are as follows;			
Less - Fair value of consideration paid	793,274	4,800,000	5,593,274
Non-controlling interests acquired (Net)	645,376	4,403,908	5,049,284
Intra Group Investment	-	590,866	590,866
Gain on bargain purchase	**298,995**	**2,279,079**	**2,578,074**
Net cash used in acquisition			
Consideration paid	793,274	4,800,000	5,593,274
Cash & cash equivalents acquired	(2,246)	(102,921)	(105,167)
Net cash used in acquisition	**791,028**	**4,697,079**	**5,488,107**

18 INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

18.1 Investments in Equity Accounted Investees - Group

	Group			
	Holding %		No. of shares	
As at 31st March	**2026**	2025	**2026**	2025
Unquoted Investments				
Gal Oya Holdings (Pvt) Ltd. (GHPL)	**50%**	50%	**1,300,000**	1,300,000
Associated Battery Manufacturers (Cey) Ltd. (ABM)	**38.50%**	38.50%	**2,439,355**	2,439,355
Gal Oya Plantations (Pvt) Ltd.(GPPL)	**22.10%**	22.10%	**22,309,412**	22,309,412
Verginia International Investments Ltd. (VIIL)	**-**	40%	**-**	800,000
NPH Developments (Pvt) Ltd. (NPHD)	**50%**	50%	**999**	999
LOLC Global (Pvt) Ltd.	**43.08%**	43.08%	**19,000,000**	19,000,000
Hatton National Bank (HNB) - Non Voting Shares	**-**	45.87%	**-**	49,131,696
T & G Lanka (Private) Limited (TGL)	**22%**	22%	**30**	30
Cables PTE Limited (CPTE)	**30%**	30%	**360,000**	360,000
SEAMS Mule Ltd (SEAMS)	**50%**	50%	**51,000**	51,000

18 INVESTMENTS IN EQUITY ACCOUNTED INVESTEES (CONTD.)

18.1.1 Group share of Net Assets of Equity Accounted Investees

	Equity Value of Investment in Equity Accounted Investees - Group											
	LOLC Global Rs.000	VIIL Rs.000	NPHD Rs.000	ABM Rs.000	GHPL Rs.000	GPPL Rs.000	HNB Rs.000	SCABLES Rs.000	SEAMS Rs.000	CPTE Rs.000	TGL Rs.000	Total Rs.000
Equity Value of Investment as at 1st April 2024	10,198,265	5,138	33,537	444,827	57,550	1,411,784	37,949,169	2,272,989	-	-	-	52,373,260
Further Investments in Equity Accounted Investees	-	-	-	-	-	-	-	53,706	-	-	-	53,706
Share of Profit/(Loss) of Equity Accounted Investees (Net of Tax)	958,163	-	(25,566)	192,708	6,891	(160,043)	-	263,630	-	-	-	1,235,781
Share of profit/(loss) of equity accounted investees (Net of tax) discontinuing operations	-	-	-	-	-	-	8,117,155	-	-	-		8,117,155
Share of other comprehensive income of equity accounted investees (Net of Tax)	(164,167)	-	(6,829)	-	-	-	1,343,282	81,830	-	-	-	1,254,116
Acquisition	-	-	-	-	-	-	-	-	1,651	28,310	3,300	33,261
Other adjustments	(962,319)	-	-	-	(537)	124,621	-	-	-	-	-	(838,235)
Reclassification	-	-	-	-	-	-	(45,929,161)	-	-	-	-	(45,929,161)
Dividend Paid	-	-	-	-	-	-	(1,480,446)	-	-	-	-	(1,480,446)
Disposals	-	-	-	-	-	-	-	(2,672,155)	-	-	-	(2,672,155)
Equity value of Investment as at 31st March 2025	10,029,941	5,138	1,142	637,535	63,905	1,376,362	-	-	1,651	28,310	3,300	12,147,284
Share of Profit/(Loss) of Equity Accounted Investees (Net of Tax)	169,294	-	-	197,286	(293)	(966,777)	-	-	-	107,253	32,726	(460,510)
Share of other comprehensive income of equity accounted investees (Net of Tax)	544,835	-	26,606	-	-	-	-	-	-	(2,720)	-	568,721
Other adjustments	63,943	-	-	-	-	(3,114)	-	-	(98)	-	-	60,731
Disposals	-	(5,138)	-	-	-	-	-	-	-	-	-	(5,138)
Dividend Paid	-	-	-	-	-	-	-	-	-	-	(11,619)	(11,619)
Equity value of Investment as at 31st March 2026	10,808,013	-	27,748	834,821	63,612	406,471	-	-	1,553	132,843	36,026	12,299,469

Summarised Financial Information of Equity Accounted Investees

Statement of Profit & loss	For the year ended 31st March 2026				
	LOLC Global	NPHD	ABM	GHPL	GPPL
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Revenue/Net operating Income	1,831,132	1,059,671	7,350,307	-	8,461,721
Cost of sales	-	-	(6,458,478)	-	(6,687,399)
Other Income	-	-	34,150	-	10,646
Expenses	(1,438,155)	(775,215)	(227,879)	(586)	(6,169,444)
Profit/(Loss) before taxation	392,977	284,456	698,100	(586)	(4,384,475)
Income tax expenses	-	-	(185,669)	-	-
Profit/(Loss) for the year	392,977	284,456	512,431	(586)	(4,384,475)

Statement of Profit & loss	For the year ended 31st March 2025					
	LOLC Global	VIIL	NPHD	ABM	GHPL	GPPL
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Revenue/Net operating Income	18,303,743	-	7,200,950	7,448,775	20,494	7,835,840
Cost of sales	-	-	(7,756,345)	(6,548,463)	-	(5,459,309)
Other Income	-	-	-	37,287	-	18,807
Expenses	(16,079,595)	-	(82,179)	(237,760)	(793)	(3,234,683)
Profit/(Loss) before taxation	2,224,148	-	(637,574)	699,839	19,701	(839,345)
Income tax expenses	-	-	-	(199,298)	(5,911)	(131,889)
Profit/(Loss) for the year	2,224,148	-	(637,574)	500,541	13,789	(971,234)

Statement of Financial Position	As at 31st March 2026				
	LOLC Global	NPHD	ABM	GHPL	GPPL
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Non Current Assets	3,686,003	-	635,257	-	28,575,183
Current Assets	38,313,238	-	3,422,026	127,674	3,902,106
Total Assets	41,999,241	1,267,330	4,057,283	127,674	32,477,289
Non Current Liabilities	-	-	(330,928)		(25,691,543)
Current Liabilities	(16,837,618)	-	(1,559,555)	(451)	(4,942,339)
Total Liabilities	(16,837,618)	(2,047,574)	(1,890,483)	(451)	(30,633,883)
Net Assets	25,161,623	(780,244)	2,166,800	127,223	1,843,406

Statement of Financial Position	As at 31st March 2025					
	LOLC Global	VIIL	NPHD	ABM	GHPL	GPPL
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Non Current Assets	3,686,003	-	-	549,456	29	29,470,572
Current Assets	42,389,453	12,767	-	3,836,553	134,042	5,388,543
Total Assets	46,075,456	12,767	1,698,445	4,386,009	134,071	34,859,115
Non Current Liabilities	-	-	-	(557,534)		(21,178,352)
Current Liabilities	(22,719,945)	(190)	-	(2,174,106)	(6,261)	(7,452,883)
Total Liabilities	(22,719,945)	(190)	(2,607,460)	(2,731,639)	(6,261)	(28,631,234)
Net Assets	23,355,511	12,577	(909,015)	1,654,370	127,810	6,227,881

18 INVESTMENTS IN EQUITY ACCOUNTED INVESTEES (CONTD.)

18.2 Investments in Equity Accounted Investees - Company

As at 31st March	Holding %		No. of shares	
	2026	2025	**2026**	2025
Unquoted Investments				
Gal Oya Plantations (Pvt) Ltd.	**22.10%**	22.10%	**22,309,412**	22,309,412
Gal Oya Holdings (Pvt) Ltd.	**50%**	50%	**1,300,000**	1,300,000
LOLC Global (Pvt) Ltd.	**13.60%**	13.60%	**6,000,000**	6,000,000

Gal Oya Plantations (Pvt) Ltd. is the private public partnership entered into by the Group where a total of 49% of the Company is held by LOLC Holdings PLC and Brown & Company PLC.

Gal Oya Holdings (Pvt) Ltd. is the management company of Gal Oya Plantations (Pvt) Ltd.

	Equity Value of Investment in Equity Accounted Investees - Company			
	LOLC Global	GHPL	GPPL	Total
	Rs.000	Rs.000	Rs.000	Rs.000
Equity Value of Investment as at 1st April 2024	3,229,488	57,010	1,584,423	4,870,921
Share of Profit/(Loss) of Equity Accounted Investees (Net of Tax)	302,484	6,895	(214,643)	94,736
Share of other comprehensive income of equity accounted investees (Net of Tax)	(355,622)	-	6,581	(349,041)
Equity value of Investment as at 31st March 2025	3,176,349	63,905	1,376,362	4,616,616
Share of Profit/(Loss) of Equity Accounted Investees (Net of Tax)	53,445	(293)	(966,777)	(913,625)
Share of other comprehensive income of equity accounted investees (Net of Tax)	192,186	-	-	192,186
Equity value of Investment as at 31st March 2026	**3,421,980**	**63,612**	**409,585**	**3,895,177**

19 OTHER NON CURRENT FINANCIAL ASSETS

As at 31st March	Group		Company	
	2026	2025	**2026**	2025
	Rs.000	Rs.000	**Rs.000**	Rs.000
Quoted Investments (Notes 19.1)	**399**	347	**-**	-
Unquoted/ Other Investments (Notes 19.2, 19.3)	**485,222**	541,929	**55,000**	55,000
	485,621	542,276	**55,000**	55,000

19.1 Quoted Investments - Group

As at 31st March	Holding %		Number of shares		Fair Value	
	2026	2025	**2026**	2025	**2026**	2025
					Rs.000	Rs.000
Fair Value Through OCI						
LOLC Finance PLC	**0.001%**	0.001%	**75,363**	75,363	**399**	347
					399	347

19.2 Unquoted/ Other Investments - Group

As at 31st March	Number of shares		Fair Value	
	2026	2025	2026 Rs.000	2025 Rs.000
Fair Value Through OCI				
Rain Forest Eco Lodge (Pvt) Ltd.	7,683,376	7,683,376	34,024	38,409
Sri Lanka Institute of Nanotechnology	3,810,180	3,810,180	55,000	55,000
Jada Resorts & SPA (Pvt) Ltd.	24,449,480	24,449,480	122,222	122,222
Kenya Tea Parkers	4,215,142	4,215,142	264,227	247,229
			475,473	462,860
Investments at amortised cost				
Investment in Term Deposits			9,749	79,069
			485,222	541,929

19.3 Unquoted/ Other Investments - Company

As at 31st March	Number of shares		Carrying Value	
	2026	2025	2026 Rs.000	2025 Rs.000
Sri Lanka Institute of Nanotechnology	3,810,180	3,810,180	55,000	55,000
			55,000	55,000

20 DEFERRED TAX ASSETS

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Balance at the beginning of the year	3,881,299	1,584,837	838,742	-
On Acquisition of Subsidiary	627,165	1,238,663	-	-
Origination/ (reversal) of temporary differences recognised in,				
-income statement	1,360,159	1,223,508	975,847	902,425
-other comprehensive income	21,927	(116,997)	(1,183)	(63,683)
Impact due to rate change	(255,177)	69,188	-	-
Exchange differences on translation of foreign operations	151,316	(117,900)	-	-
Balance at the end of the year	5,786,689	3,881,299	1,813,406	838,742

20.1 The Closing Deferred Tax Asset relates to the following Temporary Differences;

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Property, Plant & Equipment / Investment Properties/ROU Assets	(16,162,068)	(15,754,213)	(16,164,094)	(15,817,592)
Employee Benefit Liabilities	4,227,008	2,569,788	192,345	163,808
Losses available for offset against future Taxable Income	37,254,973	35,391,108	19,915,547	16,870,501
Provision for Slow Moving Stocks	672,187	652,813	595,948	611,864
Provision for Bad and Doubtful Debts	1,700,741	971,627	1,398,559	865,475
Net Lease Liability - SLFRS 16	1,249,504	393,755	106,382	101,751
Others	115,431	-	-	-
	29,057,776	24,224,878	6,044,687	2,795,807

21 INVENTORIES

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Raw Material	**10,719,136**	10,263,112	**25,063**	466
Work-in-Progress	**3,300,969**	2,410,735	**13,202**	12,340
Finished Goods	**15,513,068**	12,177,104	**5,799,251**	3,367,638
Ethanol	**985,268**	1,111,858	**-**	-
Input Material	**451,906**	208,441	**-**	-
Growing crop nurseries	**35,780**	48,983	**-**	-
Unharvested produce stock at fair value	**38,950**	31,267	**-**	-
Harvested crops				
- Tea	**1,141,319**	955,500	**-**	-
- Rubber	**92,137**	4,411	**-**	-
- Coconut	**2,071**	3,144	**-**	-
- Commercial cane	**2,109,960**	554,415	**-**	-
- Other	**16,803**	8,973	**-**	-
Food and beverages	**219,791**	264,459	**-**	-
Real Estate Stock	**4,761**	4,452	**-**	-
Consumables and Spares	**4,909,500**	4,281,073	**-**	-
Vehicle stocks	**21,850**	18,291	**-**	-
Goods - in - Transit	**1,264,540**	1,556,241	**978,209**	820,604
	40,827,809	33,902,459	**6,815,725**	4,201,048
Less: Impairment of Inventories	**(1,818,787)**	(1,153,498)	**(595,948)**	(611,864)
	39,009,022	32,748,961	**6,219,777**	3,589,184

The stock-in-trade of each category has been shown after netting off the provision made for NRV adjustments in respect of each category.

22 TRADE AND OTHER RECEIVABLES

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Trade Receivables	**31,835,663**	25,703,327	**6,215,334**	5,315,322
Other Receivables (Note 22.1)	**43,363,368**	39,818,682	**4,701,842**	2,732,735
	75,199,031	65,522,009	**10,917,176**	8,048,057
Less: Impairment of Trade Receivables	**(2,596,506)**	(2,489,063)	**(571,668)**	(774,370)
Less: Provision For other Receivables	**(504,626)**	(530,450)	**(25,143)**	(25,143)
	72,097,899	62,502,496	**10,320,365**	7,248,544

22.1 Other Receivables

As at 31st March	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Value Added Tax Recoverable	**8,410,534**	7,664,830	**41,966**	-
Economic Service Charge Recoverable	**446**	3,193	**-**	-
Staff Loan	**13,174**	14,558	**4,600**	4,330
Withholding Tax Recoverable	**320,033**	264,354	**-**	39,010
Deposits, Advances and prepayments	**9,106,900**	8,243,797	**64,788**	66,202
Mobilisation Advances	**7,205,859**	4,836,165	**-**	-
Share holder receivable	**13,509,082**	12,701,441	**-**	-
Reimbursement of expenses	**4,590,488**	2,626,639	**4,590,488**	2,623,193
Others	**206,852**	3,463,706	**-**	-
	43,363,368	39,818,682	**4,701,842**	2,732,735

23 LOANS TO RELATED PARTIES

As at 31st March	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Browns Agri Solutions (Pvt) Ltd	**-**	-	**589,697**	925,335
Browns Thermal Engineering (Pvt) Ltd.	**-**	-	**1,389,965**	1,044,224
Browns Group Industries (Pvt) Ltd.	**-**	-	**659,683**	868,464
Klevenberg (Pvt) Ltd.	**-**	-	**671,049**	584,131
NPH Development Pvt Ltd.	**186,610**	175,453	**-**	-
Gurind Accor (Pvt) Ltd	**-**	-	**916**	16,065
Chain Holdings Ltd.	**-**	540,537	**-**	-
LOLC Finance PLC	**-**	2,009,384	**-**	-
Fusion X Global FZC	**-**	111,168	**-**	-
	186,610	2,836,542	**3,311,310**	3,438,219

23.1 Security and Repayment Terms of Related Party Loans

Name of the Company	Repayment	Security	Outstanding As at 31st March 2026 Group Rs.000	Outstanding As at 31st March 2026 Company Rs.000
Browns Agri Solutions (Pvt) Ltd	On demand	Unsecured	**-**	**589,697**
Browns Thermal Engineering (Pvt) Ltd.	On demand	Unsecured	**-**	**1,389,965**
Browns Group Industries (Pvt) Ltd.	On demand	Unsecured	**-**	**659,683**
Klevenberg (Pvt) Ltd.	On demand	Unsecured	**-**	**671,049**
Gurind Accor (Pvt) Ltd	On demand	Unsecured	**-**	**916**
NPH Development Pvt Ltd.	On demand	Unsecured	**186,610**	**-**
			186,610	**3,311,310**

24 AMOUNTS DUE FROM RELATED PARTIES

24.1 Amounts Due from Related Parties - Due Within One Year

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Associated Battery Manufacturers (Cey) Ltd.	313	313	-	-
Ajax Engineers (Pvt) Ltd.	-	-	62,530	44,096
BG Air Services (Pvt) Ltd.	-	-	16,713	14,284
Browns Group Industries (Pvt) Ltd.	-	-	3,282	7,362
Browns Industrial Park Ltd.	-	-	13,385	-
Browns Investments PLC	-	-	7,664	-
Browns Thermal Engineering (Pvt) Ltd.	-	-	817	5,601
Browns Global Farm (Pvt) Ltd.	-	-	178	178
Browns Tours (Pvt) Ltd.	140	118,306	-	-
Browns Engineering & Construction (Pvt) Ltd	-	-	12,936	-
C.F.T. Engineering Ltd.	-	-	8,844	8,844
Engineering Services (Pvt) Ltd.	24,474	24,474	24,474	24,474
Gal Oya Holdings (Pvt) Ltd.	72	72	72	72
Gal Oya Plantations (Pvt) Ltd.	30	542	-	-
Klevenberg (Pvt) Ltd.	-	-	2,946	5,090
Masons Mixture Ltd.	20,733	10,301	20,524	10,092
Sifang Lanka Trading (Pvt) Ltd.	-	-	3	3
Sifang Lanka (Pvt) Ltd.	-	-	10,989	-
Browns Holdings Limited.	100	100	-	-
Snowcem Products Lanka (Pvt) Ltd.	-	-	27,026	27,026
LOLC Holdings PLC	9,070,235	55,451	-	-
Taprobane Plantations Ltd.	241,852	112,500	-	-
LOLC Advanced Technologies (Pvt) Ltd.	1,903	1,903	-	-
Browns Agri Solutions (Pvt) Ltd.	-	-	-	202
East Coast Land Holdings (Pvt) Ltd.	3,984	3,984	-	-
Walker & Greig (Pvt) Ltd.	-	-	2,050	2,050
The Hatton Transport Agency Company (Pvt) Ltd.	-	-	1,055	1,055
S.F.L.Services (Pvt) Ltd.	-	-	1,955,382	1,980,942
Tropical Island Commodities (Pvt) Ltd	-	-	35	35
Gurind Accor (Pvt) Ltd	-	-	1,564	-
Leapstitch Apparel (Pvt) Ltd	1,161	-	1,161	10,391
Leapstitch Technologies (Pvt) Ltd	142	-	142	177
Ishara Traders (Private) Limited	250	250	-	-
LOLC Ventures FZE	-	127,429	-	-
Sun Yield Bio Ingredients (Pvt) Ltd	25,461	25,461	-	-
Agstar PLC	-	-	44,184	17,623
Sunbird Bioenergy (SL) Ltd	-	-	945,585	806,663
Browns Group Industrial Park (Pvt) Ltd. (Formally known as ISIN Lanka (Pvt) Ltd)	-	-	502,346	303,990
Patronus Holdings (Pvt) Ltd	26,607	25,015	-	-
Fusion X Global FZC (UAE)	-	1,812	-	-
Lanka Orix Information Services	-	14,102	-	-
AgStar Cropcare (Pvt) Ltd	-	-	50	-
AgStar Seeds (Pvt) Ltd	-	-	50	-
Prith Seeds (Pvt) Ltd	-	-	25	-
Browns Tea Exports (Pvt) Ltd	393	-	30	-
	9,417,850	522,016	3,666,042	3,270,250
Less: Provision for Intercompany Receivables (Note 24.2)	-	-	(650,166)	(494,531)
	9,417,850	522,016	3,015,876	2,775,720

24.2 Provision for Intercompany Receivables

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Sunbird Bioenergy (SL) Ltd	**-**	-	**633,453**	494,531
BG Air Services (Pvt) Ltd	**-**	-	**16,713**	-
	-	-	**650,166**	494,531

25 INCOME TAX RECOVERABLE

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Balance at the beginning of the year	**467,927**	204,564	**5,036**	5,036
Transfer from /(to) Income Tax payables	**98,646**	9,135	**-**	-
Over provision in respect of previous years	**(13,047)**	(15,550)	**-**	-
Provision for the year	**(19,616)**	(512,396)	**-**	-
Other transfers	**-**	-	**(4)**	-
Acquisition of Subsidiaries	**322**	514,743	**-**	-
Payments made during the year	**8,373**	229,369	**-**	-
Exchange Differences	**22,451**	38,063	**-**	-
Balance at the end of the year	**565,056**	467,927	**5,032**	5,036

26 OTHER CURRENT FINANCIAL ASSETS

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Fixed deposits and Commercial Papers	**3,639,025**	4,404,855	**-**	-
Finance Lease Receivables	**59,423**	-	**-**	-
Investment in Quoted Shares (Notes 26.1, 26.2)	**5,916,071**	3,705,354	**4,457,711**	3,070,624
	9,614,519	8,110,209	**4,457,711**	3,070,624

26 OTHER CURRENT FINANCIAL ASSETS (CONTD.)

26.1 Investments in Quoted Shares

As at 31st March	Group					
	Number of Shares		Cost		Carrying Values	
	2026	2025	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Fair Value through profit or loss						
John Keells Holdings PLC	3,820	3,820	32	32	70	77
Seylan Bank PLC	42,351,418	42,351,418	2,122,020	2,122,020	4,457,487	3,070,478
Hayleys PLC	1,050	1,050	64	40	226	144
Ambeon Holdings PLC	100	100	539	539	15	8
CT Land Development PLC	19,500	19,500	470	470	684	663
Vallibel Finance PLC	90,400	90,400	249	249	8,317	4,891
Raigam Wayamba Salterns PLC	26,200	26,200	66	66	511	223
Hatton National Bank PLC.	1,444	405	328	62	512	106
DFCC Bank PLC	4,718	84,530	-	10,368	650	9,080
Hapugastenna Plantation PLC	100	100	1	1	5	4
Sierra Cables PLC	7,400	7,400	22	22	209	116
Colombo Land and Development Company PLC	2,722	2,722	74	74	139	61
Pan Asia Bank PLC	-	296,698	-	4,500	-	10,533
Wealth Trust Securities (Pvt) Ltd	110,477	3,156,480	1,104,768	250,000	1,447,246	557,346
Commercial Bank of Ceylon PLC	-	350,000	-	52,969	-	51,625
			3,228,633	2,441,411	5,916,071	3,705,354

26.2 Investments in Quoted Shares

As at 31st March	Company					
	Number of Shares		Cost		Carrying Values	
	2026	2025	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Fair Value through profit or loss						
John Keells Holdings PLC	3,820	3,820	32	32	70	77
Seylan Bank PLC	42,351,418	42,351,418	2,122,020	2,122,020	4,457,487	3,070,478
Colombo Land and Development Company PLC	2,722	2,722	74	74	139	61
Ambeon Holdings PLC	100	100	539	539	15	8
			2,122,665	2,122,665	4,457,711	3,070,624

27 NON-CURRENT ASSET HELD FOR SALE & DISCONTINUED OPERATIONS

27.1 Year 2026

Browns Ari Resorts (Pvt) Ltd

The Group was disposed of the assets and business of Barceló Whale Lagoon Maldives Resort held by Browns Ari Resorts (Pvt) Ltd on 19 December 2025. The loss after tax of the discontinued operation has been presented separately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Comparative information in the Consolidated Statement of Profit or Loss and Other Comprehensive Income has also been restated to present the operation as a discontinued operation in accordance with SLFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.

27.1.1 The results of aforesaid operations for the year are presented below:

	31.03.2026 Rs.000
Revenue from Contracts with Customers	2,305,151
Cost of sales	(918,201)
Gross profit / (Loss)	1,386,950
Other Income/(Expenses)	130,357
Distribution expenses	(380,514)
Administrative expenses	(1,346,949)
Finance income	11,857
Finance expense	(1,138,910)
Net Finance Cost	(1,127,053)
Profit/(loss) before taxation from discontinuing operations	(1,337,209)
Income Tax Expense	536,834
Profit/(loss) for the period from discontinuing operations	(800,375)

	Rs.000
Statement of cash flows	(12,930,933)
Net cash flow from operating activities	15,671,103
Net cash flow from investing activities	(3,087,373)
Net cash generated from financing activities	(1,346,949)

27.1.2 Restatement of Statement of Profit or loss and Other Comprehensive Income

	As disclosed Previous year 31.03.2025 Rs.000	Reclassification Rs.000	Current Presentation 31.03.2025 Rs.000
Continuing operations			
Revenue from Contracts with Customers	107,820,825	2,969,676	104,851,149
Cost of sales	(83,086,792)	(1,090,044)	(81,996,748)
Gross profit / (Loss)	**24,734,033**	**1,879,632**	**22,854,401**
Other Income/(Expenses)	5,695,979	91,494	5,604,485
Distribution expenses	(4,244,464)	(566,201)	(3,678,262)
Administrative expenses	(25,758,855)	(1,662,603)	(24,096,253)
Finance income	2,375,344	1,190	2,374,155
Finance expense	(46,106,205)	(1,933,777)	(44,172,428)
Net Finance Cost	**(43,730,861)**	**(1,932,587)**	**(41,798,273)**
Change in Fair Value of Investment Properties	2,109,701	-	2,109,701
Change in Fair Value of Consumable Biological Assets	910,096	-	910,096
Gain / (Loss) on disposal of subsidiaries	46,784	-	46,784
Gain on Bargain Purchase of Subsidiaries	64,896,817	-	64,896,817
Share of Profit of Equity Accounted Investees (Net of Tax)	1,235,781	-	1,235,781
Profit/ (Loss) before Taxation from Continuing Operations	**25,895,011**	**(2,190,265)**	**28,085,276**
Income Tax Expense	3,198,035	77,981	3,120,055
Profit/ (Loss) for the Year Continuing Operations	**29,093,047**	**(2,112,284)**	**31,205,331**
Profit/(loss) after tax for the period from discontinued operations	(9,382,323)	(2,112,284)	(11,494,607)
Total Comprehensive income for the period	**19,710,724**		**19,710,724**

27.2 Year 2025

Hatton National Bank PLC [HNB]

The Group's investment in Hatton National Bank PLC [HNB], previously classified as an equity-accounted investee in accordance with LKAS 28 – Investments in Associates and Joint Ventures, has been reclassified as a non-current asset held for sale in line with the requirements of SLFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations.

Following a strategic review, the Group's Investment Committee resolved to divest certain non-core long-term listed equity investments. As part of this decision, the investment in HNB was identified for divestment as a result of the strong performance of the banking sector and improved macroeconomic indicators, supported by favourable market sentiment and policy direction.

As of the balance sheet date, the Group had initiated an active plan to sell the investment, including engagement with potential buyers. Subsequently, on 27th May 2025, the Group disposed of 45,529,624 listed ordinary voting shares of HNB, representing 9.99% of HNB's issued voting share capital.

Accordingly, the Group has assessed the investment under SLFRS 5 and determined that the criteria for classification as a non-current asset held for sale have been met. As required, the investment was remeasured at the lower of its carrying amount and fair value less costs to sell, resulting in a fair value loss of LKR 17.5 billion, which has been recognised in the income statement under "Fair value Gain/[Loss] on Non-Current Assets Held for Sale."

In accordance with SLFRS 5, both the current year and prior comparative period results relating to the investment in HNB [including the share of profit from the equity-accounted investee, net of tax] have been separately presented as part of discontinued operations in the Income Statement, Statement of Financial Position and Statement of Cash Flows of Consolidated Financial Statements of Brown & Company PLC.

	Group Rs.000	Company Rs.000
Carrying value	45,485,325	29,360,777
Fair value Gain/[Loss] recognised to income statement	[17,499,478]	[11,295,913]
Fair value Gain/[Loss] recognised to Other comprehensive income	[535,098]	[345,406]
Carrying value non-current asset held for sale	27,450,749	17,719,459
Profit/[loss] after tax for the period from discontinued operations and assets held for sale		
Share of profits of equity accounted investees [Net of Tax] [Note 1]	8,117,155	5,239,624
Fair value Gain/[Loss] recognised to income statement	[17,499,477]	[11,295,913]
	[9,382,322]	[6,056,290]

28 CASH AND CASH EQUIVALENTS

As at 31st March	Group		Company	
	2026	2025	**2026**	2025
	Rs.000	Rs.000	**Rs.000**	Rs.000
Cash at Bank	**6,498,595**	11,075,095	**603,542**	3,927,216
Cash in Hand	**102,140**	256,508	**1,630**	6,532
Short Term Deposits	**321,660**	1,458,126	**205,928**	111,600
Less : Impairment allowance	**(64)**	-	**-**	-
	6,922,331	12,789,729	**811,100**	4,045,348
Bank Overdraft	**(17,526,405)**	(6,617,015)	**(544,629)**	(1,862,648)
Cash and Cash Equivalents for the purpose of Statement of Cash Flows	**(10,604,074)**	6,172,714	**266,471**	2,182,700

29 STATED CAPITAL

As at 31st March	Number of shares		Group		Company	
	2026	2025	**2026**	2025	**2026**	2025
			Rs.000	Rs.000	**Rs.000**	Rs.000
Ordinary Shares	**212,625,000**	212,625,000	**9,093,101**	9,093,101	**9,093,101**	9,093,101

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per individual present at meetings of the shareholders.

30 CAPITAL RESERVES

As at 31st March	Group		Company	
	2026	2025	**2026**	2025
	Rs.000	Rs.000	**Rs.000**	Rs.000
Revaluation Reserve	**18,177,330**	3,697,148	**18,177,330**	3,697,148
Fair Value through Other Comprehensive Income Reserve	**(9,217,548)**	(10,964,779)	**(9,217,548)**	(10,964,779)
Foreign Currency Translation Reserve	**21,367,454**	21,419,882	**21,367,454**	21,419,882
	30,327,236	14,152,251	**30,327,236**	14,152,251

30.1 Revaluation Reserve

The Revaluation reserve relates to the revaluation surplus of property, plant & equipment. Once the respective revalued items have been disposed, the relevant portion of the revaluation surplus is transferred to retained earnings.

30.2 Fair Value through Other Comprehensive Income Reserve - FVOCI Reserve

The FVOCI reserve comprises the cumulative net changes in the fair value through OCI financial assets until the assets are derecognised or impaired.

30.3 Foreign Currency Translation Reserve

The Foreign Currency Translation Reserve comprises the cumulative net change in foreign currency translation.

31 REVENUE RESERVE

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Retained Earnings	**71,201,571**	76,851,802	**71,201,571**	76,851,802
	71,201,571	76,851,802	**71,201,571**	76,851,802

32 LOANS AND BORROWINGS

32.1 Long-Term Borrowings

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Balance at the beginning of the year	**38,824,522**	34,409,348	**7,736,585**	4,619,662
Obtained during the year	**31,842,439**	23,437,302	**4,379,820**	3,775,630
Amortised Interest	**956,229**	1,140,058	**-**	-
Exchange translation difference	**2,936,919**	(1,345,517)	**-**	-
Acquisition of subsidiaries	**-**	2,278,482	**-**	-
Repayments	**(23,875,573)**	(21,095,151)	**(964,826)**	(658,707)
Balance at the end of the year	**50,684,536**	38,824,522	**11,151,579**	7,736,585

32.2 Debentures

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Debentures (Note 32.5.3)	**2,470,500**	2,251,700	**2,000,000**	2,000,000
Balance at the end of the year	**2,470,500**	2,251,700	**2,000,000**	2,000,000
Total (32.1 and 32.2)	**53,155,036**	41,076,222	**13,151,579**	9,736,585
Due after one Year	**47,271,274**	33,987,551	**8,472,866**	4,298,238
Due within one Year	**5,883,762**	7,088,671	**4,678,713**	5,438,347
	53,155,036	41,076,222	**13,151,579**	9,736,585

32 LOANS AND BORROWINGS (CONTD.)

32.3 Analysis of Loans and Borrowings - Company

Name of the Lending Institution	Payable Within One year	Payable after One year			As at 31st March 2026	As at 31st March 2025
		Payable 1-2 years	Payable 2-5 Years	More than 5 Years		
	Rs.000	Rs.000	Rs.000	Rs.000	**Rs.000**	Rs.000
Commercial Bank of Ceylon PLC	24,962	-	-	-	**24,962**	124,970
Amana Bank PLC	452,350	900,779	-	-	**1,353,129**	1,704,190
Pan Asia Bank PLC	-	-	-	-	**-**	62,930
National Development Bank PLC - Trustee Loans	1,016,000	-	-	-	**1,016,000**	1,004,000
National Development Bank PLC - Trustee Loans	824,100	622,900	-	-	**1,447,000**	964,600
National Development Bank PLC - Trustee Loans	-	-	-	-	**-**	958,626
Hatton National Bank PLC - Trustee Loans	423,500	-	-	-	**423,500**	1,000,000
Hatton National Bank PLC - Trustee Loans	958,625	3,897,420	-	-	**4,856,045**	-
LOLC Finance PLC	616,758	-	-	-	**616,758**	1,370,000
State Mortgage and Investment Bank	172,333	291,426	-	-	**463,759**	547,269
Bank of Ceylon PLC	190,085	380,171	380,170	-	**950,426**	-
Total	4,678,713	6,092,696	380,170	-	**11,151,579**	7,736,585

32.4 Analysis of Short Term Loans - Company

Name of the Lending Institution	As at 31st March 2026 Rs.000	As at 31st March 2025 Rs.000
Cargils Bank PLC	**250,000**	150,000
Commercial Bank of Ceylon PLC	**650,000**	725,000
DFCC Bank PLC	**1,377,488**	782,318
Hatton National Bank PLC	**970,938**	993,730
LOLC Finance PLC	**3,500,000**	4,502,206
MCB Bank Limited	**993,263**	550,000
Nations Trust Bank PLC	**381,965**	250,000
Pan Asia Bank PLC	**250,000**	250,000
Peoples Bank	**953,385**	345,878
Sampath Bank PLC	**2,482,393**	2,068,019
Seylan Bank PLC	**500,000**	500,000
The National Development Bank PLC	**797,425**	1,135,379
Union Bank PLC	**127,901**	-
Total	**13,234,758**	12,252,530

Name of the Lending Institution	As at 31st March 2026 Rs.000	As at 31st March 2025 Rs.000
Commercial Papers		
LOLC Life Assurance Limited	**1,047,693**	1,583,067
LOLC General Insurance PLC	**949,332**	852,220
Individual Persons	**370,903**	393,642
Safe Holdings (Pvt) Ltd	**253,088**	362,291
Dolphine Hotel PLC	**-**	153,090
Arpico Ataraxia Cash Management Trust Fund	**55,658**	-
Namal High Yield Fund & Income Fund	**162,217**	-
Ceylon IPO Fund	**90,970**	-
Eco Power Holdings Ltd	**25,287**	-
Ceylon Money Market Fund	**141,196**	-
Total	**3,096,344**	3,344,310
Balance at the end of the year	**16,331,102**	15,596,840

32.5 Security and Repayment Terms

32.5.1 Security and Repayment Terms - Company

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	Outstanding Balance as at 31st March 2026 Rs.000
Commercial Bank of Ceylon PLC	**Term Loan**	50 equal monthly instalments of Rs. 8.334 Mn & final instalment of Rs. 8.294 Mn.	Mortgage over Land and Buildings at Dambulla and stocks of Brown & Company PLC.	**24,962**
Amana Bank PLC	**Term Loan**	72 monthly instalments - Rs 200 Mn + interest from the date of first disbursement. 72 monthly instalments - Rs 520 Mn + interest from the date of first disbursement.	1) Mortgage over two properties of S. F. L Services Pvt Ltd (Subsidiary of Brown & Company PLC). 2) Lien Over shares owned by Brown & Company PLC in Agstar PLC held in custodial/ collateral account. 3) Corporate Guarantee by S. F. L services Pvt Ltd.	**121,857**
		60 monthly instalments - Rs 1.5 Bn + interest from the date of first disbursement.	1) Mortgage of Rs.605M over the property bearing assessment No.88,Glennie Street,Colombo 02 by SFL services (Pvt) Ltd. 2) Rs.1B of Corporate Guarantee by SFL Services (Pvt)Ltd 3) Primary Mortgage for Rs.75M over the property of Jalthara, Homagama by Brown and Company PLC. 4) Primary Mortgage for Rs.1.5B Over the property of Rahula Mawatha,Andiambalama by ISIN Lanka (Pvt) Ltd.	**1,231,272**

32 LOANS AND BORROWINGS (CONTD.)

32.5 Security and Repayment Terms (Contd.)

32.5.1 Security and Repayment Terms - Company (Contd.)

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	Outstanding Balance as at 31st March 2026 Rs.000
Hatton National Bank PLC	Trustee Loan	**Securitisation** **Tranche 1** 1. Maturity at 304 days: Rs.60.0Mn + interest 2. Maturity at 334 days: Rs.60.0Mn + interest 3. Maturity at 362 days: Rs.50.0Mn + interest 4. Maturity at 365 days: Rs.15.0Mn + interest 5. Maturity at 365 days: Rs.2.0Mn + interest 6. Maturity at 365 days: Rs.10.0Mn + interest 7. Maturity at 365 days: Rs.7.0Mn + interest 8. Maturity at 365 days: Rs.10.0Mn + interest 9. Maturity at 365 days: Rs.10.0Mn + interest 10. Maturity at 365 days: Rs.4.0Mn + interest 11. Maturity at 396 days: Rs.3.0Mn + interest 12. Maturity at 396 days: Rs.10.0Mn + interest 13. Maturity at 423 days: Rs.25.0Mn + interest 14. Maturity at 426 days: Rs.5.0Mn + interest 15. Maturity at 912 days: Rs.20.0Mn + interest 16. Maturity at 365 days: Rs.35.0Mn + interest 17. Maturity at 730 days: Rs.84.0Mn + interest 18. Maturity at 359 days: Rs.90.0Mn + interest **Tranche 2** 1. Maturity at 457 days: Rs.40.0Mn + interest 2. Maturity at 457 days: Rs.2.0Mn + interest 3. Maturity at 457 days: Rs.1.5Mn + interest 4. Maturity at 457 days: Rs.1.0Mn + interest 5. Maturity at 457 days: Rs.11.0Mn + interest 6. Maturity at 457 days: Rs.10.0Mn + interest 7. Maturity at 488 days: Rs.40.0Mn + interest 8. Maturity at 516 days: Rs.40.0Mn + interest 9. Maturity at 516 days: Rs.35.0Mn + interest 10. Maturity at 547 days: Rs.40.0Mn + interest 11. Maturity at 547 days: Rs.20.0Mn + interest 12. Maturity at 547 days: Rs.30.0Mn + interest 13. Maturity at 547 days: Rs.1.0Mn + interest 14. Maturity at 577 days: Rs.40.0Mn + interest 15. Maturity at 608 days: Rs.20.0Mn + interest	Trade debtors of the Company	423,500

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	Outstanding Balance as at 31st March 2026 Rs.000
		16. Maturity at 608 days: Rs.10.0Mn + interest		
		17. Maturity at 638 days: Rs.10.0Mn + interest		
		18. Maturity at 638 days: Rs.30.0Mn + interest		
		19. Maturity at 669 days: Rs.25.0Mn + interest		
		20. Maturity at 669 days: Rs.2.0Mn + interest		
		21. Maturity at 700 days: Rs.30.0Mn + interest		
		22. Maturity at 700 days: Rs.2.0Mn + interest		
		23. Maturity at 730 days: Rs.40.0Mn + interest		
		24. Maturity at 730 days: Rs.1.5Mn + interest		
		25. Maturity at 853 days: Rs.5.0Mn + interest		
		26. Maturity at 853 days: Rs.1.0Mn + interest		
		27. Maturity at 669 days: Rs.12.0Mn + interest		
Hatton National Bank PLC	**Trustee Loan**	**Securitisation**	Trade debtors of the Company	**4,856,045**
		Tranche 1		
		1 . Maturity at 365 days : Rs 84.93Mn + interest		
		2 . Maturity at 365 days : Rs 55.34Mn + interest		
		3 . Maturity at 396 days : Rs 84.24Mn + interest		
		4 . Maturity at 396 days : Rs 54.89Mn + interest		
		5 . Maturity at 427 days : Rs 83.55Mn + interest		
		6 . Maturity at 427 days : Rs 54.45Mn + interest		
		7 . Maturity at 457 days : Rs 82.9Mn + interest		
		8 . Maturity at 457 days : Rs 54.02Mn + interest		
		9 . Maturity at 488 days : Rs 82.24Mn + interest		
		10 . Maturity at 488 days : Rs 53.59Mn + interest		
		11 . Maturity at 518 days : Rs 81.6Mn + interest		
		12 . Maturity at 518 days : Rs 26.76Mn + interest		
		13 . Maturity at 549 days : Rs 80.96Mn + interest		
		14 . Maturity at 549 days : Rs 26.54Mn + interest		
		15 . Maturity at 580 days : Rs 80.32Mn + interest		
		16 . Maturity at 580 days : Rs 26.33Mn + interest		
		17 . Maturity at 608 days : Rs 79.76Mn + interest		
		18 . Maturity at 608 days : Rs 26.15Mn + interest		
		19 . Maturity at 639 days : Rs 78.98Mn + interest		
		20 . Maturity at 639 days : Rs 25.9Mn + interest		
		21 . Maturity at 669 days : Rs 78.35Mn + interest		
		22 . Maturity at 669 days : Rs 25.69Mn + interest		
		23 . Maturity at 700 days : Rs 77.69Mn + interest		
		24 . Maturity at 700 days : Rs 25.47Mn + interest		
		25 . Maturity at 730 days : Rs 77.07Mn + interest		

32 LOANS AND BORROWINGS (CONTD.)

32.5 Security and Repayment Terms (Contd.)

32.5.1 Security and Repayment Terms - Company (Contd.)

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	Outstanding Balance as at 31st March 2026 Rs.000
		26 . Maturity at 730 days : Rs 25.27Mn + interest		
		27 . Maturity at 761 days : Rs 76.43Mn + interest		
		28 . Maturity at 792 days : Rs 75.79Mn + interest		
		29 . Maturity at 819 days : Rs 75.24Mn + interest		
		30 . Maturity at 849 days : Rs 74.63Mn + interest		
		31 . Maturity at 880 days : Rs 74.01Mn + interest		
		32 . Maturity at 912 days : Rs 73.37Mn + interest		
		33 . Maturity at 942 days : Rs 75.17Mn + interest		
		34 . Maturity at 972 days : Rs 74.56Mn + interest		
		35 . Maturity at 365 days : Rs 75.87 Mn + interest		
		36 . Maturity at 365 days : Rs 23.54 Mn + interest		
		37 . Maturity at 396 days : Rs 74.83 Mn + interest		
		38 . Maturity at 396 days : Rs 28.38 Mn + interest		
		39 . Maturity at 427 days : Rs 73.81 Mn + interest		
		40 . Maturity at 427 days : Rs 28.63 Mn + interest		
		41 . Maturity at 427 days : Rs 34.72 Mn + interest		
		42 . Maturity at 457 days : Rs 72.83 Mn + interest		
		43 . Maturity at 457 days : Rs 40 Mn + interest		
		44 . Maturity at 488 days : Rs 50 Mn + interest		
		Tranche 2		
		1 . Maturity at 365 : Rs 27.79 Mn + interest		
		2 . Maturity at 396 : Rs 31 Mn + interest		
		3 . Maturity at 427 : Rs 30.75 Mn + interest		
		4 . Maturity at 457 : Rs 33.89 Mn + interest		
		5 . Maturity at 488 : Rs 33.62 Mn + interest		
		6 . Maturity at 518 : Rs 33.35 Mn + interest		
		7 . Maturity at 549 : Rs 33.08 Mn + interest		
		8 . Maturity at 580 : Rs 32.82 Mn + interest		
		9 . Maturity at 608 : Rs 32.57 Mn + interest		
		10 . Maturity at 639 : Rs 32.29 Mn + interest		
		11 . Maturity at 669 : Rs 32.03 Mn + interest		
		12 . Maturity at 700 : Rs 31.76 Mn + interest		
		13 . Maturity at 730 : Rs 31.5 Mn + interest		
		14 . Maturity at 761 : Rs 31.23 Mn + interest		
		15 . Maturity at 792 : Rs 30.97 Mn + interest		
		16 . Maturity at 819 : Rs 30.74 Mn + interest		

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	**Outstanding Balance as at 31st March 2026 Rs.000**
		17 . Maturity at 849 : Rs 30.49 Mn + interest		
		18 . Maturity at 880 : Rs 30.23 Mn + interest		
		19 . Maturity at 912 : Rs 29.97 Mn + interest		
		20 . Maturity at 365 : Rs 36.2 Mn + interest		
		21 . Maturity at 365 : Rs 40.57 Mn + interest		
		22 . Maturity at 396 : Rs 35.89 Mn + interest		
		23 . Maturity at 396 : Rs 23.88 Mn + interest		
		24 . Maturity at 427 : Rs 35.59 Mn + interest		
		25 . Maturity at 432 : Rs 39.38 Mn + interest		
		26 . Maturity at 463 : Rs 38.84 Mn + interest		
		Securitisation		
		Tranche 1		
		1.Maturity at 365 : Rs 58.91Mn + interest		
		2.Maturity at 365 : Rs 43.76Mn + interest		
		3.Maturity at 396 : Rs 58.25Mn + interest		
		4.Maturity at 396 : Rs 43.27Mn + interest		
		5.Maturity at 426 : Rs 57.62Mn + interest		
		6.Maturity at 426 : Rs 42.8Mn + interest		
		7.Maturity at 457 : Rs 56.97Mn + interest		
		8.Maturity at 457 : Rs 42.32Mn + interest		
		9.Maturity at 487 : Rs 19.84Mn + interest		
		10.Maturity at 365 : Rs 34.78Mn + interest		
		11.Maturity at 396 : Rs 34.49Mn + interest		
		12.Maturity at 426 : Rs 34.22Mn + interest		
		13.Maturity at 457 : Rs 33.95Mn + interest		
		14.Maturity at 487 : Rs 30.32Mn + interest		
		15.Maturity at 518 : Rs 30.08Mn + interest		
		16.Maturity at 549 : Rs 29.85Mn + interest		
		17.Maturity at 577 : Rs 29.64Mn + interest		
		18.Maturity at 608 : Rs 57.52Mn + interest		
		19.Maturity at 638 : Rs 57.03Mn + interest		
		20.Maturity at 669 : Rs 56.57Mn + interest		
		21.Maturity at 699 : Rs 56.12Mn + interest		
		22.Maturity at 730 : Rs 55.65Mn + interest		
		23.Maturity at 760 : Rs 55.2Mn + interest		
		24.Maturity at 791 : Rs 54.12Mn + interest		

32 LOANS AND BORROWINGS (CONTD.)

32.5 Security and Repayment Terms (Contd.)

32.5.1 Security and Repayment Terms - Company (Contd.)

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	Outstanding Balance as at 31st March 2026 Rs.000
		Tranche 2		
		1.Maturity at 365 : Rs 59.44Mn + interest		
		2.Maturity at 396 : Rs 60.27Mn + interest		
		3.Maturity at 426 : Rs 59.74Mn + interest		
		4.Maturity at 457 : Rs 59.2Mn + interest		
		5.Maturity at 487 : Rs 58.68Mn + interest		
National Development Bank	Trustee Loan	**Securitisation**	Trade debtors of the Company	2,463,000
		Trust 02 - Tranche 01		
		1. Maturity at 214 days: Rs.2 Mn + interest		
		2. Maturity at 275 days: Rs.1 Mn + interest		
		3. Maturity at 275 days: Rs.2 Mn + interest		
		4. Maturity at 275 days: Rs.3 Mn + interest		
		5. Maturity at 275 days: Rs.1 Mn + interest		
		6. Maturity at 275 days: Rs.5 Mn + interest		
		7. Maturity at 275 days: Rs.5 Mn + interest		
		8. Maturity at 275 days: Rs.5 Mn + interest		
		9. Maturity at 275 days: Rs.5 Mn + interest		
		10. Maturity at 275 days: Rs.8 Mn + interest		
		11. Maturity at 275 days: Rs.1.5Mn + interest		
		12. Maturity at 275 days: Rs.5 Mn + interest		
		13. Maturity at 306 days: Rs.50 Mn + interest		
		14. Maturity at 306 days: Rs.30 Mn + interest		
		15. Maturity at 337 days: Rs.70 Mn + interest		
		16. Maturity at 337 days: Rs.50 Mn + interest		
		17. Maturity at 365 days: Rs.7 Mn + interest		
		18. Maturity at 365 days: Rs.15 Mn + interest		
		19. Maturity at 365 days: Rs.5 Mn + interest		
		20. Maturity at 365 days: Rs.10 Mn + interest		
		21. Maturity at 365 days: Rs.10 Mn + interest		
		22. Maturity at 365 days: Rs.2.5 Mn + interest		
		23. Maturity at 365 days: Rs.1 Mn + interest		
		24. Maturity at 365 days: Rs.1.5 Mn + interest		
		25. Maturity at 365 days: Rs.18 Mn + interest		
		26. Maturity at 365 days: Rs.50 Mn + interest		
		27. Maturity at 365 days: Rs.20 Mn + interest		
		28. Maturity at 365 days: Rs.10 Mn + interest		

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	**Outstanding Balance as at 31st March 2026 Rs.000**
		29. Maturity at 365 days: Rs.2 Mn + interest		
		30. Maturity at 365 days: Rs.5.5 Mn + interest		
		31. Maturity at 365 days: Rs.1 Mn + interest		
		32. Maturity at 365 days: Rs.1 Mn + interest		
		33. Maturity at 365 days: Rs.1 Mn + interest		
		34. Maturity at 365 days: Rs.5 Mn + interest		
		35. Maturity at 365 days: Rs.10 Mn + interest		
		36. Maturity at 365 days: Rs.1 Mn + interest		
		37. Maturity at 365 days: Rs.20 Mn + interest		
		38. Maturity at 365 days: Rs.5 Mn + interest		
		39. Maturity at 396 days: Rs.100 Mn + interest		
		40. Maturity at 396 days: Rs.2.5 Mn + interest		
		41. Maturity at 396 days: Rs.20 Mn + interest		
		42. Maturity at 396 days: Rs.11 Mn + interest		
		43. Maturity at 396 days: Rs.50 Mn + interest		
		44. Maturity at 396 days: Rs.10 Mn + interest		
		45. Maturity at 426 days: Rs.20 Mn + interest		
		46. Maturity at 426 days: Rs.2 Mn + interest		
		47. Maturity at 426 days: Rs.3 Mn + interest		
		48. Maturity at 426 days: Rs.5 Mn + interest		
		49. Maturity at 426 days: Rs.2 Mn + interest		
		50. Maturity at 426 days: Rs.8 Mn + interest		
		51. Maturity at 426 days: Rs.4.5 Mn + interest		
		52. Maturity at 457 days: Rs.40 Mn + interest		
		53. Maturity at 457 days: Rs.60 Mn + interest		
		54. Maturity at 457 days: Rs.5 Mn + interest		
		55. Maturity at 487 days: Rs.100 Mn + interest		
		56. Maturity at 487 days: Rs.2 Mn + interest		
		57. Maturity at 518 days: Rs.4 Mn + interest		
		58. Maturity at 518 days: Rs.10 Mn + interest		
		59. Maturity at 518 days: Rs.10 Mn + interest		
		60. Maturity at 518 days: Rs.5 Mn + interest		
		61. Maturity at 518 days: Rs.10 Mn + interest		
		62. Maturity at 518 days: Rs.15 Mn + interest		
		63. Maturity at 549 days: Rs.100 Mn + interest		
		64. Maturity at 610 days: Rs.10 Mn + interest		
		65. Maturity at 610 days: Rs.10 Mn + interest		
		66. Maturity at 610 days: Rs.4 Mn + interest		
		67. Maturity at 610 days: Rs.20 Mn + interest		

32 LOANS AND BORROWINGS (CONTD.)

32.5 Security and Repayment Terms (Contd.)

32.5.1 Security and Repayment Terms - Company (Contd.)

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	Outstanding Balance as at 31st March 2026 Rs.000
		68. Maturity at 640 days: Rs.2 Mn + interest		
		69. Maturity at 730 days: Rs.5 Mn + interest		
		70. Maturity at 730 days: Rs.2 Mn + interest		
		71. Maturity at 365 days: Rs.5 Mn + interest		
		72. Maturity at 457 days: Rs.10 Mn + interest		
		73. Maturity at 549 days: Rs.10.5Mn + interest		
		74. Maturity at 730 days: Rs.28.5Mn + interest		
		75. Maturity at 730 days: Rs.10 Mn + interest		
		Trust 02 - Tranche 02		
		1. Maturity at 275 days: Rs.1 Mn + interest		
		2. Maturity at 275 days: Rs.10 Mn + interest		
		3. Maturity at 275 days: Rs.10 Mn + interest		
		4. Maturity at 275 days: Rs.2 Mn + interest		
		5. Maturity at 337 days: Rs.5 Mn + interest		
		6. Maturity at 337 days: Rs.5.5Mn + interest		
		7. Maturity at 337 days: Rs.5 Mn + interest		
		8. Maturity at 337 days: Rs.5 Mn + interest		
		9. Maturity at 337 days: Rs.5 Mn + interest		
		10. Maturity at 337 days: Rs.5 Mn + interest		
		11. Maturity at 337 days: Rs.5 Mn + interest		
		12. Maturity at 337 days: Rs.5 Mn + interest		
		13. Maturity at 337 days: Rs.10 Mn + interest		
		14. Maturity at 365 days: Rs.10 Mn + interest		
		15. Maturity at 365 days: Rs.10 Mn + interest		
		16. Maturity at 365 days: Rs.1 Mn + interest		
		17. Maturity at 365 days: Rs.1 Mn + interest		
		18. Maturity at 365 days: Rs.10 Mn + interest		
		19. Maturity at 365 days: Rs.2 Mn + interest		
		20. Maturity at 365 days: Rs.10 Mn + interest		
		21. Maturity at 396 days: Rs.20 Mn + interest		
		22. Maturity at 396 days: Rs.32 Mn + interest		
		23. Maturity at 426 days: Rs.12 Mn + interest		
		24. Maturity at 426 days: Rs.5 Mn + interest		
		25. Maturity at 457 days: Rs.5 Mn + interest		
		26. Maturity at 487 days: Rs.5 Mn + interest		
		27. Maturity at 487 days: Rs.20 Mn + interest		

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	**Outstanding Balance as at 31st March 2026 Rs.000**
		28. Maturity at 518 days: Rs.20 Mn + interest		
		29. Maturity at 730 days: Rs.5 Mn + interest		
		30. Maturity at 730 days: Rs.40 Mn + interest		
		31. Maturity at 275 days: Rs.10 Mn + interest		
		32. Maturity at 334 days: Rs.20 Mn + interest		
		33. Maturity at 365 days: Rs.1 Mn + interest		
		34. Maturity at 365 days: Rs.15 Mn + interest		
		35. Maturity at 730 days: Rs.10 Mn + interest		
		36. Maturity at 730 days: Rs.53.5Mn + interest		
		37. Maturity at 730 days: Rs.10 Mn + interest		
		Trust 02 - Tranche 03		
		1. Maturity at 305 days: Rs.5 Mn + interest		
		2. Maturity at 305 days: Rs.2.5Mn + interest		
		3. Maturity at 334 days: Rs.10 Mn + interest		
		4. Maturity at 334 days: Rs.5 Mn + interest		
		5. Maturity at 365 days: Rs.10 Mn + interest		
		6. Maturity at 395 days: Rs.10 Mn + interest		
		7. Maturity at 456 days: Rs.10 Mn + interest		
		8. Maturity at 426 days: Rs.33 Mn + interest		
		9. Maturity at 457 days: Rs.33 Mn + interest		
		10. Maturity at 488 days: Rs.34 Mn + interest		
		11. Maturity at 365 days: Rs.10 Mn + interest		
		12. Maturity at 548 days: Rs.5.5Mn + interest		
		Trust 03 - Tranche 01		
		1. Maturity at 304 days: Rs.10 Mn + interest		
		2. Maturity at 365 days: Rs.15 Mn + interest		
		3. Maturity at 365 days: Rs.15 Mn + interest		
		4. Maturity at 395 days: Rs.100 Mn + interest		
		5. Maturity at 457 days: Rs.1 Mn + interest		
		6. Maturity at 546 days: Rs.5 Mn + interest		
		7. Maturity at 546 days: Rs.8 Mn + interest		
		8. Maturity at 711 days: Rs.100 Mn + interest		
		Trust 03 - Tranche 02		
		1. Maturity at 343 days: Rs.41.1Mn + interest		
		2. Maturity at 324 days: Rs.26 Mn + interest		
		3. Maturity at 372 days: Rs.60 Mn + interest		
		4. Maturity at 373 days: Rs.1 Mn + interest		
		5. Maturity at 597 days: Rs.10 Mn + interest		

32 LOANS AND BORROWINGS (CONTD.)

32.5 Security and Repayment Terms (Contd.)

32.5.1 Security and Repayment Terms - Company (Contd.)

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	Outstanding Balance as at 31st March 2026 Rs.000
		Trust 03 - Tranche 03		
		1. Maturity at 324 days: Rs.20 Mn + interest		
		2. Maturity at 324 days: Rs.10 Mn + interest		
		3. Maturity at 354 days: Rs.20 Mn + interest		
		4. Maturity at 354 days: Rs.10 Mn + interest		
		5. Maturity at 354 days: Rs.5 Mn + interest		
		6. Maturity at 385 days: Rs.200 Mn + interest		
		Trust 03 - Tranche 04		
		1. Maturity at 308 days: Rs.30 Mn + interest		
		2. Maturity at 338 days: Rs.10 Mn + interest		
		3. Maturity at 400 days: Rs.50 Mn + interest		
		4. Maturity at 400 days: Rs.10 Mn + interest		
		5. Maturity at 400 days: Rs.60 Mn + interest		
		Trust 03 - Tranche 05		
		1. Maturity at 295 days: Rs.5 Mn + interest		
		2. Maturity at 295 days: Rs.5 Mn + interest		
		3. Maturity at 386 days: Rs.60 Mn + interest		
		4. Maturity at 414 days: Rs.60 Mn + interest		
		5. Maturity at 537 days: Rs.17.5Mn + interest		
		Trust 04 - Tranche 01		
		1. Maturity at 365 : Rs 97 Mn + interest		
		2. Maturity at 358 : Rs 10 Mn + interest		
		3. Maturity at 395 : Rs 12 Mn + interest		
		4. Maturity at 389 : Rs 15 Mn + interest		
		5. Maturity at 389 : Rs 43.5 Mn + interest		
		6. Maturity at 419 : Rs 100 Mn + interest		
		7. Maturity at 450 : Rs 8 Mn + interest		
		8. Maturity at 450 : Rs 15 Mn + interest		
		9. Maturity at 549 : Rs 10 Mn + interest		
		10. Maturity at 542 : Rs 30 Mn + interest		
		Trust 04 - Tranche 02		
		1. Maturity at 307 : Rs 10 Mn + interest		
		2. Maturity at 300 : Rs 10 Mn + interest		
		3. Maturity at 368 : Rs 5 Mn + interest		
		4. Maturity at 361 : Rs 10 Mn + interest		
		5. Maturity at 429 : Rs 100 Mn + interest		

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	**Outstanding Balance as at 31st March 2026 Rs.000**
		6. Maturity at 460 : Rs 80 Mn + interest		
		7. Maturity at 695 : Rs 61 Mn + interest		
		Trust 04 - Tranche 03		
		1. Maturity at 357 : Rs 10 Mn + interest		
		2. Maturity at 479 : Rs 2.5 Mn + interest		
		3. Maturity at 479 : Rs 3 Mn + interest		
		4. Maturity at 602 : Rs 50 Mn + interest		
		5. Maturity at 630 : Rs 50 Mn + interest		
		6. Maturity at 661 : Rs 100 Mn + interest		
		Trust 04 - Tranche 04		
		1. Maturity at 255 : Rs 75 Mn + interest		
		2. Maturity at 282 : Rs 100 Mn + interest		
		3. Maturity at 316 : Rs 10 Mn + interest		
		4. Maturity at 343 : Rs 50 Mn + interest		
		5. Maturity at 439 : Rs 1.5 Mn + interest		
		6. Maturity at 469 : Rs 100 Mn + interest		
		7. Maturity at 557 : Rs 100 Mn + interest		
		Trust 04 - Tranche 05		
		1. Maturity at 356 : Rs 5 Mn + interest		
		2. Maturity at 356 : Rs 2.5 Mn + interest		
		3. Maturity at 356 : Rs 2.5 Mn + interest		
		4. Maturity at 418 : Rs 25 Mn + interest		
		5. Maturity at 418 : Rs 2 Mn + interest		
		6. Maturity at 443 : Rs 5 Mn + interest		
		7. Maturity at 474 : Rs 6 Mn + interest		
		8. Maturity at 653 : Rs 65 Mn + interest		
		Trust 06 - Tranche 01		
		1. Maturity at 303 : Rs 25Mn + interest		
		2. Maturity at 303 : Rs 12Mn + interest		
		3. Maturity at 303 : Rs 3Mn + interest		
		4. Maturity at 303 : Rs 5Mn + interest		
		5. Maturity at 303 : Rs 2Mn + interest		
		6. Maturity at 365 : Rs 10Mn + interest		
		7. Maturity at 365 : Rs 10Mn + interest		
		8. Maturity at 365 : Rs 1Mn + interest		
		9. Maturity at 365 : Rs 3Mn + interest		
		10. Maturity at 365 : Rs 17.5Mn + interest		
		11. Maturity at 365 : Rs 5Mn + interest		
		12. Maturity at 365 : Rs 1Mn + interest		

32 LOANS AND BORROWINGS (CONTD.)

32.5 Security and Repayment Terms (Contd.)

32.5.1 Security and Repayment Terms - Company (Contd.)

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	Outstanding Balance as at 31st March 2026 Rs.000
		13. Maturity at 365 : Rs 15Mn + interest		
		14. Maturity at 365 : Rs 10Mn + interest		
		15. Maturity at 365 : Rs 1Mn + interest		
		16. Maturity at 365 : Rs 1Mn + interest		
		17. Maturity at 365 : Rs 1Mn + interest		
		18. Maturity at 365 : Rs 10Mn + interest		
		19. Maturity at 365 : Rs 5Mn + interest		
		20. Maturity at 365 : Rs 5Mn + interest		
		21. Maturity at 395 : Rs 10Mn + interest		
		22. Maturity at 396 : Rs 5Mn + interest		
		23. Maturity at 395 : Rs 20Mn + interest		
		24. Maturity at 395 : Rs 3Mn + interest		
		25. Maturity at 395 : Rs 3Mn + interest		
		26. Maturity at 395 : Rs 10Mn + interest		
		27. Maturity at 395 : Rs 15Mn + interest		
		28. Maturity at 395 : Rs 5Mn + interest		
		29. Maturity at 395 : Rs 10Mn + interest		
		30. Maturity at 395 : Rs 3Mn + interest		
		31. Maturity at 420 : Rs 8Mn + interest		
		32. Maturity at 426 : Rs 10Mn + interest		
		33. Maturity at 426 : Rs 2.5Mn + interest		
		34. Maturity at 456 : Rs 2.5Mn + interest		
		35. Maturity at 456 : Rs 10Mn + interest		
		36. Maturity at 456 : Rs 20Mn + interest		
		37. Maturity at 456 : Rs 2.5Mn + interest		
		38. Maturity at 487 : Rs 100Mn + interest		
		39. Maturity at 517 : Rs 2.5Mn + interest		
		40. Maturity at 517 : Rs 5Mn + interest		
		41. Maturity at 517 : Rs 2Mn + interest		
		42. Maturity at 546 : Rs 11.5Mn + interest		
		43. Maturity at 546 : Rs 11.5Mn + interest		
		44. Maturity at 546 : Rs 20Mn + interest		
		45. Maturity at 546 : Rs 10Mn + interest		
		46. Maturity at 546 : Rs 10Mn + interest		
		47. Maturity at 546 : Rs 2.5Mn + interest		
		48. Maturity at 546 : Rs 2.5Mn + interest		

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	**Outstanding Balance as at 31st March 2026 Rs.000**
		49. Maturity at 546 : Rs 5Mn + interest		
		50. Maturity at 546 : Rs 2Mn + interest		
		51. Maturity at 546 : Rs 2.5Mn + interest		
		52. Maturity at 546 : Rs 50Mn + interest		
		53. Maturity at 546 : Rs 10Mn + interest		
		54. Maturity at 365 : Rs 2 Mn + interest		
		55. Maturity at 546 : Rs. 54 Mn + interest		
		56. Maturity at 547 : Rs. 30Mn + interest		
		Trust 06 - Tranche 02		
		1. Maturity at 364 : Rs 3Mn + interest		
		2. Maturity at 515 : Rs 34Mn + interest		
		3. Maturity at 510 : Rs 5Mn + interest		
		Trust 06 - Tranche 03		
		1. Maturity at 304 : Rs 5 Mn + interest		
		2. Maturity at 304 : Rs 25 Mn + interest		
		3. Maturity at 304 : Rs 30 Mn + interest		
		4. Maturity at 304 : Rs 5 Mn + interest		
		5. Maturity at 304 : Rs 26 Mn + interest		
		6. Maturity at 303 : Rs 25 Mn + interest		
		7. Maturity at 304 : Rs 4 Mn + interest		
		8. Maturity at 335 : Rs 20 Mn + interest		
		9. Maturity at 395 : Rs 3 Mn + interest		
		10. Maturity at 395 : Rs 5 Mn + interest		
		11. Maturity at 425 : Rs 150 Mn + interest		
		12. Maturity at 456 : Rs 5 Mn + interest		
		13. Maturity at 451 : Rs 10 Mn + interest		
		14. Maturity at 455 : Rs 2 Mn + interest		
		15. Maturity at 455 : Rs 2 Mn + interest		
		16. Maturity at 455 : Rs 2 Mn + interest		
		17. Maturity at 481 : Rs 10 Mn + interest		
		18. Maturity at 486 : Rs 7 Mn + interest		
		19. Maturity at 515 : Rs 5 Mn + interest		
		20. Maturity at 510 : Rs 2 Mn + interest		

32 LOANS AND BORROWINGS (CONTD.)

32.5 Security and Repayment Terms (Contd.)

32.5.1 Security and Repayment Terms - Company (Contd.)

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	Outstanding Balance as at 31st March 2026 Rs.000
LOLC Finance PLC	Term Loan	On Demand	Corporate Guarantee issued by Browns Investment PLC	**616,758**
State Mortage & Investment Bank	Term Loan	60 Months Capital to be repaid by 20 equal quarterly instalments of Rs.25Mn.+Interest	1) Corporate Guarantee of LOLC Holdings PLC Rs.500 Mn	**175,000**
			2) Hypothecation bond for Rs. 770Mn over dealer receivables attributable to Brown & Company PLC ,Browns Exide Battery Division	
		36 equal monthly instalments of Rs. 2.56Mn.+interest	Fixed Deposit of Rs.108 Mn	**51,362**
		60 Months Capital to be repaid by 20 equal quarterly instalments of Rs.10Mn.+interest	1) Corporate Guarantee of LOLC Holdings PLC for Rs.200Mn.	**150,000**
			2) Mortgage Bond for 200Mn over Dealer receivables attributable to Brown and Company PLC,Exide Battery Division.	
		36 equal monthly instalments of Rs. 3.1Mn.+interest	1) Fixed Deposit of Rs.108 Mn	**87,397**
			2) Fixed Deposit of Rs.86 Mn	
Bank of Ceylon PLC	Term Loan	60 equal monthly instalments of Rs. 16.6 Mn.+interest	Corporate Guarantee issued by LOLC Holdings PLC	**950,426**
Company Total				**11,151,579**

32.5.2 Security and Repayment Terms - Group

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	Outstanding Balance as at 31st March 2026 Rs.000
Maturata Plantation Limited				
Commercial Bank of Ceylon PLC	Term Loan	To be repaid in 59 equal monthly instalment of Rs.16,700,000 and a final instalment of Rs.14,700,000 payable on 26th of each month commencing one month from the date of disbursement.	Floating Primary Registered mortgage bond totalling to Rs.1,500Mn Over Land 4 Building owned by Browns Properties (Pvt) Ltd.	**599,200**
Commercial Bank of Ceylon PLC	Term Loan	To be repaid in 60 equal monthly instalment of Rs.5,000,000 commencing from the date of disbursement.	Floating Primary Registered mortgage bond totalling to Rs.1,500Mn Over Land 4 Building owned by Browns Properties (Pvt) Ltd	**285,000**
				884,200

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	**Outstanding Balance as at 31st March 2026 Rs.000**
Browns Development Ltd				
National Development Bank PLC	Term Loan	01] 12 monthly instalments X Rs 150,000,000 + interest 02] 24 monthly instalments X Rs 15,000,000 + interest 03] 27 monthly instalments X Rs 45,000,000 + interest 04] 30 monthly instalments X Rs 45,000,000 + interest 05] 33 monthly instalments X Rs 45,000,000 + interest 06] 36 monthly instalments X Rs 45,000,000 + interest 07] 39 monthly instalments X Rs 45,000,000 + interest 08] 42 monthly instalments X Rs 45,000,000 + interest 09] 45 monthly instalments X Rs 45,000,000 + interest 10] 48 monthly instalments X Rs 45,000,000 + interest 11] 51 monthly instalments X Rs 45,000,000 + interest 12] 54 monthly instalments X Rs 45,000,000 + interest 13] 57 monthly instalments X Rs 45,000,000 + interest 14] 60 monthly instalments X Rs 45,000,000 + interest 15] 63 monthly instalments X Rs 45,000,000 + interest 16] 66 monthly instalments X Rs 45,000,000 + interest 17] 69 monthly instalments X Rs 42,500,000 + interest 18] 72 monthly instalments X Rs 42,500,000 + interest 19] 75 monthly instalments X Rs 40,000,000 + interest 20] 78 monthly instalments X Rs 40,000,000 + interest 21] 81 monthly instalments X Rs 40,000,000 + interest	In year 2019 the company has fully settled Commercial Bank loan and obtained a Finance facility from National Development Bank. The amount of the loan facility is Rs. 1,200 Mn. The agreement to mortgage for Rs. 1,200 Mn to be executed over the land at No. 112, Havelock Road, Colombo 05, owned by the subsidiary. Repayment terms of the loan facility is in 26 tranches after grace period of 11 months.	**200,000**

32 LOANS AND BORROWINGS (CONTD.)

32.5 Security and Repayment Terms (Contd.)

32.5.2 Security and Repayment Terms - Group (Contd.)

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	Outstanding Balance as at 31st March 2026 Rs.000
		22) 84 monthly instalments X Rs 40,000,000 + interest		
		23) 87 monthly instalments X Rs 40,000,000 + interest		
		24) 90 monthly instalments X Rs 40,000,000 + interest		
		25) 93 monthly instalments X Rs 40,000,000 + interest		
		26) 96 monthly instalments X Rs 40,000,000 + interest		
				200,000
Browns Investments PLC				
Sampath Bank PLC	Term Loan	10 Bi-annually instalments.		**1,000,000**
				1,000,000
NPH Investments (Pvt) Ltd				
Bank Of Ceylon PLC	Term Loan	105 monthly instalments with the grace period of 45 months and capital to be repaid over remaining 60 months. The term loan facility were extended by further 12 months from 105 months up to 117 months including 42 months of capital moratorium period and 6 months interest moratorium in addition to the already granted 9 months interest moratorium.	1) Mortgage over the lease hold rights of Nasandhura Palace Hotel, Male, Maldives. 2) Joint and Several guarantee of Directors of the Company. 3) Corporate guarantee obtained from LOLC Holdings PLC.	**1,386,840**
				1,386,840
B Commodities ME(FZE)				
Peoples Bank	Term Loan	USD 2Mn upfront settlement Balance capital amount to be repaid by 16 quarterly instalments commencing from 13.08.2023 while interest will be serviced monthly. USD 750,000 x 8 USD 800,000 x 7 USD 51,185.55 X 1	Personal guarantee by Directors of the Group	**10,532,756**
				10,532,756

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	Outstanding Balance as at 31st March 2026 Rs.000
PL Resorts Limited				
Afrasia Bank Ltd.	Term Loan	1) 2 bi annual instalments X MUR 7,500,000 + interest 2) 2 bi annual instalments X MUR 10,000,000 + interest 3) 2 bi annual instalments X MUR 15,000,000 + interest 4) 2 bi annual instalments X MUR 20,000,000 + interest 5) 4 bi annual instalments X MUR 22,500,000 + interest 6) 3 bi annual instalments X MUR 27,500,000 + interest 7) 1 bi annual instalments X MUR 32,700,000 + interest	1) Mortgage over the leasehold rights of lot 18B and 18C at Roches - Noires and lot 1A and 1B at Posta Lafayette	**1,284,540**
				1,284,540
Tropical Island Commodities (Pvt) Ltd				
Commercial Bank of Ceylon PLC	Term Loan	In 60 equal monthly instalments of Rs.5,000,000 + interest	Lien over saving account for USD 69,748.41	**150,000**
				150,000
Browns Engineering & Construction (FIJI) Pte Ltd				
Bank of South Pacific	Term Loan	In 60 equal monthly instalments of 13,218 FJ$	Personal guarantee by Directors of the Group	**52,650**
				52,650
Browns Plantations Kenya Ltd				
Diamond Trust Bank	Term Loan	36 monthly instalments	Secured by land parcels LR 5469/LR 5470 and LR 7797/4 in Kenya.	**1,366,140**
Diamond Trust Bank	Term Loan	60 monthly instalments	Secured by land parcels LR 5469/LR 5470 and LR 7797/4 in Kenya.	**2,966,834**
Diamond Trust Bank	Short Term Loan	3 Months	Secured by land parcels LR 5469/LR 5470 and LR 7797/4 in Kenya.	**1,198,098**
Diamond Trust Bank	Short Term Loan	3 Months	SEAMS Mule Ltd_ Burundi	**213,451**
Commercial Bank of Ceylon PLC	Term Loan	28 equal monthly instalments	Corporate guarantee obtained from LOLC Holdings PLC	**1,141,346**
James Finlay Limited -UK	Term Loan	against the Finlay Tea Extracts Limited leased assets	Secured leased assets Finlay Tea Extracts Limited	**5,990,491**
Prime Bank Kenya Limited	Term Loan	96 Months	Secured by land parcels LR 5427/LR 5435/ LR6001/1/LR6024/LR6025/LR6027/LR6028 and LR 7797/4 in Kenya.	**1,025,589**
Diamond Trust Bank	Invoice Discounting	3 Months	Secured by Customer invoices	**1,755,692**
				15,657,641

32 LOANS AND BORROWINGS (CONTD.)

32.5 Security and Repayment Terms (Contd.)

32.5.2 Security and Repayment Terms - Group (Contd.)

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	Outstanding Balance as at 31st March 2026 Rs.000
Browns Plantations (Guizhou) Limited				
Sinan	Term Loan	Government support funding (repayable)	Repayable in accordance with the Investment and Construction Agreement and subsequent supplementary agreements. The repayment is currently subject to contractual deferment conditions.	**114,135**
				114,135
Browns Plantations Rwanda Ltd				
I&M Bank Rwanda Limited	Term Loan	60 monthly instalments	Secured by a property on land title with UPI:2/03/05/01/6124. Factory building including machinery.	**635,110**
				635,110
Sierra Cables PLC				
Commercial Bank of Ceylon PLC	Long Term Loan	60 monthly instalments	Primary Mortgage Bond for Rs.150 Mn over Machinery and Equipment	**235,000**
DFCC Bank	Long Term Loan	114 monthly instalments	A primary mortgage over movable assets (Solar PV system and Inverter)	**28,947**
Bank of Ceylon	Hypothecation Loan		Hypothecation over Stocks in trade, Raw Material and Work in progress	**680,309**
				944,256
Hapugastenne Plantations PLC				
Seylan Bank PLC	Term Loan	In 60 equal monthly instalments of Rs.12,500,000 each commenced from 28.12.2025	Mortgage over Dammeria Estate	**700,000**
				700,000
Other borrowings from non-financial institutions				**5,990,828**
Group Total				**50,684,536**

32.5.3 Debentures

Year of Issue	Year of Redemption	Type of Issue	Interest Payable			Group		Company	
			Fixed Rate Annually	Fixed Rate Semi-annually	Fixed Rate Quarterly	**2026**	2025	**2026**	2025
2022	2027	Listed Rated Guaranteed Senior Redeemable	-	-	15.42%	**1,932,700**	1,932,700	**1,932,700**	1,932,700
2022	2027	Listed Rated Guaranteed Senior Redeemable	15.50%	-	-	**67,300**	67,300	**67,300**	67,300
2023	2025	Senior Unlisted Secured Redeemable	16.75%			**-**	251,700	**-**	-
2025	2027	Senior Unlisted Secured Redeemable		11.75%		**470,500**	-	**-**	-
Total						**2,470,500**	2,251,700	**2,000,000**	2,000,000

32.5.3.1 Trading at Colombo Stock Exchange

Debenture Type	Highest Value (Rs)	Lowest Value (Rs)	Last Traded Value (Rs)
Listed Rated Guaranteed Senior Redeemable - 15.42%	Not Traded	Not Traded	Not Traded
Listed Rated Guaranteed Senior Redeemable - 15.5%	Not Traded	Not Traded	Not Traded

* Comparable interest rate of government security is 11.11 %

33 LEASE LIABILITIES

Set out below are the carrying amounts of lease liabilities and the movements for the year ended 31 March 2026.

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	**2026 Rs.000**	2025 Rs.000
Balance at the beginning of the year	**15,689,733**	14,877,376	**305,152**	350,024
Additions	**471,291**	60,194	**140,589**	17,839
Interest expense	**1,542,680**	1,350,572	**51,167**	42,256
Payments	**(1,069,259)**	(665,951)	**(119,915)**	(101,859)
Acquisition of Subsidiaries	**10,447**	5,157	**-**	-
Other Adjustments	**(2,475,356)**	255,070	**(1,771)**	(3,108)
Exchange difference	**796,576**	(192,685)	**-**	-
Lease liabilities as at 31 March	**14,966,112**	15,689,733	**375,222**	305,152

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	**2026 Rs.000**	2025 Rs.000
Current	**181,005**	167,455	**71,846**	67,705
Non Current	**14,785,107**	15,522,278	**303,376**	237,447
Total lease liabilities as at 31 March	**14,966,112**	15,689,733	**375,222**	305,152

34 RETIREMENT BENEFIT OBLIGATIONS

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Change in the Retirement Benefit Obligations are as follows,				
Defined Benefit Obligation at the beginning of the year	**5,663,218**	3,723,210	**163,807**	146,888
Interest Cost (Note 34.1)	**717,147**	302,591	**19,039**	19,095
Current Service Cost (Note 34.1)	**779,745**	706,372	**17,723**	15,559
Actuarial Loss / (Gain)	**655,083**	683,884	**(3,944)**	216
On acquisition of Subsidiary	**1,314,513**	690,170	**-**	-
Transfers during the year	**-**	-	**3,605**	-
Benefit paid	**(1,992,402)**	(489,172)	**(7,885)**	(17,951)
Exchange translation difference	**87,046**	46,163	**-**	-
Defined Benefit Obligation at the end of the year	**7,224,350**	5,663,218	**192,345**	163,807

The provision for retirement benefits obligations for the year is based on the actuarial valuation carried out by professionally qualified actuaries, as at 31st March 2026. The actuarial present value of the promised retirement benefits as at 31st March 2026 amounted to Rs. 7,224 Mn (Company - Rs. 192 Mn). The liability is not externally funded.

34.1 The total amount charged to the Income Statement in respect of Retirement Benefit Obligations is made up as follows:

For the Year Ended	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Retiring Gratuity charge for the year				
Interest charge for the year	**717,147**	302,591	**19,039**	19,095
Current service cost	**779,745**	706,372	**17,723**	15,559
	1,496,892	1,008,963	**36,762**	34,654

34.2 The principal assumptions used in the actuarial valuation are as follows:

34.2.1 Financial Assumptions

	As at 31st March	Group	
		2026	2025
a)	Discount rate		
	(The rate of interest used to discount the future cash flows in order to determine the present value)	10%	12%
b)	Future salary increase		
	Executive	8.0%	10.0%
	Non - Executive	8.0%	10.0%
c)	Retirement age	60yrs	60yrs
d)	The Company will continue as a going concern		

34.2.2 Demographic Assumptions

In addition to the above, demographic assumptions such as mortality, withdrawal and disability, and retirement age were considered for the actuarial valuation. "A 67/07 mortality table" issued by the Institute of Actuaries, London was used to estimate the gratuity liability of the Company.

34.2.3 Sensitivity of assumptions employed in actuarial valuation

The following table demonstrates the sensitivity to a reasonable possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement..

For the Year Ended	Group			
	Discount rate		Future salary increases	
	-1% Rs.000	1% Rs.000	-1% Rs.000	1% Rs.000
Impact on profit and loss	(191,656)	169,672	179,192	(199,542)

For the Year Ended	Company			
	Discount rate		Future salary increases	
	-1% Rs.000	1% Rs.000	-1% Rs.000	1% Rs.000
Impact on profit and loss	(9,820)	8,938	10,026	(10,850)

34.2.4 The following payments are expected on employee benefit plan - gratuity in future years.

	Company					
	Within the next 12 months	Between 1 and 2 years	Between 3 and 5 years	Between 6 and 10 years	Beyond 10 years	Total expected payments
Retirement Benefit Obligation	29,693	47,138	50,153	41,368	23,992	192,345

Under the payment of Gratuity Act No 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

35 DEFERRED TAX LIABILITIES

As at 31st March	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Balance at the beginning of the year	**52,649,203**	28,466,727	**-**	387,980
Acquisition of Subsidiaries	**5,728,364**	22,351,922	**-**	-
Origination/ (reversal) of temporary differences recognised in,				
'-income statement	**66,333**	(2,842,587)	**-**	(387,980)
'-other comprehensive income	**498,676**	4,542,949	**-**	-
Other adjustments / transfers	**(972,146)**	308,779	**-**	-
Exchange translation difference	**2,528,811**	(178,587)	**-**	-
Balance at the end of the year	**60,499,240**	52,649,203	**-**	-

35.1 The Closing Deferred Tax Liabilities balance relates to the following temporary differences;

As at 31st March	Group 2026 Rs.000	Group 2025 Rs.000
Property, Plant & Equipment / Investment Properties/ROU Assets	**124,614,234**	143,640,949
Bearer Biological Assets	**9,660,797**	3,838,091
Consumable Biological Assets	**15,642,530**	13,591,354
Provision for Slow Moving Stocks	**(2,104)**	(245,281)
Provision for Bad and Doubtful Debts	**576,882**	(627,153)
Employee Benefit Liabilities	**(26,480,838)**	(2,617,192)
Losses available for offset against future taxable income	**(1,213,605)**	(4,314,011)
Other	**88,865,927**	14,996,238
	211,663,822	168,262,995

36 DEFERRED INCOME

As at 31st March	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Capital Grants (Note 36.1)	**852,834**	300,219	**-**	-
PHDT Lease Rentals (Note 36.2)	**-**	189	**-**	-
Income Received in Advance (Note 36.3)	**453,409**	318,718	**330,314**	315,460
Rain Forest Eco Lodge (Pvt) Ltd. (Note 36.4)	**35,777**	37,638	**-**	-
	1,342,020	656,764	**330,314**	315,460

36.1 Capital Grants

As at 31st March	Group	
	2026 Rs.000	2025 Rs.000
Gross Value		
Balance at the beginning of the year	474,727	467,845
Additions during the year	1,023,039	6,882
Balance at the end of the year	1,497,766	474,727
Amortisation		
Balance at the beginning of the year	174,508	155,849
Amortisation during the year	470,424	18,659
Balance at the end of the year	644,932	174,508
Balance at the end of the year- Net	852,834	300,219

The above represents the following,

Funds received from the Plantation Housing and Human Development Trust (PHDT), MTIP, MPI for the development of workers welfare facilities and improvements to institutional facilities.

Funds received from the Plantation Reform Project for the development of Forestry Plantations.

The amounts spent is capitalised under the relevant classification of Property, Plant and Equipment. The corresponding grant component is reflected under Deferred Income and is being amortised over the useful life span of the related asset.

36.2 PHDT Lease Rentals

As at 31st March	Group	
	2026 Rs.000	2025 Rs.000
Balance at the beginning of the year	189	726
Amortisation during the year	(189)	(537)
Balance at the end of the year	-	189

Premises at St.Andrew's Drive in Nuwara Eliya has been leased out to Plantation Human Development Trust (PHDT) for a period of 20 years commencing from August 2005 at a total lease rental of Rs. 10.7 Mn.

Lease rentals received are deferred and amortised over the lease period commencing from August 2005.

As at 31st March	Group	
	2026 Rs.000	2025 Rs.000
Maturity analysis		
Not later than one year	-	189
	-	189

36 DEFERRED INCOME (CONTD.)

36.3 Income Received in Advance

As at 31st March	Group		Company	
	2026	2025	**2026**	2025
	Rs.000	Rs.000	**Rs.000**	Rs.000
Balance at the beginning of the year	**318,718**	55,738	**315,460**	55,738
Additions during the year	**341,277**	369,281	**221,440**	366,024
Amortisation during the year	**(206,586)**	(106,301)	**(206,586)**	(106,302)
Balance at the end of the year	**453,409**	318,718	**330,314**	315,460

This represents income received in advance in respect of maintenance agreements with customers..

36.4 Rain Forest Eco Lodge (Pvt) Ltd. (RFELL)

As at 31st March	Group	
	2026	2025
	Rs.000	Rs.000
Balance at the beginning of the year	**37,638**	39,499
Amortisation during the year	**(1,861)**	(1,861)
Balance at the end of the year	**35,777**	37,638

"This represents the value of 6,399,375 No. of Ordinary Shares received by Maturata Plantations Ltd. equivalent to 20% of the issued Ordinary Shares of RFELL at Rs.10/-each in lieu of releasing the leasehold rights of 488, Hectares in Enselwatte , Deniyaya for Eco Tourism Project. The value of Ordinary Shares are deferred and amortised over the unexpired balance lease period. However due to the rights issue shareholdings percentage has come down from 20% to 13.44%.

As at 31st March	Group	
	2026	2025
	Rs.000	Rs.000
Maturity analysis		
Not later than one year	**1,861**	1,861
Later than one year and not later than five years	**7,445**	7,445
Later than five years	**26,471**	28,332
	35,777	37,638

37 TRADE AND OTHER PAYABLES

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Trade payables	**29,782,368**	30,681,607	**3,590,715**	2,862,248
Accrued Expenses	**7,128,589**	4,927,754	**1,466,573**	1,183,198
Value Added Tax Payable	**3,006,229**	3,057,097	**-**	-
Warranty Provision	**791,105**	793,381	**73,793**	88,572
Advances from Customers	**634,555**	1,332,240	**437,041**	364,087
SSCL Payable	**71,840**	40,549	**49,375**	35,734
Other Tax Payables	**1,325,643**	1,163,749	**-**	-
Security deposits payable	**212,540**	321,857	**-**	-
Payable to China Harbour Engineering Company	**25,929,226**	24,379,229	**-**	-
Purchase consideration payable	**11,699,318**	15,825,836	**-**	-
Other Payables	**9,132,719**	10,354,739	**228,394**	491,476
	89,714,132	92,878,038	**5,845,891**	5,025,314

38 LOANS FROM RELATED PARTIES

38.1 Due After One Year

As at 31st March	Group	
	2026	2025
	Rs.000	Rs.000
LOLC Holdings PLC	**741,541**	685,541
	741,541	685,541

38.2 Due Within One Year

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
LOLC Holdings PLC.	**36,553,826**	33,445,034	**36,176,333**	33,445,034
Browns Investments PLC	**-**	-	**26,619**	29,926
I Pay Global FZC	**454,884**	144,469	**-**	-
LOLC Asia Holdings Pvt Ltd.	**575,803**	2,201,443	**-**	-
Browns Industrial Park Ltd.	**-**	-	**8,067**	78,031
Patronus Holdings [Pvt] Ltd	**1,414,008**	1,329,471	**-**	-
Sifang Lanka [Pvt] Ltd	**-**	-	**1,346,627**	-
LOLC Life Assurance	**1,138,115**	-	**-**	-
Fusion X Global FZC [UAE]	**1,958,675**	-	**-**	-
	42,095,311	37,120,418	**37,557,646**	33,552,991

38.3 Security and Repayment Terms of Related Party Loans - Due Within One Year

Name of the Company	Repayment Terms	Security	Outstanding Balance as at 31st March 2026	
			Group Rs.000	Company Rs.000
LOLC Holdings PLC.	On demand	Unsecured	36,553,826	36,176,333
Browns Investments PLC.	On demand	Unsecured	-	26,619
I Pay Global FZC	On demand	Unsecured	454,884	-
LOLC Asia Holdings Pvt Ltd.	On demand	Unsecured	575,803	-
Browns Industrial Park Ltd.	On demand	Unsecured	-	8,067
Patronus Holdings (Pvt) Ltd	On demand	Unsecured	1,414,008	-
Sifang Lanka (Pvt) Ltd	On demand	Unsecured	-	1,346,627
LOLC Life Assurance	On demand	Unsecured	1,138,115	-
Fusion X Global FZC (UAE)	On demand	Unsecured	1,958,675	-
			42,095,311	37,557,646

39 AMOUNTS DUE TO RELATED PARTIES

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Taprobane Plantations Ltd.	194,603	176,503	-	-
LOLC General Insurance Company Ltd.	-	636	-	-
LOLC Motors Ltd.	2,012	2,128	-	-
LOLC Corporate Services (Pvt) Ltd.	2,149	1,191	300	100
LOLC Holdings PLC	169,679,588	170,231,746	2,838,969	3,203,226
LOLC Finance PLC	2,356,584	2,332,798		
LOLC Technology Services Ltd.	369,617	265,774	86,279	43,434
Browns Holdings Ltd.	3,855	3,855	3,855	3,855
Browns Tours (Pvt) Ltd.	87,814	74,948		
Browns Investments PLC	-	-	-	37,193
Browns Group Motels Ltd.	-	-	6,607	6,607
Browns Pharma Ltd.	-	-	84,782	84,782
Browns Healthcare Negombo (Pvt) Ltd.	-	-	8,332	8,332
Browns Advance Technologies (Pvt) Limited	3,784	3,784	3,784	3,784
BI Holdings (Pvt) Ltd.	-	-	7,428	4,630
Sifang Lanka (Pvt) Ltd.	-	-	-	1,135,363
NPH Development (Pvt) Ltd.	6,609	6,213	-	-
Chain Holdings Ltd	12,853	12,084	-	-
INK Investments	-	91,810	-	-
Fusion X Global FZC (UAE)	47,861	10,342	-	-
LOLC FInancial Sector Holdings Pvt Ltd	38,841	118,600	-	-
Browns Industrial Park Ltd.	-	-	-	5,489
Patronus Holdings (Pvt) Ltd	316,979	163,569	-	-
Browns Agri Solutions (Pvt) Ltd	-	-	395	-
LOLC Ventures FZE	16,063	-	-	-
I Pay Global FZC	36,611	-	-	-
LOLC Asia Holdings Pvt Ltd	9,599,809	-	-	-
	182,775,632	173,495,983	3,040,731	4,536,794

40 INCOME TAX PAYABLE

As at 31st March	Group	
	2026	2025
	Rs.000	Rs.000
Balance at the beginning of the year	**752,997**	723,239
Provision for the year	**1,303,663**	473,181
Transfer to/from other liabilities	**(4,960)**	(37,703)
Under/ (Over) Provision in respect of previous year	**26,208**	(133,068)
Transfer Income Tax Recoverable	**98,646**	9,135
Acquisition of Subsidiaries	**61,762**	280,330
Payments made during the year	**(1,413,933)**	(562,117)
Exchange Differences	**75**	-
Balance at the end of the year	**824,458**	752,997

41 NET ASSETS PER SHARE

As at 31st March	Group	
	2026	2025
Equity Attributable to Equity holders of the Company (Rs.000)	**110,621,908**	100,097,154
Weighted Average Number of Ordinary Shares in Issue ('000)	**212,625**	212,625
Net Assets per Share (Rs.)	**520.27**	470.77

42 RELATED PARTY DISCLOSURES

42.1 Ultimate controlling party

The ultimate controlling party of the Group is LOLC Holdings PLC.

42.2 Transactions with key management personnel

Key management personnel compensation

According to Sri Lanka Accounting Standard- LKAS 24 "Related Party Disclosures", Key management personnel are those having authority and responsibility for planning, directing and controlling activities of the entity. Accordingly, the Board of Directors (including executive and Non-executive Directors) has been classified as Key Management Personnel of the Company. Emoluments paid to Key Management Personnel have been disclosed in Note 8.

There were no loans given to the Directors of the company during the financial year or as at the year-end.

This note should be read in conjunction with Note 23 - Loans to Related Parties, Note 24 - Amounts due from Related Parties, Note 38 - Loans from Related Parties and Note 39 - Amounts due to Related Parties.

42 RELATED PARTY DISCLOSURES (CONTD.)

42.3 Terms and conditions of transactions with Related Parties

Transactions with related parties are carried out in the ordinary course of business. These transactions carried at management agreed terms, consistent with transfer pricing protocols. All related party outstanding balances at year-end are unsecured and are to be settled in cash. Interest-bearing borrowings are at pre-determined interest rates and terms, based on the risk profiles of the related entities.

Transactions of Brown & Company PLC with Related Companies

For the year ended	Note	2026 Rs.000	2025 Rs.000
SUBSIDIARIES			
Purchase of Goods/ Services	42.3.1	**87,221**	270,076
Sale of Goods	42.3.1	**641,636**	271,916
Loan			
Granted	42.3.2	**3,917,673**	2,965,317
Recovered	42.3.2	**4,479,906**	2,932,534
Obtained	42.3.3	**1,567,449**	2,184,133
Settled	42.3.3	**682,794**	2,187,418
Interest			
Income	42.3.2	**435,323**	491,312
Expense	42.3.3	**235,611**	134,029
Expenses Transferred To	42.3.4	**2,859,411**	1,817,554
Expenses Transferred From	42.3.5	**2,898**	-
Shares			
Investments made	42.3.6	**-**	1,920,000
Rental Income			
Received	42.3.7	**3,690**	3,690
Rental Expenses	42.3.8	**70,099**	39,704
ASSOCIATES			
Purchase of Goods/Services	42.3.1	**6,172,280**	6,388,139
Sale of Goods	42.3.1	**6,750**	32,507
Rental Income			
Received	42.3.7	**5,573**	8,833

For the year ended	Note	2026 Rs.000	2025 Rs.000
OTHER RELATED COMPANIES			
Sale of Goods	42.3.1	**326,611**	202,421
Purchase of Goods	42.3.1	**138,696**	116,199
Loan			
Obtained	42.3.3	**2,132,185**	27,110,428
Settled	42.3.3	**6,793,783**	17,481,210
Interest			
Expense	42.3.3	**5,327,106**	5,848,188
Expenses Transferred To	42.3.4	**20,615**	11,925
Expenses Transferred From	42.3.5	**424,567**	363,129
Rental Income			
Received	42.3.7	**36,908**	62,367
Balances of the Brown & Company PLC with Related Companies			
Trade Receivables - Related Parties	42.4	**495,747**	294,974
Trade Payables - Related Parties	42.5	**1,438,396**	1,672,160

42 RELATED PARTY DISCLOSURES (CONTD.)

42.3 Terms and conditions of transactions with Related Parties (Contd.)

42.3.1 Trading Transactions

The Company has engaged in the following trading transactions with Related Companies.

For the year ended	2026		2025	
	Sales Rs.000	Purchases Rs.000	Sales Rs.000	Purchases Rs.000
SUBSIDIARIES				
Agstar PLC	60,433	-	44,312	-
Agstar Crop Care (Pvt) Ltd	2,118	-	4,570	-
Agstar Seeds (Pvt) Ltd	1,650	-	4,570	-
Ajax Engineers (Pvt) Ltd.	1,804	734	2,800	-
B.G Air Services (Pvt) Ltd.	-	923	-	932
BI Commodities & Logistics (Pvt) Ltd	310	-	411	-
Browns Agri Solutions (Pvt) Ltd.	2,726	33,879	13,460	-
Browns Ari Resorts (Pvt) Ltd.	4,360	-	362	-
Browns Developments Limited.	1,763	-	943	-
Browns Engineering & Constructions (Pvt) Ltd.	39,284	15,264	26,114	-
Browns Group Industries (Pvt) Ltd.	1,496	3,415	2,030	1,388
Browns Hotels & Resorts Ltd.	723	-	-	-
Browns Industrial Park Ltd.	33	-	1,696	290
Browns Investments PLC	187	-	280	-
Browns Leisure (Pvt) Ltd.	642	-	3,373	-
Browns Metal & Sands (Pvt) Ltd.	1,204	-	46	-
Browns Properties (Pvt) Ltd.	4,775	-	29,903	-
Browns Thermal Engineering (Pvt) Ltd.	8,561	12,778	1,036	17,470
Dickwella Resort (Pvt) Ltd.	1,461	369	3,846	49
Dolphin Hotels PLC	-	1,156	16,227	1,210
Eden Hotels Lanka PLC	1,497	2,485	529	186
Excel Restaurants (Pvt) Ltd	5	531	129	2,211
Frontier Capital Lanka (Pvt) Ltd.	99	-	23	-
Green Paradise (Pvt) Ltd.	-	-	730	-
Gurind Accor (Pvt) Ltd.	-	-	7,706	190
Hotel Sigiriya PLC	1,191	360	17,577	65
Hapugastenne Plantation PLC	15,392	-	-	-
Browns Group Industrial Park (Pvt) Limited (Isin Lanka Pvt Ltd)	304,242	90	8,271	-
Klevenberg (Pvt) Ltd.	-	-	211	-
Maturata Plantations Ltd.	17,073	-	5,472	-
Millennium Development (Pvt) Ltd.	-	-	8	-
S F L Services (Pvt) Ltd.	27	-	29	-
Prith Seeds (Pvt) Ltd	1,466	-	4,570	-
Pussellawa Plantation Ltd	2,531	-	-	-
Serendib Leisure Mgt Ltd	26	-	-	-
Serendib Hotels PLC	1,763	121	1,668	74
Sierra Cables PLC.	105,787	10,806	3,042	232,940

For the year ended	2026		2025	
	Sales	**Purchases**	Sales	Purchases
	Rs.000	**Rs.000**	Rs.000	Rs.000
Browns Piling (Pvt) Ltd.	**-**	**-**	1,268	-
Sifang Lanka (Pvt) Ltd.	**-**	**4,211**	17,728	12,875
Sun & Fun Resorts Ltd.	**-**	**99**	565	195
Sun Yield Bio Ingredients (Pvt) Ltd.	**7,302**	**-**	8,792	-
Udapussellawa Plantations PLC	**9,057**	**-**	31,239	-
Tea Smallholder Factories PLC	**893**	**-**	-	-
Three Tips Ella (Pvt) Ltd.	**39,755**	**-**	-	-
Hapugastenne Plantations PLC	**-**	**-**	6,381	-
	641,636	**87,221**	271,917	270,075
ASSOCIATES				
Gal Oya Plantations (Pvt) Ltd.	**376**	**37**	18,950	-
Associated Battery Manufacturers (Cey) Ltd. (Note 41.3.1.1)	**6,374**	**6,172,243**	4,724	6,388,139
	6,750	**6,172,280**	23,674	6,388,139
OTHER RELATED COMPANIES				
Taprobane Plantations Ltd.	**-**	**-**	465	1,884
Leapstitch Technologies (Pvt) Ltd.	**-**	**-**	2,447	-
LOLC Advanced Technologies (Pvt) Ltd.	**-**	**-**	593	-
LOLC Holdings PLC	**20,179**	**27,114**	31,236	7,682
LOLC Finance PLC	**291,360**	**3,819**	148,341	432
LOLC Motors Ltd.	**2,171**	**2,605**	2,217	312
LOLC General Insurance PLC	**11,309**	**43,168**	16,474	46,153
LOLC Life Assurance Ltd.	**1,414**	**60,378**	16	58,290
LOLC Technologies Limited	**178**	**1,612**	285	1,446
LOLC GEO Technologies Pvt Ltd.	**-**	**-**	346	-
	326,611	**138,696**	202,420	116,199

42.3.1.1 Following transactions are made with Associated Battery Manufacturers (Cey) Ltd.

Name of the Company	Relationship	Nature of the transactions	Aggregate Value	As a % of Gross Revenue	Terms and Conditions
Associated Battery Manufacturers (Cey) Ltd.	Associate	Purchases in the normal course of business	6,172,243	21%	Arm's length transactions

42 RELATED PARTY DISCLOSURES (CONTD.)

42.3 Terms and conditions of transactions with Related Parties (Contd.)

42.3.2 Loans granted to Related Companies

The Company has granted and recovered the following Loan balances during the year.

Name of the Company	2026			2025		
	Loan Granted Rs.000	Interest Income Rs.000	Loan Recovered Rs.000	Loan Granted Rs.000	Interest Income Rs.000	Loan Recovered Rs.000
SUBSIDIARIES						
Browns Agri Solutions (Pvt) Ltd.	**1,165,661**	**78,487**	**1,579,787**	460,618	157,418	446,651
Klevenberg (Pvt) Ltd.	**815,850**	**89,949**	**818,880**	859,400	79,635	855,950
Browns Thermal Engineering Ltd.	**1,428,200**	**171,437**	**1,253,897**	1,001,200	139,494	1,015,100
Browns Group Industries (Pvt) Ltd.	**482,500**	**91,836**	**783,117**	573,500	109,551	460,100
Gurind Accor (Pvt) Ltd.	**25,462**	**3,614**	**44,225**	32,599	3,841	80,292
Browns Industrial Park Ltd.	**-**	**-**	**-**	38,000	1,373	74,441
	3,917,673	**435,323**	**4,479,906**	2,965,317	491,312	2,932,534

42.3.3 Loans obtained from Related Companies

Name of the Company	2026			2025		
	Loan Obtained Rs.000	Interest Expense Rs.000	Loan Settled Rs.000	Loan Obtained Rs.000	Interest Expense Rs.000	Loan Settled Rs.000
SUBSIDIARIES						
Agstar PLC	**-**	**10,221**	**10,221**	1,500,000	120,249	1,620,249
Browns Investments PLC	**-**	**5,038**	**8,345**	-	4,687	5,155
Browns Industrial Park Ltd.	**-**	**8,036**	**78,000**	78,000	31	-
Sifang Lanka (Pvt) Ltd.	**1,389,163**	**207,464**	**250,000**	-	-	-
Dolphin Hotels PLC	**178,286**	**4,852**	**336,228**	606,133	9,062	562,014
	1,567,449	**235,611**	**682,794**	2,184,133	134,029	2,187,418
OTHER RELATED COMPANIES						
LOLC Holdings PLC (Note 41.3.3.1)	**-**	**4,369,070**	**1,509,855**	17,362,384	4,237,491	7,932,100
LOLC Finance PLC	**-**	**683,310**	**2,438,757**	4,500,000	1,407,571	6,003,350
LOLC Securities Ltd.	**-**	**-**	**-**	2,503,274	3,613	2,506,887
LOLC Life Assurance Ltd.	**1,231,449**	**166,833**	**1,933,655**	1,541,058	147,098	634,966
LOLC General Insurance PLC	**900,736**	**107,893**	**911,516**	1,203,712	52,415	403,907
	2,132,185	**5,327,106**	**6,793,783**	27,110,428	5,848,188	17,481,210

42.3.3.1 Following transactions are made with related companies.

Name of the Company	Relationship	Nature of the transactions	Aggregate Value	As a % of Gross Revenue	Terms and Conditions
LOLC Holdings PLC	Parent Company	Loans Settled	1,509,855	1%	Unsecured loan at interest rate of 12%

42.3.4 **The Company has incurred Group Expenses on behalf of the Related companies during the year on reimbursement basis as follows;**

Name of the Company	2026 Expenses Transferred To Rs.000	2025 Expenses Transferred To Rs.000
SUBSIDIARIES		
Agstar PLC	**26,561**	20,983
Agstar Crop Care (Pvt) Ltd	**50**	-
Agstar Seeds (Pvt) Ltd	**50**	-
Ajax Engineers (Pvt) Ltd.	**18,435**	13,564
Browns Agri Solutions (Pvt) Ltd.	**562,988**	256,668
Browns Engineering & Construction (Pvt) Ltd.	**12,936**	-
Browns Group Industries (Pvt) Ltd.	**102,706**	87,764
Browns Thermal Engineering (Pvt) Ltd.	**223,530**	181,007
Browns Investments PLC	**41,235**	38,661
Browns Industrial Park Ltd.	**87,196**	80,562
Gurind Accor (Pvt) Ltd.	**25,462**	23,889
Klevenberg (Pvt) Ltd.	**120,113**	195,343
S. F. L.Services (Pvt)Ltd.	**416**	100
Hapugastenne Plantation PLC	**-**	140
Mathurata Plantation Ltd.	**-**	148
Udapussellawa Plantations PLC	**-**	88
Browns Group Industrial Park (Private) Limited	**63,873**	13,439
Prith Seeds (Pvt) Ltd	**25**	-
Sifang Lanka (Pvt) Ltd.	**1,573,835**	713,805
Sunbrid Bioenergy Sierra Leone Limited	**-**	191,392
	2,859,411	1,817,553
OTHER RELATED COMPANIES		
Masons Mixture Ltd.	**9**	-
Leapstitch Apperal (Pvt) Ltd	**11,011**	11,890
Tropical Island Commodities (Private) Limited	**-**	35
LOLC General Insurance PLC	**2**	-
LOLC Securities Ltd.	**2,418**	-
LOLC Finance PLC	**7,174**	-
	20,615	11,926

42 RELATED PARTY DISCLOSURES (CONTD.)

42.3 Terms and conditions of transactions with Related Parties (Contd.)

42.3.5 Following companies have incurred Expenses on behalf of the company during the year on reimbursement basis as follows;

Name of the Company	2026 Expenses Transferred From Rs.000	2025 Expenses Transferred From Rs.000
SUBSIDIARIES		
BI Holding Ltd.	**2,898**	-
	2,898	-

Name of the Company	2026 Expenses Transferred From Rs.000	2025 Expenses Transferred From Rs.000
OTHER RELATED COMPANIES		
Leapstitch Technologies (Pvt) Ltd	**35**	-
LOLC Technology Services Ltd.	**42,845**	46,056
LOLC Corporate Services (Pvt) Ltd.	**1,200**	1,200
LOLC Holdings PLC	**380,487**	315,873
	424,567	363,129

42.3.6 The Company has made the following new investments during the year.

Name of the Company	2026 Rs.000	2025 Rs.000
Investment in Subsidiaries (Note 17.4)		
Browns Group Industrial Park (Pvt) Limited (Isin Lanka Pvt Ltd)	**-**	1,920,000
	-	1,920,000

42.3.7 Company earned Rental income from following companies during the year;

Name of the Company	2026 Rent Income Rs.000	2025 Rent Income Rs.000
SUBSIDIARIES		
Ajax Engineers (Pvt) Ltd	**3,690**	3,690
	3,690	3,690
OTHER RELATED COMPANIES		
LOLC Finance PLC	**22,511**	36,865
LOLC Securities Ltd.	**8,000**	8,266
LOLC Life Assurance Ltd.	-	2,361
LOLC General Insurance PLC	-	982
LOLC Holdings PLC	**6,397**	13,892
	36,908	62,366
ASSOCIATES		
Associated Battery Manufacturers (Cey) Ltd.	**5,573**	8,833
	5,573	8,833

42.3.8 Company earned Rental expenses from following companies during the year;

Name of the Company	2026 Rent Expense Rs.000	2025 Rent Expense Rs.000
SUBSIDIARIES		
Browns Industrial Park Ltd.	**5,451**	28,718
Browns Group Industrial Park (Private) Limited.	**64,648**	10,986
	70,099	39,704

42.4 Trade Receivables - Related Parties

	Company	
	2026 Rs.000	2025 Rs.000
Subsidiaries	**339,020**	130,660
Associates	**49,577**	91,940
Other Related companies	**107,150**	72,375
	495,747	294,975

42.5 Trade Payables - Related Parties

	Company	
	2026 Rs.000	2025 Rs.000
Subsidiaries	**92,144**	61,801
Associates	**1,345,623**	1,608,359
Other Related companies	**629**	2,001
	1,438,396	1,672,161

43 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

The Group has loans and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Group also holds FVTPL and fair value through OCI financial investments. The Group's principal financial liabilities, comprise of loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group is exposed to market risk, credit risk and liquidity risk.

43.1 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 is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

With respect to credit risk arising from the other financial assets of the group, such as cash and cash equivalents, financial investments, short term investments, and certain derivative instruments, the group's exposure to credit risk arises from default of the counterparty. The group manages its operations to avoid any excessive concentration of counterparty risk and the Group takes all reasonable steps to ensure the counterparties fulfil their obligations..

Management of credit risk

The Board of Directors of each financial sector Company has delegated responsibility for the oversight of credit risk to its Credit Committee. A separate Credit department, reporting to each Credit Committees, is responsible for management of the Financial sector Companies' credit risk, including:

01. Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.

02. Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business unit Credit Officers. Larger facilities require approval by Group Credit, Head of Group Credit, Credit Committee or the board of directors as appropriate.

03. Reviewing and assessing credit risk. Group Credit assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subjected to the same review process.

04. Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports on the credit quality of local portfolios are provided to Group Credit who may require appropriate corrective action to be taken.

05. Providing advice, guidance and specialist skills to business units to promote best practice throughout the financial sector in the management of credit risk.

Exposure to credit risk

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

As at 31st March	Group		Company	
	2026	2025	**2026**	2025
	Rs.000	Rs.000	**Rs.000**	Rs.000
Trade and other receivables	**31,848,837**	25,717,885	**6,219,934**	5,319,652
Loans to related companies	**186,610**	2,836,542	**3,311,310**	3,438,219
Amount due from Related Companies	**9,417,850**	522,016	**3,015,876**	2,775,720
Cash at Bank	**6,820,255**	12,533,221	**809,469**	4,038,816
	48,273,552	41,609,664	**13,356,589**	15,572,407

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the default risk of the industry in which customers operate, as this factor may have an influence on credit risk.

Each new customer is analysed individually for credit worthiness before the Group's Standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available and in some cases bank references. Sales limits are established for each customer, which represents the maximum open amount without requiring approval from the management. These limits are reviewed periodically. The Group has obtained customer deposits as collateral from major customers by reviewing their past performance and credit worthiness. In addition, receivable balances are monitored on an ongoing basis with the result that Group's exposure to bad debts is not significant.

Age analysis of trade receivables:	Expected Loss rate		Company	
	2026	2025	**2026**	2025
			Rs.000	Rs.000
0-120	**1%**	1%	**5,436,192**	4,203,203
120-240	**4%**	4%	**144,057**	202,806
240-364	**16%**	16%	**79,249**	94,282
Over 365	**100%**	100%	**555,836**	815,031
Trade receivables - Gross			**6,215,334**	5,315,322
Loss allowance	**9%**	15%	**(571,668)**	(774,370)
Trade receivables - Net			**5,643,666**	4,540,952

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period assessed by the board of directors.

43 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTD.)

43.1 Credit Risk (Contd.)

Loans Given to Related Parties

The Group's amount due from related parties consist of the balances from affiliate companies.

Except for the specific provisions identified, the Company believes that there is no credit risk from the receivables from the related parties, because these counterparties are under the control of the Company's ultimate shareholders, who are financially healthy companies.

These balances represent amount receivable on demand. At Company level these related party exposures are closely monitored to avoid any negative impact by way of credit risk.

Carrying Amount	Group		Company	
	2026 Rs.000	2025 Rs.000	**2026 Rs.000**	2025 Rs.000
Loans to related companies	**186,610**	2,836,542	**3,311,310**	3,438,219
Amount due from Related Companies	**9,417,850**	522,016	**3,666,042**	3,270,250
	9,604,460	3,358,558	**6,977,352**	6,708,469
Less: Provision for Intercompany Receivables	**-**	-	**(650,166)**	(494,531)
	9,604,460	3,358,558	**6,327,186**	6,213,938

Cash at Bank

The Group held cash at bank of Rs. 6,820 Mn as at the reporting date, which represents its maximum credit exposure on theses assets. The Cash and cash equivalents are held with bank and financial institution counterparties, with good credit ratings.

Impairment losses

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

Collective impairment/ Specific provisions	Company Rs.000
Balance at 1 April 2024	1,082,382
Impairment loss reversal recognised	(308,012)
Balance at 31 March 2025	774,370
Impairment loss reversal recognised	(202,702)
Balance at 31 March 2026	**571,668**

43.2 Liquidity Risk

Liquidity risk is the risk that Group will encounter difficulty in meeting the Obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's policy is to hold cash and undrawn committed facilities at a level sufficient to ensure that the Group has available funds to meet its short and medium term capital and funding obligations, including organic growth and acquisition activities, and meet any unforeseen obligations and opportunities. The Group hold cash and undrawn committed facilities to enable the group to manage its liquidity risk.

The Group monitors its risk to a shortage of funds using a daily cash management process. This process considers the maturity of both the Group's financial investments and financial assets (e.g. trade receivable, other financial assets) and projected cash from operations.

The Group objective is to maintain a balance between continuity of funding and flexibility through the use of multiple sources of funding including bank loans, overdrafts and finance leases over a broad spread of maturities.

Maturity Analysis	On demand Rs.000	Less than 3 months Rs.000	3 to 12 months Rs.000	More than 1 years Rs.000	**2026 Total Rs.000**
Group					
Interest bearing borrowings	-	-	6,064,767	62,056,382	**68,121,149**
Short term interest bearing borrowings and bank overdrafts	-	64,590,933	-	-	**64,590,933**
Trade and Other payables	89,714,132	-	-	-	**89,714,132**
Amounts due to related parties	182,775,632	-	-	-	**182,775,632**
Loans from related parties	42,095,311	-	-	741,541	**42,836,852**
Other payables	-	885,794	-	-	**885,794**
	314,585,075	65,476,727	6,064,767	62,797,923	**448,924,492**
Company					
Interest bearing borrowings	-	-	4,750,560	8,776,242	**13,526,802**
Short term interest bearing borrowings and bank overdrafts	-	16,875,731	-	-	**16,875,731**
Trade and Other payables	5,845,891	-	-	-	**5,845,891**
Amounts due to related parties	3,040,731	-	-	-	**3,040,731**
Loans from related parties	37,557,646	-	-	-	**37,557,646**
Other payables	-	5,794	-	-	**5,794**
	46,444,268	16,881,525	4,750,560	8,776,242	**76,852,595**

43 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTD.)

43.2 Liquidity Risk (Contd.)

43.2.1 Net Debt

As at 31st March	Group		Company	
	2026	2025	**2026**	2025
	Rs.000	Rs.000	**Rs.000**	Rs.000
Other Current Financial Assets	**9,614,519**	8,110,209	**4,457,711**	3,070,624
Cash in hand and at bank	**6,922,331**	12,789,729	**811,100**	4,045,348
Total liquid assets	**16,536,850**	20,899,938	**5,268,811**	7,115,972
Non current portion of borrowings	**47,271,274**	33,987,551	**8,472,866**	4,298,238
Short term borrowings	**47,064,528**	50,521,871	**16,331,102**	15,596,839
Current portion of borrowings	**5,883,762**	7,088,671	**4,678,713**	5,438,347
Bank overdrafts	**17,526,405**	6,617,015	**544,629**	1,862,648
Lease Liabilities	**14,966,112**	15,689,733	**375,222**	305,152
Loans from Related Parties	**42,095,311**	37,120,418	**37,557,646**	33,552,991
Total liabilities	**174,807,392**	151,025,259	**67,960,178**	61,054,215
Net debt	**(158,270,542)**	(130,125,321)	**(62,691,367)**	(53,938,243)

43.3 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 risk comprise of the following types of risk:

» Interest Rate Risk

» Currency Risk

» Equity Price Risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The analysis excludes the impact of movements in market variables on the carrying values of other post-retirement obligations, provisions, and the non-financial assets and liabilities.

43.3.1 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

The Group treasury continuously monitors the interest rate environment to advice to group on the most suitable strategy with regard to borrowings.

As at 31st March	Group		Company	
	2026	2025	**2026**	2025
	Rs.000	Rs.000	**Rs.000**	Rs.000
Variable rate borrowings	**64,590,933**	57,138,886	**16,875,731**	17,459,487
Fixed rate borrowings	**53,155,036**	41,076,222	**13,151,580**	9,736,585
	117,745,969	98,215,108	**30,027,311**	27,196,072

An analysis of the Groups' sensitivity to an increase or decrease in market interest rates, assuming no asymmetrical movement in yield curves and a constant financial position, is as follows;

Sensitivity of projected	Net interest		Reported equity	
	1% parallel increase	1% parallel decrease	1% parallel increase	1% parallel decrease
Group	Rs.000	Rs.000	Rs.000	Rs.000
For the year ended 31 March 2026	1,177,460	(1,177,460)	257,436,090	259,791,010

Sensitivity of projected	Net interest		Reported equity	
	1% parallel increase	1% parallel decrease	1% parallel increase	1% parallel decrease
Company	Rs.000	Rs.000	Rs.000	Rs.000
For the year ended 31 March 2026	300,273	(300,273)	110,321,635	110,922,181

43.3.2 Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has exposure to foreign currency risk where it has cash flows in overseas operations and foreign currency transactions which are affected by foreign exchange movements. Group treasury analyses the market condition of foreign exchange and provides market updates to the board, with the use of external consultants' advice. Based on the suggestions made by Group treasury, the board takes decisions on whether to hold, sell, or make forward bookings of foreign currency.

43.3.2.1 Exposure

The Group has exposure to the currency fluctuations through its foreign assets and liabilities held by following main foreign subsidiaries

Subsidiary	**Country of incorporation**	**Functional currency**
B Commodities ME(FZE)	UAE	United State Dollar - USD
BI Leisure Holdings ME(FZE)	UAE	United State Dollar - USD
Bodufaru Beach Resorts (Private) Limited	Maldives	United State Dollar - USD
Browns Ari Resort (Pvt) Ltd	Maldives	United State Dollar - USD
Browns Kaafu N Resort (Pvt) Ltd	Maldives	United State Dollar - USD
Browns Raa Resort (Pvt) Ltd	Maldives	United State Dollar - USD
Grey Reach Investments Ltd	British Virgin Island	United State Dollar - USD
Sunbird Bioenergy (SL) Ltd	Sierra Leone	Euro
PL Resorts Ltd	Mauritius	Mauritian rupee (MUR)
Browns Plantations Kenya Ltd	Scotland and Kenya	British Pound Sterling (GBP) and Kenyan Shilling (Ks)
Browns Plantations East Africa Ltd	Kenya	Kenyan shilling
Browns Plantations Tanzania Ltd	Tanzania	Tanzanian shilling
Browns Plantations Rwanada Ltd	Rwanda	Rwanda Franc
Browns Plantations (Guizhou) Tea Co., Ltd.	China	Chinese Yuan

A reasonably possible strengthening (weakening) of USD, EURO, GBP, MUR, KES, TZS, RWF, AED and CNY against all other currencies as at 31 March 2026, would have affected the measurement of individual assets and liabilities denominated in a foreign currency and affected equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates remain constant and any change in assets and liability positions.

43 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTD.)

43.3 Market Risk (Contd.)

43.3.2 Foreign Currency Risk (Contd.)

43.3.2.1 Exposure (Contd.)

Sensitivity analysis

As at 31 March 2026	100 basis points movement in	
	Strengthening Rs.000	Weakening Rs.000
MUR	16,872	(16,872)
EURO	514,059	(514,059)
USD	204,914	(204,914)
GBP	604,693	(604,693)
KES	1,014,689	(1,014,689)
RWF	69,359	(69,359)
CNY	11,485	(11,485)
TZS	122,252	122,252
AED	1,304	(1,304)

The company's exposure to foreign currency risk at the end of the reporting period, was as follows:

Company

As at 31st March	2026			2025		
	USD	LKR	Others	USD	LKR	Others
Trade and other receivable	-	6,219,934	-	-	5,319,652	-
Loans to related companies	-	3,311,310	-	-	3,438,219	-
Amount due from Related Companies	-	3,015,876	-	-	2,775,720	-
Cash at Bank	-	809,469	-	-	3,927,216	-
Loans and Borrowings	-	29,857,904	-	-	25,638,576	-
Trade and Other Payables	-	5,821,191	24,700	627,665	4,358,079	39,570
Loans from Related Parties	-	37,557,646	-	-	33,552,991	-
Amounts due to Related Parties	-	3,040,731	-	-	4,536,794	-
Bank Overdrafts	-	544,629	-	-	1,862,648	-

43.3.3 Equity Price Risk

The group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet either as at fair value through other comprehensive income (FVOCI)

To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the group.

Below table summarises the impact of a shock of 10% on equity price on profit, other comprehensive income (OCI) and equity.

Financial assets by categories	Group		Company	
	Financial assets recognised through profit or loss Rs.000	Financial assets fair value through other comprehensive income Rs.000	Financial assets recognised through profit or loss Rs.000	Financial assets fair value through other comprehensive income Rs.000
Market value of Equity Securities	5,916,071	475,872	4,457,711	55,000

Stress Level	Group		Company	
	Impact on Income Statement Rs.000	Impact on OCI Rs.000	Impact on Income Statement Rs.000	Impact on OCI Rs.000
Shock of 10% on equity price (upward)	591,607	47,587	445,771	5,500
Shock of 10% on equity price (downward)	(591,607)	(47,587)	(445,771)	(5,500)

Capital management

The board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and sustain future development of the business. Capital consist of ordinary share, retained earnings and non- controlling interests of the group. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary share holders.

The Board seeks to maintain a balance between the higher returns that might be possible with the higher levels of borrowings and the advantage and security afforded by a sound capital position.

Financial liabilities by categories	Group		Company	
As at 31st March	**2026 Rs.000**	2025 Rs.000	**2026 Rs.000**	2025 Rs.000
Net debt	**158,270,542**	130,125,321	**62,691,367**	53,938,243
Total equity	**258,613,550**	274,920,767	**110,621,908**	100,097,154
Net debt to equity ratio	**61%**	47%	**57%**	54%

43 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTD.)

43.4 Financial Instruments

43.4.1 Financial Instruments - Group

a) The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced liquidation or sale.

(i) Classes of financial instruments that are not carried at fair value and of which carrying amounts are a reasonable approximation of fair value are trade and other receivables, amounts due from related parties, loans given to related parties, cash and cash equivalents, trade and other payables, amount due to related parties, loans from related parties and loans and borrowings.

Financial assets and liabilities in the tables below are split into categories in accordance with SLFRS 9

Financial assets by categories	Financial assets at amortised cost		Financial assets at fair value through profit or loss (FVTPL)		Fair Value through Other Comprehensive income (FVOCI)		Total Fair Value	
	As at 31st March 2026 Rs.000	As at 31st March 2025 Rs.000	**As at 31st March 2026 Rs.000**	As at 31st March 2025 Rs.000	**As at 31st March 2026 Rs.000**	As at 31st March 2025 Rs.000	**As at 31st March 2026 Rs.000**	As at 31st March 2025 Rs.000
Financial instruments in non-current assets								
Other non-current financial assets	**9,749**	79,069	**-**	-	**475,872**	463,207	**485,621**	542,276
Financial instruments in current assets								
Trade and other receivables	**31,848,837**	25,717,885	**-**	-	**-**	-	**31,848,837**	25,717,885
Loans to Related Parties	**186,610**	2,836,542	**-**	-	**-**	-	**186,610**	2,836,542
Amounts due from related parties	**9,417,850**	522,016	**-**	-	**-**	-	**9,417,850**	522,016
Other current financial assets	**3,698,448**	4,404,855	**5,916,071**	3,705,354	**-**	-	**9,614,519**	8,110,209
Cash at bank	**6,820,255**	12,533,221	**-**	-	**-**	-	**6,820,255**	12,533,221
Total	**51,981,749**	46,093,588	**5,916,071**	3,705,354	**475,872**	463,207	**58,373,692**	50,262,149

Both carrying amounts and fair value of Fair Value through Other comprehensive income (FVOCI) financial assets and financial assets at fair value through profit or loss are equal.

The fair value of loans and receivables does not significantly vary from the value based on the amortised cost methodology.

Financial liabilities by categories	Financial liabilities measured at amortised cost	
	2026 Rs.000	2025 Rs.000
Financial instruments in non-current liabilities		
Borrowings	**47,271,274**	33,987,551
Loan from Related parties	**741,541**	685,541
Total	**48,012,815**	34,673,092
Financial instruments in current liabilities		
Trade and other payables	**89,714,132**	92,878,038
Amounts due to related parties	**182,775,632**	173,495,983
Loans from Related parties	**42,095,311**	37,120,418
Short term borrowings	**47,064,528**	50,521,871
Current portion of borrowings	**6,064,767**	7,256,126
Other current financial liabilities	**885,794**	808,527
Bank overdrafts	**17,526,405**	6,617,015
Total	**386,126,569**	368,697,978

The fair value of financial liabilities does not significantly vary from the value based on the amortised cost methodology.

43.4.2 Financial Instruments - Company

Financial assets and liabilities in the tables below are split into categories in accordance with SLFRS 9.

Financial assets by categories	Financial assets at amortised cost		Financial assets at fair value through profit or loss (FVTPL)		Fair Value through Other Comprehensive income (FVOCI)		Total Fair Value	
	As at 31st March 2026 Rs.000	As at 31st March 2025 Rs.000	As at 31st March 2026 Rs.000	As at 31st March 2025 Rs.000	As at 31st March 2026 Rs.000	As at 31st March 2025 Rs.000	As at 31st March 2026 Rs.000	As at 31st March 2025 Rs.000
Financial instruments in current assets								
Trade and other receivables	**6,219,934**	5,319,652	**-**	-	**-**	-	**6,219,934**	5,319,652
Loans to related parties	**3,311,310**	3,438,219	**-**	-	**-**	-	**3,311,310**	3,438,219
Amounts due from related parties	**3,015,876**	2,775,720	**-**	-	**-**	-	**3,015,876**	2,775,720
Other current financial assets	**-**	-	**4,457,711**	3,070,624	**55,000**	55,000	**4,512,711**	3,125,624
Cash at bank	**603,542**	3,927,216	**-**	-	**-**	-	**603,542**	3,927,216
Total	**13,150,662**	15,460,807	**4,457,711**	3,070,624	**55,000**	55,000	**17,663,373**	18,586,431

Both Carrying amounts and fair value of FVOCI financial assets and financial assets at fair value through profit or loss are equal.

The fair value of financial asset and liabilities at amortised cost does not significantly vary from the value based on the amortised cost methodology for the company.

43 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTD.)

43.4 Financial Instruments (Contd.)

43.4.2 Financial Instruments - Company (Contd.)

Financial liabilities by categories	Financial liabilities measured at amortised cost	
As at 31st March	**2026**	2025
	Rs.000	Rs.000
Financial instruments in non-current liabilities		
Loans and Borrowings	**8,472,866**	4,298,238
Total	**8,472,866**	4,298,238
Financial instruments in current liabilities		
Trade and other payables	**5,845,891**	5,025,314
Amounts due to related parties	**3,040,731**	4,536,794
Loan from Related parties	**37,557,646**	33,552,991
Short term borrowings	**16,331,102**	15,596,839
Current portion of borrowings	**4,678,713**	5,438,347
Other current financial liabilities	**5,794**	5,794
Bank overdrafts	**544,629**	1,862,648
Total	**68,004,506**	66,018,727

The Company has not designated financial liabilities upon initial recognition, fair value through profit or loss.

The fair value of financial liabilities does not significantly vary from the value based on the amortised cost methodology.

43.4.3 Financial Assets and Liabilities by Fair Value Hierarchy - Group

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: Other techniques for which all inputs with significant effect on the recorded fair values are observable, either directly or indirectly;

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Fair value of financial instruments by classes that are not carried at fair value and of which carrying amounts are reasonable approximation of fair value are current trade and other financial receivables and payables, current and non-current loans and borrowings at floating rate, other bank deposits and cash and bank balances.

The carrying amounts of these financial assets and liabilities are a reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The Group held the following financial instruments carried at fair value in the statement of financial position:

Financial assets by categories	Level 1		Level 2		Level 3	
	As at 31st March 2026 Rs.000	As at 31st March 2025 Rs.000	**As at 31st March 2026 Rs.000**	As at 31st March 2025 Rs.000	**As at 31st March 2026 Rs.000**	As at 31st March 2025 Rs.000
Financial assets						
Fair value through profit or loss	**5,916,071**	3,705,354	**-**	-	**-**	-
Fair Value through Other comprehensive income	**-**	-	**399**	347	**475,473**	462,860
Loans & Receivable	**-**	-	**-**	-	**3,708,198**	4,483,924
Total	**5,916,071**	3,705,354	**399**	347	**4,183,671**	4,946,784

For financial assets at fair value through profit or loss and Fair Value through Other comprehensive income financial assets, the carrying amount and fair value are equal.

The fair value of loans and receivables does not significantly vary from the value based on the amortised cost methodology.

43.4.4 Financial Assets and Liabilities by Fair Value Hierarchy - Company

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: Other techniques for which all inputs with significant effect on the recorded fair values are observable, either directly or indirectly;

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The company held the following financial instruments carried at fair value in the statement of financial position:

Financial assets by categories	Level 1		Level 2		Level 3	
	As at 31st March 2026 Rs.000	As at 31st March 2025 Rs.000	**As at 31st March 2026 Rs.000**	As at 31st March 2025 Rs.000	**As at 31st March 2026 Rs.000**	As at 31st March 2025 Rs.000
Financial assets						
Fair value through profit or loss	**4,457,711**	3,070,624	**-**	-	**-**	-
Fair Value through Other comprehensive income	**-**	-	**-**	-	**55,000**	55,000
Total	**4,457,711**	3,070,624	**-**	-	**55,000**	55,000

43.4.5 Valuation techniques and significant unobservable inputs used as follows,

Valuation Technique - Net assets basis/ Market return on a comparable investment.

Significant unobservable inputs - Carrying value of assets and liabilities adjusted for market participant assumptions/ Current market interest rates.

Relationship between inputs and fair value measurement - Variability of inputs are insignificant to have an impact on fair values.

44 COMMITMENTS AND CONTINGENT LIABILITIES

44.1 Commitments

Company

There have been no capital commitments contracted but provided for, or authorised by the board but not contracted for, outstanding as at the reporting date.

Group Companies

There have been no capital commitments contracted but provided for, or authorised by the board but not contracted for, outstanding as at the reporting date other than followings,

a) Bodufaru Beach Resort (Private) Limited

The Board of Directors of Bodufaru Beach Resort Private Limited has approved USD 102 Mn budget for the construction of a tourist resort in Republic of Maldives.

b) Riverina Resorts (Private) Limited

Capital Commitments of Riverina Resort (Private) Limited as at 31st March amounted to Rs. 4,497 Mn for the construction a hotel.

c) Colombo Marina Developments (Pvt) Ltd

Capital Commitments of Colombo Marina Developments (Pvt) Ltd as at 31st March amounted to USD 47Mn.

d) Ceylon Real Estate Holdings (Pvt) Ltd

Capital Commitments of Ceylon Real Estate Holdings (Pvt) Ltd as at 31st March amounted to USD 13.8Mn.

e) Marina Hotel Holdings (Pvt) Ltd

Capital Commitments of Marina Hotel Holdings (Pvt) Ltd as at 31st March amounted to USD 76.5Mn.

f) Serendib Hotels PLC

Serendib Hotels PLC has given Corporate Guarantees to Kalutara Luxury Hotel & Resort (Pvt) Ltd (Affiliate Company) for USD 5.2Mn (Equivalent to LKR. 790.3Mn) in favour of The Hongkong and Shanghai Banking Corporation Limited.

g) Browns Metal and Sands (Pvt) Ltd

The Board of Directors of the company has approved Rs.300 Mn budget for the Granite dimension stone project commenced from November 2025.

In terms of the operating lease agreements entered in to,minimum future lease payments payable by the Group and the Company is as follows;

As at 31st March	Group		Company	
	2026	2025	**2026**	2025
	Rs.000	Rs.000	**Rs.000**	Rs.000
Repayable within one year	**614,529**	1,611,656	**71,846**	67,705
Repayable after one year less than 5 years	**6,388,813**	6,233,462	**303,376**	237,447
Repayable after 5 years	**25,515,079**	32,294,732	**-**	-
Total	**32,518,421**	40,139,850	**375,222**	305,152

44.2 Contingent Liabilities

As at 31st March	Group		Company	
	2026	2025	**2026**	2025
	Rs.000	Rs.000	**Rs.000**	Rs.000
Guarantees issued to banks and other institutions	**245,513**	264,840	**91,971**	12,053
Corporate guarantees given to subsidiary companies to obtain loans	**26,520,000**	75,726,473	**24,232,000**	28,726,473
Performance bonds	**1,891,734**	1,741,269	**-**	-
Total	**28,657,247**	77,732,582	**71,323,971**	28,738,526

Company

a. A corporate guarantee has been issued to Sampath Bank PLC for sum of Rs. 5 Bn for the Banking facilities obtained by Browns Investments PLC.

b. A corporate guarantee has been given to DFCC Bank for a sum of Rs.525 Mn for facilities obtained by Browns Agri Solutions (Pvt) Ltd.

c. A corporate guarantee has been given to People's Bank for a sum of Rs.400 Mn for facilities obtained by Gal-Oya plantation (Pvt) Ltd.

d. A corporate guarantee has been given to Seylan Bank for a sum of Rs.100 Mn for facilities obtained by Gal-Oya plantation (Pvt) Ltd.

e. A corporate guarantee has been given to People's Bank for a sum of Rs.775 Mn for facilities obtained by Ajax Engineers (Pvt) Ltd.

f. A corporate guarantee has been given to Commercial Bank of Ceylon for a sum of Rs. 7 Bn for facilities obtained by Gal-Oya plantation (Pvt) Ltd.

g. A corporate guarantee has been given to Bank of Ceylon for a sum of Rs. 2.2 Bn for facilities obtained by Agstar PLC.

h. A corporate guarantee has been given to Seylan Bank for a sum of Rs.782 Mn for facilities obtained by Gal-Oya plantation (Pvt) Ltd.

i. A corporate guarantee has been given to People's Bank for a sum of Rs.5 Bn for facilities obtained by LOLC Holdings PLC.

j. A corporate guarantee has been given to DFCC Bank for a sum of Rs.2.45 Bn for facilities obtained by Sifang Lanka.

Group Companies.

a) Browns Investments PLC

a. A corporate guarantee has been given to Peoples Bank for a sum of Rs.360 Mn for facilities obtained by Ajax Engineers (Pvt) Ltd.

b. A corporate guarantee has been given to DFCC Bank for a sum of Rs.155 Mn for facilities obtained by Ajax Engineers (Pvt) Ltd.

c. A corporate guarantee has been given to Seylan Bank for a sum of Rs.373 Mn for facilities obtained by Ajax Engineers (Pvt) Ltd.

d. A corporate guarantee has been given to Nations Trust Bank PLC for a sum of Rs.400 Mn for facilities obtained by Ajax Engineers (Pvt) Ltd.

e. A corporate guarantee has been given to Nations Trust Bank PLC for a sum of Rs.1 Bn for facilities obtained by Brown & Company PLC.

b) Agstar PLC

a. A bank guarantee has been issued from Commercial Bank PLC to Lanka Postpate Limited for sum of Rs. 11Mn by Agstar PLC.

b. A bank guarantee has been issued from Commercial Bank PLC to State Fertilizer Co. Ltd for sum of Rs. 33.15 Mn by Agstar PLC.

c. A bank guarantee has been issued from Commercial Bank PLC to Kurunagala Plantation Ltd. for sum of Rs.480,000 by Agstar PLC.

d. A bank guarantee has been issued from Commercial Bank PLC to Digital Mobility Solutions Lanka (Pvt) Ltd for sum of Rs. 125,000 by Agstar PLC.

e. A bank guarantee has been issued from Commercial Bank PLC to Pacific Beverages Lanka (Pvt) Ltd for sum of Rs. 60,000 by Agstar PLC.

f. A bank guarantee has been issued from Commercial Bank PLC to Rubber Development Department for sum of Rs. 30,000 by Agstar PLC.

g. A corporate guarantee has been given to Commercial Bank PLC for a sum of Rs.19 Mn for facilities obtained by AgStar Seeds (Pvt) Ltd.

h. A corporate guarantee has been given to Commercial Bank PLC for a sum of Rs.60 Mn for facilities obtained by AgStar Seeds (Pvt) Ltd.

i. A corporate guarantee has been given to Commercial Bank for a sum of Rs.60 Mn for facilities obtained by AgStar Cropcare (Pvt) Ltd

j. A corporate guarantee has been given to Commercial Bank for a sum of Rs.19 Mn for facilities obtained by AgStar Cropcare (Pvt) Ltd.

c) Browns Properties (Pvt) Ltd

The Company has issued an indemnity in favour of Colombo Municipal Council against any claims or demands of any damages to the adjacent structures and moveable an immoveable properties due to the construction and also relating to the boundary disputes and or/ownership disputes including access roads and service line issues relating to the height or number of floors issues at the property at No.19 Dudley Senanayake Mawatha Colombo 08.

45 EVENTS OCCURRING AFTER THE REPORTING DATE

No circumstances have arisen since the reporting date which would require adjustments or disclosures in these Financial Statements.

46 SEGMENTAL INFORMATION

46.1 Primary Segments (Business Segments)

46.1.1 Group

	Trading		Manufacturing & Constructions		Investments		Plantation	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
	Rs.000	Rs.000	**Rs.000**	Rs.000	**Rs.000**	Rs.000	**Rs.000**	Rs.000
a) Segment Result								
Revenue	**54,170,455**	37,814,784	**22,427,461**	14,818,924	**205**	(787)	**63,630,156**	42,837,080
Cost of Sales	**(43,436,703)**	(29,780,375)	**(17,273,495)**	(12,364,443)	**-**	(34,481)	**(57,486,016)**	(38,044,782)
Gross Profit/ (Loss)	**10,733,752**	8,034,409	**5,153,966**	2,454,481	**205**	(35,268)	**6,144,142**	4,792,298
Add : Other Income/(Expenses)	**2,012,318**	1,450,470	**170,124**	187,705	**3,872,129**	4,508,532	**5,707,960**	3,454,030
Share of Loss of Equity Accounted Investees (Net of Income Tax)	**-**	-	**-**	-	**-**	-	**-**	-
Change in fair value of Investment Properties	**482,074**	34,757	**2,000**	1,000	**2,635,590**	1,291,985	**182,798**	-
Change in fair value of consumable biological assets	**-**	-	**-**	-	**-**	-	**5,082,868**	910,095
Gain on Bargain Purchase of Subsidiaries	**-**	-	**-**	-	**-**	-	**-**	-
(Loss)/ gain on disposal of subsidiaries	**-**	-	**-**	-	**-**	25,480	**-**	-
Less : Expenses	**(7,345,786)**	(5,813,048)	**(5,581,448)**	(5,748,363)	**(28,266,485)**	(31,424,253)	**(21,400,380)**	(18,643,496)
Profit/ (Loss) before Taxation	**5,882,358**	3,706,588	**(255,358)**	(3,105,177)	**(21,758,560)**	(25,633,524)	**(4,282,613)**	(9,487,073)
Income Tax Expense	**919,379**	1,261,981	**(402,187)**	27,635	**1,077,649**	260,026	**(935,257)**	1,353,480
Profit/ (Loss) for the Year from continuing operations	**6,801,737**	4,968,569	**(657,545)**	(3,077,542)	**(20,680,911)**	(25,373,498)	**(5,217,870)**	(8,133,593)
Profit/(loss) from discontinued operations	**-**	-	**-**	-	**-**	-	**-**	-
Profit/ (Loss) for the Year	**6,801,737**	4,968,569	**(657,545)**	(3,077,542)	**(20,680,911)**	(25,373,498)	**(5,217,870)**	(8,133,593)
b) Segment Assets								
Non-current Assets	**83,265,397**	80,943,714	**13,930,207**	14,669,421	**274,730,809**	305,156,923	**344,079,081**	311,832,736
Current Assets	**45,038,386**	37,035,954	**46,824,182**	40,594,515	**134,284,193**	113,705,154	**68,349,299**	48,106,887
	128,303,783	117,979,668	**60,754,389**	55,263,936	**409,015,002**	418,862,077	**412,428,380**	359,939,623
c) Segment Liabilities								
Non-current Liabilities	**17,213,311**	6,115,616	**3,780,876**	5,693,367	**11,716,451**	14,876,928	**78,646,917**	60,198,232
Current Liabilities	**89,181,461**	75,715,941	**23,934,703**	35,198,129	**274,694,443**	280,136,975	**75,117,585**	65,617,012
	106,394,772	81,831,557	**27,715,579**	40,891,497	**286,410,894**	295,013,903	**153,764,502**	125,815,244

	Leisure		Real Estate		Others		Adjustments		Group Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
	15,697,338	9,847,925	634,475	633,191	80,490	46,394	(2,253,968)	(1,146,363)	154,386,612	104,851,149
	(5,039,299)	(4,348,872)	(61,624)	(52,510)	(26,269)	(13,743)	265,637	2,642,458	(123,057,769)	(81,996,748)
	10,658,039	5,499,053	572,851	580,681	54,221	32,651	(1,988,331)	1,496,095	31,328,843	22,854,401
	(1,345,978)	1,067,881	(76,139)	(330,682)	(14,207)	(216)	(1,629,922)	(4,733,233)	8,696,287	5,604,485
	-	-	-	-	-	-	(460,510)	1,235,781	(460,510)	1,235,781
	8,000	5,000	595,720	776,959	-	-	-	-	3,906,182	2,109,701
	-	-	-	-	-	-	-	-	5,082,869	910,096
	-	-	-	-	-	-	2,578,074	64,896,817	2,578,074	64,896,817
	-	-	-	-	-	-	(119)	21,304	(119)	46,784
	(17,618,802)	(9,204,406)	(839,793)	(1,067,469)	(247,080)	(151,480)	3,232,523	2,479,725	(78,067,253)	(69,572,788)
	(8,298,741)	(2,632,472)	252,639	(40,511)	(207,066)	(119,045)	1,731,715	65,396,490	(26,935,628)	28,085,276
	(457,741)	196,919	(282,239)	(20,914)	11,689	40,928	-	-	(68,706)	3,120,055
	(8,756,482)	(2,435,553)	(29,600)	(61,425)	(195,377)	(78,117)	1,731,715	65,396,490	(27,004,334)	31,205,331
	(800,375)	(2,112,284)	-	-	-	-	-	(9,382,323)	(800,375)	(11,494,607)
	(9,556,857)	(4,547,837)	(29,600)	(61,425)	(195,377)	(78,117)	1,731,715	56,014,167	(27,804,709)	19,710,724
	150,558,913	115,819,113	20,855,708	19,991,803	9,086,536	9,066,500	(255,716,288)	(252,125,540)	638,790,364	605,354,670
	31,866,673	16,278,637	1,293,161	2,018,786	77,863	63,676	(189,920,465)	(110,374,975)	137,813,287	147,428,630
	180,425,586	132,097,750	22,148,869	22,010,589	9,164,399	9,130,176	(445,636,753)	(362,500,515)	776,603,651	752,783,300
	22,141,017	24,418,915	3,721,519	3,494,760	40,961	40,952	(5,397,519)	(5,674,217)	131,863,532	109,164,555
	102,658,473	42,757,230	4,877,763	4,310,597	1,250,508	1,046,906	(185,588,367)	(136,084,812)	386,126,569	368,697,978
	124,799,490	67,176,145	8,599,282	7,805,357	1,291,469	1,087,858	(190,985,886)	(141,759,029)	517,990,101	477,862,533

47 NON CONTROLLING INTERESTS

The following table summarises the information relating to Browns Investments PLC that has material NCI. Inter-company eliminations have been made to the information for the Browns Investments PLC and Agstar subgroups in order to show the interests of NCI in that subgroup as a whole.

	2026		2025	
As at 31st March	**Browns Investments PLC**	**Agstar PLC**	Browns Investments PLC	Agstar PLC
Holding %	**64.55%**	**58.77%**	64.55%	58.77%
NCI%	**35.45%**	**41.23%**	35.45%	41.23%
	Rs.000	**Rs.000**	Rs.000	Rs.000
Total assets	**686,533,987**	**15,543,457**	670,137,535	14,291,215
Total liabilities	**(430,307,988)**	**(7,307,290)**	(398,635,999)	(6,254,791)
Net assets attributable to Equity Holders	**165,393,882**	**4,840,395**	175,254,242	4,723,006
Carrying value of NCI	**90,832,117**	**3,395,772**	96,247,295	3,313,417
Gross income	**99,133,137**	**11,610,593**	64,790,500	9,522,313
Profit/(Loss) for the year	**(24,753,985)**	**197,009**	62,716,239	(366,611)
Profit/(Loss) attributable to Equity Holders	**(15,978,697)**	**115,782**	40,483,332	(215,457)
Profit/(Loss) attributable to NCI	**(8,775,288)**	**81,227**	22,232,907	(151,154)
OCI for the year	**11,770,045**	**2,734**	14,881,944	1,044,694
Net cash generated from/ (used in) Operating Activities	**(45,784,586)**	**(2,365,414)**	11,473,351	(2,552,667)
Net cash used in from Investing Activities	**35,543,709**	**213,971**	(19,289,247)	182,937
Net cash generated from Financing Activities	**(3,515,812)**	**1,410,915**	4,583,025	3,838,848
Total net cash (outflow) / inflow	**(13,756,689)**	**(740,527)**	(3,232,871)	1,469,118

SUPPLEMENTARY INFORMATION

AS ONE OF THE NATION'S OLDEST TRADING HOUSES, WE KNOW WE HAVE TO BE PROGRESSIVE, RESILIENT AND INNOVATIVE IF WE ARE TO STAY RELEVANT TO THE NATION'S CHANGING NEEDS.

Ten Year Summary

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Group revenue	**154,386,612**	104,851,149	80,609,286	72,651,843	50,303,640	29,391,036	20,438,843	21,193,726	20,554,110	22,648,082
EBIT	**19,252,282**	72,257,704	48,309,136	35,778,798	43,136,596	2,799,436	4,448,224	3,979,584	5,402,671	7,330,374
Finance expenses	**(46,187,910)**	(44,172,428)	(54,818,210)	(46,886,564)	(12,832,521)	(5,582,525)	(5,418,665)	(3,861,751)	(2,970,629)	(2,910,399)
Share of results of Equity Accounted Investees	**(460,510)**	1,235,781	4,530,639	4,241,909	724,383	(122,597)	(278,942)	56,017	77,845	66,225
Profit/(Loss) before tax	**(26,935,628)**	28,085,276	(6,509,074)	(11,107,766)	30,304,075	(2,783,090)	(970,441)	117,833	2,432,042	4,419,975
Tax expense	**(68,706)**	3,120,055	(2,021,601)	(1,419,743)	(557,500)	(561,334)	(544,230)	(114,889)	(495,569)	(458,499)
Profit/(Loss) from continuing operations	**(27,004,334)**	31,205,331	(8,530,675)	(12,527,509)	29,746,575	(3,344,424)	(1,514,671)	2,944	1,936,473	3,961,476
Profit/(loss) after tax for the period from discontinued operations and assets held for sale	**(800,375)**	(11,494,607)	-	-	-	-	-	-	-	-
Profit/(Loss) for the year	**(27,804,709)**	19,710,724	(8,530,675)	(12,527,509)	29,746,575	(3,344,424)	(1,514,671)	2,944	1,936,473	3,961,476
Attributable to:										
Equity holders of the parent	**(15,558,548)**	32,427,654	2,381,520	(6,230,356)	21,589,061	(16,046)	3,620,315	1,274,458	813,961	1,897,766
Non-Controlling interest	**(12,246,161)**	(12,716,930)	(10,912,195)	(6,297,153)	8,157,514	(3,328,378)	(5,134,986)	(1,271,514)	1,122,512	2,063,710
	(27,804,709)	19,710,724	(8,530,675)	(12,527,509)	29,746,575	(3,344,424)	(1,514,671)	2,944	1,936,473	3,961,476
CAPITAL EMPLOYED										
Stated capital	**9,093,101**	9,093,101	9,093,101	9,093,101	9,093,101	9,093,101	9,093,101	9,093,101	2,005,601	2,005,601
Capital reserves	**30,327,236**	14,152,251	27,259,918	33,438,204	32,960,336	17,809,193	4,643,864	3,873,928	2,454,529	2,080,753
Revenue reserves	**71,201,571**	76,851,802	33,838,400	36,572,209	43,154,141	19,985,456	16,520,105	12,753,386	14,900,123	14,123,385
Share holders funds	**110,621,908**	100,097,154	70,191,419	79,103,514	85,207,578	46,887,750	30,257,070	25,720,415	19,360,253	18,209,739
Non-Controlling interests	**147,991,642**	174,823,613	118,552,252	93,538,908	98,074,406	50,180,938	46,497,651	20,471,343	17,179,560	15,012,565
Total equity	**258,613,550**	274,920,767	188,743,671	172,642,422	183,281,984	97,068,688	76,754,721	46,191,759	36,539,813	33,222,304
Total debt	**175,548,934**	151,710,800	113,525,767	107,151,270	108,616,770	59,473,332	39,124,909	26,128,926	18,011,778	15,405,063
	434,162,484	426,631,567	302,269,438	279,793,692	291,898,754	156,542,019	115,879,630	72,320,685	54,551,591	48,627,367
ASSETS EMPLOYED										
Property, plant and equipment (PPE)	**259,675,830**	260,688,541	195,621,016	174,129,783	160,992,095	105,513,324	79,958,922	35,302,341	30,939,740	25,271,442
Non-current assets other than PPE	**379,114,534**	344,666,129	271,075,692	204,479,426	175,517,162	59,646,236	44,656,606	38,120,004	27,615,835	22,345,198
Current assets	**137,813,287**	147,428,630	96,674,562	88,244,768	78,892,279	30,602,185	23,057,277	19,313,775	16,706,508	18,438,331
Liabilities other than debt	**(342,441,167)**	(326,151,733)	(261,101,832)	(187,060,286)	(123,502,782)	(39,219,725)	(31,793,176)	(20,415,436)	(20,710,492)	(17,427,604)
	434,162,484	426,631,567	302,269,438	279,793,692	291,898,754	156,542,019	115,879,630	72,320,684	54,551,591	48,627,367
CASH FLOW										
Net cash flows generated from /(used in) operating activities	**(66,662,868)**	(6,496,834)	12,085,701	16,792,709	28,472,522	(985,535)	8,922,656	(6,327,487)	(2,761,368)	6,746,905
Net cash flows generated from / (used in) investing activities	**39,451,400**	(25,119,482)	(7,387,629)	(9,756,432)	(61,126,632)	(6,311,442)	(13,426,033)	(8,870,409)	(4,173,486)	(5,521,737)
Net cash flows generated from / (used in) financing activities	**10,434,680**	31,476,982	(1,606,215)	(8,139,033)	34,305,383	9,499,726	5,422,655	14,785,630	2,185,327	2,335,446
Net Increase / (decrease) in Cash and Cash Equivalents during the year	**(16,776,788)**	(139,334)	3,091,857	(1,102,756)	1,651,273	2,202,748	919,278	(412,265)	(4,749,526)	3,560,614
KEY INDICATORS										
Earnings/ (Loss) per Share (Rs.)	**(73.17)**	152.51	11.20	(29.30)	101.54	(0.08)	17.03	7.22	11.48	26.78
Net Assets per Share (Rs.)	**520.27**	470.77	330.12	372.03	400.74	220.52	142.30	120.97	273.16	256.93
Market Price per Share (Rs.)	**150.25**	158.25	110.0	119.5	133.5	155.2	42.0	48.0	69.0	71.0
Market Capitalisation	**31,946,906**	33,647,906	23,388,750	25,408,688	28,385,438	33,005,779	8,930,250	10,206,000	4,890,375	5,032,125
Return on Shareholders' funds (%)	**(14.06)**	32.40	3.39	(7.88)	25.34	(0.03)	11.97	4.96	4.20	10.42
Return on Capital Employed (%)	**4.43**	16.94	15.98	12.79	14.78	1.79	3.84	5.50	9.90	15.07
Price Earnings Ratio (times)	**(2.05)**	1.04	9.82	(4.08)	1.31	(2,057)	2.47	6.65	6.01	2.65
Interest Cover (times covered)	**0.42**	1.64	0.88	0.76	3.36	0.50	0.82	1.03	1.82	2.52
Current Ratio (times)	**0.36**	0.40	0.33	0.39	0.47	0.46	0.51	0.58	0.57	0.71
Debt to Equity Ratio (%)	**67.88**	55.18	60.15	62.07	59.26	61.27	50.97	56.57	49.29	46.37
Number of Shares	**212,625**	212,625	212,625	212,625	212,625	212,625	212,625	212,625	70,875	70,875

Economic Value Statement

As at 31st March	Group	
	2026	2025
	Rs.000	Rs.000
Economic Value Generated		
Revenue	**154,386,612**	104,851,149
Interest Income	**2,948,864**	2,374,155
Dividend Income	**172,136**	162,859
Change in Fair Value of Investment Properties	**3,906,182**	2,109,701
Gain on Bargain Purchase of Subsidiaries	**2,578,074**	64,896,817
(Loss)/ Gain on disposal of subsidiaries	**(119)**	46,784
Other Income	**13,607,019**	6,351,723
	177,598,767	180,793,187
Economic Value Distributed		
Operating Costs	**123,330,600**	82,086,490
Employee Wages and Benefits	**25,990,423**	19,857,969
Payments to Providers of Funds	**46,187,910**	44,172,428
Payments to Government	**68,706**	(3,120,055)
	195,577,639	142,996,832
Economic Value Retained		
Depreciation	**8,925,550**	6,381,029
Amortisation	**99,910**	209,994
Profit/ (Loss) for the year	**(27,004,333)**	31,205,331
	(17,978,872)	37,796,354

SHARE ANALYSIS AS AT 31ST MARCH 2026

	Total		
	No. of Shareholders	No. of Shares	[%]
1 to 1,000 shares	3,726	854,749	0.40
1,001 to 10,000 shares	1,319	4,926,541	2.32
10,001 to 100,000 shares	444	12,340,683	5.80
100,001 to 1,000,000 shares	42	9,115,992	4.29
over 1,000,000 shares	9	185,387,035	87.19
Total	5,540	212,625,000	100.00

CATEGORIES OF SHAREHOLDERS

	No. of Shareholders	No. of Shares	[%]
Individual	5,186	19,055,119	8.96
Institutional	354	193,569,881	91.04
Total	5,540	212,625,000	100.00
Resident	5,343	206,615,859	97.17
Non-Resident	197	6,009,141	2.83
Total	5,540	212,625,000	100.00

DIRECTORS' SHAREHOLDINGS

NO. OF SHARES	**31st March 2026**	31st March 2025
Sampath Bank PLC/Mr. Ishara Nanayakkara	**299,700**	299,700
Mr. Kapila Jayawardena	**Nil**	Nil
Mrs. Kalsha Amarasinghe	**Nil**	Nil
Mr. Kandiah Sundararaj	**Nil**	Nil
Mr. Chitral Wijesinha	**Nil**	Nil
Mr. Danesh Abeyratne	**Nil**	Nil
Mr. Thamotharampillai Sanakan	**Nil**	Nil

SHARE PRICE INFORMATION ON ORDINARY SHARES OF THE COMPANY FOR FIVE YEARS

Year	High [Rs.]	Low [Rs.]	Close [Rs.]
2025 - 2026	**210.00**	**142.50**	**150.25**
2024 - 2025	212.00	96.80	158.25
2023 - 2024	149.00	91.00	110.00
2022 - 2023	139.00	107.50	119.50
2021 - 2022	414.75	125.00	133.50

LIST OF 20 MAJOR SHAREHOLDERS

	31.03.2026 Name	No.of Shares	%
1.1	SEYLAN BANK/ LOLC HOLDINGS PLC (COLLATERAL)	60,000,000	28.22
1.2	LOLC HOLDINGS PLC	52,092,103	24.50
1.3	HATTON NATIONAL BANK PLC/ LOLC HOLDINGS PLC	30,000,000	14.11
2	ENGINEERING SERVICES (PVT) LIMITED	16,588,962	7.80
3	MASONS MIXTURE LIMITED	13,732,632	6.46
4	EMPLOYEE'S PROVIDENT FUND	5,114,259	2.41
5	BROWNS HOLDINGS LIMITED	4,948,182	2.33
6	ACE BONUS INVESTMENTS LIMITED	1,755,000	0.83
7	VYJANTHI & COMPANY LTD	1,155,897	0.54
8	COMMERCIAL BANK OF CEYLON PLC/ S.A.GULAMHUSEIN	716,015	0.34
9	SEYLAN BANK PLC/ K.L.G.UDAYANANDA	700,000	0.33
10	HATTON NATIONAL BANK PLC/ ALMAS HOLDINGS (PRIVATE)LIMITED	518,650	0.24
11	HATTON NATIONAL BANK PLC/ K ARUNASALAM SITHAMPALAM	407,983	0.19
12	MR..K.L.G.UDAYANANDA KARAGODA LOKU GAMAGE	406,995	0.19
13	SRI LANKA INSURANCE CORPORATION LTD- LIFE FUND	394,047	0.19
14	MRS.P.C.COORAY	331,408	0.16
15	HATTON NATIONAL BANK PLC/ SARAVANAN NEELAKANDAN	310,098	0.15
16	SAMPATH BANK PLC/ISHARA CHINTHAKA NANAYAKKARA	299,700	0.14
17	HATTON NATIONAL BANKPLC/ DINESH NAGENDRA SELLAMUTTU	292,129	0.14
18	MR.S.VASUDEVAN	240,000	0.11
19	MR.A.D.C.G.GUNAWARDENA	230,010	0.11
20	MRS.S.C.K.W.K.M.R.N. KUMUDU KUMARI BANDARA	215,000	0.10
TOTAL		190,449,070	89.59
No. of shares held by public		34,963,421	16.44
No. of public shareholders		5,533	
Float adjusted Market Price		Rs. 5.25 Bn	

	31.03.2025 Name	No.of Shares	%
1.1	SEYLAN BANK/ LOLC HOLDINGS PLC (COLLATERAL)	60,000,000	28.22
1.2	LOLC HOLDINGS PLC	52,092,103	24.50
1.3	HATTON NATIONAL BANK PLC/LOLC HOLDINGS PLC	30,000,000	14.11
2	ENGINEERING SERVICES (PVT) LIMITED	16,588,962	7.80
3	MASONS MIXTURE LIMITED	13,732,632	6.46
4	EMPLOYEE'S PROVIDENT FUND	6,914,625	3.25
5	BROWNS HOLDINGS LIMITED	4,948,182	2.33
6	ACE BONUS INVESTMENTS LIMITED	1,755,000	0.83
7	VYJANTHI & COMPANY LTD.	1,155,897	0.54
8	S.VASUDEVAN	1,100,440	0.52
9	SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND	786,990	0.37
10	COMMERCIAL BANK OF CEYLON PLC/S.A. GULAMHUSEIN	716,015	0.34
11	HATTON NATIONAL BANK PLC/ ARUNASALAM SITHAMPALAM	395,695	0.19
12	MRS.P.C.COORAY	331,408	0.16
13	HATTON NATIONAL BANK PLC/SARRAVANAN NEELAKANDAN	310.098	0.15
14	SAMPATH BANK PLC/ISHARA CHINTHAKA NANAYAKKARA	299,700	0.14
15	PALANIYANDY MURALITHARAN	290,000	0.14
15.1	DFCC BANK PLC /PALANIYANDY MURALITHARAN	240,645	0.11
16	MR.R.R.LEON	221,617	0.10
17	MR.B.W.KUNDANMAL	214,654	0.10
18	SIMONAS TRUST SERVICE (PVT) LTD	200,000	0.09
19	MISS M.P. RADHAKRISHNAN	192,880	0.09
20	MR R MAHESWARAN (DECEASED)	191,880	0.09
TOTAL		192,679,426	90.63
No. of shares held by public		34,963,421	16.44
No. of public shareholders		4,856	
Float adjusted Market Price		Rs. 5.53 Bn	

The Company complies with minimum public holding requirement under Option 1 as set out in the Listing Rules 7.14.1 (b) as at reporting date.

Parent, Subsidiary and Associate Companies

Company	Directors
LOLC Holdings PLC	Ishara Nanayakkara Kapila Jayawardena Kalsha Amarasinghe Conrad Dias K.Sundararaj K.Sivanesan G.S.Kalidasa
Browns Investments PLC	Ishara Nanayakkara Kamantha Amarasekera Kanthimany Sivanesan Mrs.Kalsha Amarasinghe Kapila Jayawardena Chitral Wijesinha
Associated Battery Manufacturers Ceylon Limited	Asish Kumar Mukherjee Avik Roy Thamotharampillai Sanakan Manju Gunawardena Ajith De Silva K.Aniruddha P.S.Ramachandra
S.F.L.Services (Pvt) Ltd	Gunendra Jayasena Thamotharampillai Sanakan Danesh Abeyrathne
Engineering Services (Pvt) Ltd	Gunendra Jayasena Thamotharampillai Sanakan Danesh Abeyrathne
Masons Mixture Limited	Gunendra Jayasena Thamotharampillai Sanakan Danesh Abeyrathne
Browns Group Motels Ltd	Gunendra Jayasena Thamotharampillai Sanakan
C.F.T.Engineering Ltd	Gunendra Jayasena Thamotharampillai Sanakan
Browns Group Industries (Pvt) Ltd	Gunendra Jayasena Thamotharampillai Sanakan
The Hatton Transport And Agency Company (Pvt) Ltd	Gunendra Jayasena Thamotharampillai Sanakan
Walker & Greig (Pvt) Ltd	Gunendra Jayasena Thamotharampillai Sanakan
Klevenberg (Pvt) Ltd	Danesh Abeyrathne Thamotharampillai Sanakan
Sifang Lanka (Pvt) Ltd	Gunendra Jayasena Thamotharampillai Sanakan

Company	Directors
Galoya Holdings (Private) Limited	Kithsiri Gunawardena Danesh Abeyrathne Sanjaya Kalidasa Mrs. S.Dharmarathne
Galoya Plantations (Pvt) Ltd	Kithsiri Gunawardena Danesh Abeyrathne Wasantha Batagoda Nalin Thisera Dr. Pradeep Uluwaduge K.S.M. De Silva Mrs. Sajeevani Dayaratne Mrs. W.A.M.Malkanthi
Browns Thermal Engineering (Pvt) Ltd	Gunendra Jayasena Thamotharampillai Sanakan
Browns Health Care Negombo (Pvt) Ltd	Thamotharampillai Sanakan Danesh Abeyrathne
Browns Industrial Park Ltd (Formerly Known as East West Textiles (Pvt) Ltd)	Gunendra Jayasena Thamotharampillai Sanakan Danesh Abeyrathne
Snowcem Products Lanka (Pvt) Ltd	Danesh Abeyrathne Thamotharampillai Sanakan
Browns Holdings Ltd	Kalsha Amarasinghe Kithsiri Gunawardena
Browns Pharma Ltd	Thamotharampillai Sanakan Manju Gunawardena
Browns Agri Solutions (Pvt) Ltd	Danesh Abeyrathne Manju Gunawardena Thamotharampillai Sanakan Wasantha Batagoda
B.I.Holdings (Pvt) Ltd (Formerly known as Browns Pharmaceuticals Limited)	Thamotharampillai Sanakan Mangala Wijesinghe
Browns Leisure (Pvt) Ltd	Danesh Abeyrathne Thamotharampillai Sanakan Gunendra Jayasena
Ceylon Nano Diagnostics (Pvt) Ltd	Danesh Abeyrathne Wasantha Batagoda Manju Gunawardena Nareshkumar Handagama Azeez Mubarak Sanjaya Bathige

Parent, Subsidiary and Associate Companies

COMPANY	DIRECTORS
Browns Property Holdings (Pvt) Ltd	Gunendra Jayasena Thamotharampillai Sanakan Danesh Abeyrathne
Browns Group Industrial Park (Pvt) Ltd (Formerly known as ISIN Lanka (Pvt) Ltd	Thamotharampillai Sanakan Gunendra Jayasena
B.G.Air Services (Pvt) Ltd	Thamotharampillai Sanakan Kamantha Amarasekara Danesh Abeyrathne Panduka Weerasingha Gunendra Jayasena
Samudra Beach Resorts (Pvt) Ltd	Kamantha Amarasekara Gunendra Jayasena Eksath Wijeratne
Millennium Development (Pvt) Ltd	Kamantha Amarasekara Thamotharampillai Sanakan Eksath Wijeratne
Excel Global Holdings (Pvt) Ltd	Kamantha Amarasekera Thamotharampillai Sanakan
Taprobane Plantations Ltd	Nilimini Nanayakkara Hewa Maddumage Siripala
Excel Restaurants (Pvt) Ltd	Kamantha Amarasekera Thamotharampillai Sanakan Eksath Wijeratne
Ajax Engineers (Pvt) Ltd	Kamantha Amarasekera Vermy Gunarathne Thamotharampillai Sanakan Charitha Jayasinghe
Green Paradise (Pvt) Ltd	Kamantha Amarasekara Eksath Wijeratne Kalsha Amarasinghe Gunendra Jayasena
B I Zhongtian (Pvt) Ltd	Gunendra Jayasena Kamantha Amarasekera
Browns Global Farm (Pvt) Ltd	Gunendra Jayasena Kamantha Amarasekera
Sun & Fun Resorts Ltd	Gunendra Jayasena Vamsi Vemuru Kamantha Amarasekera Tilak Selviah Eksath Wijeratne
B I Commodities and Logistics (Pvt) Ltd	Kamantha Amarasekera Gunendra Jayasena Danesh Abeyrathne Manju Gunawardena Anura Vithanage

COMPANY	DIRECTORS
Ceylon Roots Lanka (Pvt) Ltd	Gunendra Jayasena Kamantha Amarasekera Dishan Perera
Browns Teas (Pvt) Ltd	Kamantha Amarasekera Gunendra Jayasena Panduka Weerasingha
Browns Metal & Sands (Private) Ltd	Kamantha Amarasekera Danesh Abeyrathne Panduka Weerasingha Sunjeevani Kotakadeniya
Browns Engineering and Construction (Pvt) Ltd	Kamantha Amarasekara Nimal Lokuge Kithsiri Gunawardena Jagath Pathirena Gunendra Jayasena
Gurind Accor (Pvt) Ltd	Gurmeet Singh Kamantha Amarasekara Thamotharampillai Sanakan C.S. Jayasinghe
F L P C Management (Pvt) Ltd	Kamantha Amarasekera Gunendra Jayasena Panduka Weerasingha
Browns Power Holdings (Pvt) Ltd	Kamantha Amarasekera Dr. Pradeep Uluwaduge N.R. Nanayakkara
Browns Properties (Pvt) Ltd	Kamantha Amarasekera Gunendra Jayasena Panduka Weerasingha Wasantha Batagoda
Maturata Plantations Ltd	Kamantha Amarasekera Kithsiri Gunawardena Sunjeevani Kotakadeniya Nayana Dharmaratne Dhamitha Perera Manju Gunawardana A.S. Perera N.R. Nanayakkara
Serendib Hotels PLC	Kamantha Amarasekera Kapila Jayawardena Kalsha Amarasinghe Dr. Jayanta Swaminathan Thilan Wijeysinghe Dilip Rajakarier T. Dharmarajah J. Selvaratnam W.R. William

Parent, Subsidiary and Associate Companies

COMPANY	DIRECTORS
Dolphin Hotels PLC	Kapila Jayawardena
	Kamantha Amarasekera
	T. Dharmarajah
	Dr. Jayanta Swaminathan
	Stefan Furkhan
	Eksath Wijerathne
Hotel Sigiriya PLC	Kapila Jayawardena
	Kalsha Amarasinghe
	Kamantha Amarasekera
	Dr. Jayanta Swaminathan
	S. Furkhan
	T. Dharmarajah
Frontier Capital Lanka (Pvt) Ltd	Kamantha Amarasekera
	Dr. Jayanta Swaminathan
Sanctuary Resorts Lanka (Pvt) Ltd	Kamantha Amarasekera
	Dr. Jayanta Swaminathan
Kammala Hoteliers (Pvt) Ltd	Kamantha Amarasekera
	Dr. Jayanta Swaminathan
NPH Investment (Pvt) Ltd	Kamantha Amarasekera
	Tilak Selviah
	Ali Niman
	Kithsiri Gunawardena
	Mrs. Sunjeevani Kotakadeniya
	A. Ishan
	M. Azmee
Serendib Leisure Management Ltd	Kamantha Amarasekera
	Dr. Jayanta Swaminathan
	Dillip Rajakarier
Sunbird Bioenergy (SL) Limited	Kamantha Amarasekera
	Danesh Abeyrathne
	Deepak Kohli
	Richard Bennett
	N.W.K.M.S. Chandrasekera
Grey Reach Investments Ltd	Kamantha Amarasekera
	Danesh Abeyrathne
	Kithsiri Gunawardena
	Deepak Kohli
	Richard Bennett
	Loc D. Nguyen
	N.W.K.M.S. Chandrasekera
Browns Ari Resort (Pvt) Ltd	Kamantha Amarasekera
	Mohomed Niham
	S. Mohmed
	Dr. Pradeep Uluwaduge
Browns Raa Resort (Pvt) Ltd	Dr. Pradeep Uluwaduge
	Kamantha Amarasekera
	Mohomed Niham

COMPANY	DIRECTORS
B Commodities ME FZE	BI Commodities & Logistics (Pvt) Ltd M I I Ibrahim (Manager)
Browns Hotels and Resorts Ltd	Eksath Wijeratne Kamantha Amarasekera N.R. Nanayakkara
Sri Spice (Private) Limited	Danesh Abeyrathne Manju Gunawardena Janaka Wickramasinghe
Tropical Island Commodities (Private) Limited	Danesh Abeyrathne Manju Gunawardena Janaka Wickramasinghe Danushkha Mallawarachchi
Ceylon Real Estate Holdings (Pvt) Ltd	Imraz Iqbal Kamantha Amarasekera Kithsiri Gunawardena
Colombo Marina Development (Pvt) Ltd	Imraz Iqbal Kamantha Amarasekera Kithsiri Gunawardena
Marina Hotel Holdings (Pvt) Ltd	Imraz Iqbal Kamantha Amarasekera Kithsiri Gunawardena
Marina Hotel (Pvt) Ltd	Ms. G. Ramachanran Shehan Bartholomeuz Imraz Iqbal
Colombo Marina International (Pvt) Ltd	Shehan Bartholomeuz Imraz Iqbal Ms. G. Ramachandran
Hapugastenne Plantations PLC	Dr. Pradeep Uluwaduge N.R. Nanayakkara Sunjeevani Kotakadeniya Kamantha Amarasekera Anusha Perera Thiyagarajah Dharmarajah Ebert Silva Dhamitha Perera Meepe Mohottige Manju Gunawardana K Sivanesan
Udapussellawa Plantations PLC	Dr. Pradeep Uluwaduge N.R. Nanayakkara Sunjeevani Kotakadeniya Kamantha Amarasekera Anusha Perera Thiyagarajah Dharmarajah

COMPANY	DIRECTORS
	Ebert Silva Dhamitha Perera Meepe Mohottige Manju Gunawardana K Sivanesan
Newburgh Green Teas (Pvt) Ltd	Dr. Pradeep Uluwaduge Dushanth Ratwatte Niwantha Amarasinghe Jayantha Karunaratne Anusha Perera Sisira Pushpakumara Abhaya Gurusinghe Chandana De Silva Amrit Dayananda A. Fernando (Alt. Dir. to C.B.D.Silva) H.H. Samaranayake (Alt. Dir. to A Gurusinghe) J.P. Karunaratne (Alt. Dir. to Jayantha Karunaratne)
Iconic Trust (Pvt) Ltd	Kamantha Amarasekera Kithsiri Gunawardena Panduka Weerasingha
Agstar PLC	Indika Gunawardhana Shamal Abeysinghe Sanjaya Nishanka Thamotharampillai Sanakan Sarath Jayasuriya Manju Gunawardena K.Sivanesan
Sierra Cables PLC	Ishara Nanayakkara Kamantha Amarasekara Buwanekabahu Perera Panduka Weerasinghe Sunjeevani Kotakadeniya Gunendra Jayasena Harsha Jayatunga Sarath Jayasuriya Shantha Perera Shamendra Panditha
Browns Piling (Private) Limited	Kamantha Amarasekera Panduka Weerasingha Jagath Pathirana Nimal Lokuge
Sansun Boutique Hotels Ltd	Panduka Weerasingha Eksath Wijeratne Gunendra Jayasena Kamantha Amarasekara
Browns Developments Limited	Wasantha Batagoda Kamantha Amarasekara M.A.P.N. Weerasinghe

COMPANY	DIRECTORS
Agstar Grains (Pvt) Ltd	Indika Gunawardena Danesh Abeyarathne T. Sanakan
Mahaweli Agro Trading (Pvt) Ltd	Danesh Abeyarathne T. Sanakan Indika Gunawardena
Prith Seeds (Pvt) Ltd	Danesh Abeyarathne T. Sanakan Indika Gunawardena
Agstar Cropcare (Pvt) Ltd	Danesh Abeyarathne T. Sanakan Indika Gunawardena
Royal Seed Company (Pvt) Ltd	Danesh Abeyarathne T. Sanakan Indika Gunawardena
Eden Hotel Lanka PLC	Kapila Jayawardena Kalsha Amarasinghe Kamantha Amarasekara Stefan Furkhan Dr. Jayantha Swaminathan J. Selvaratnam T. Dharmarajah
Palm Garden Hotels PLC	Kapila Jayawardena Kalsha Amarasinghe Kamantha Amarasekara Dr. Jayantha Swaminathan Eksath Wijeratne J. Selvaratnam T. Dharmarajah
Dickwella Resorts (Pvt) Ltd	Gunendra Jayasena R.L.S.C. Wijeratne
B I Leisure Holdings (FZE)	M. Imraz Iqbal Kamantha Amarasekara
Bodufaru Beach Resort (Pvt) Ltd	Kamantha Amarasekara Kithsiri Gunwardena Mohamed Niham
Browns Kaafu N Resorts (Pvt) Ltd	Kamantha Amarasekara A. Razzak
LOLC Investment Holdings Four (Pvt) Ltd	Kamantha Amarasekara Gunendra Jayasena Danesh Abeyrathne
PL Resorts Ltd	Kamantha Amarasekara Kalsha Amarasinghe Shantha Kurumbalapitiya S.N. Khadija
Riverina Resorts (Pvt) Ltd	Kamantha Amarasekara Eksath Wijeratne

COMPANY	DIRECTORS
Tropical Villas (Pvt) Ltd	Kamantha Amarasekera Eksath Wijeratne Gunendra Jayasena
NPH Developments (Pvt) Ltd	Ibrahim Mohomed Ali Niman Sanjaya Vajirabuddhi
Browns Sola Solutions (Pvt) Ltd	Thamotharampillai Sanakan Gunendra Jayasena
Tea Smallholder Factories PLC	Dr. Pradeep Uluwaduge A. Goonethilleke Kamantha Amarasekera G.D.V. Perera A.S. Perera T. Dharmarajah U.H.E. Silva K Sivanesan
Pusellawa Plantations Ltd	K.P.G.U. Kariyawasam D.S.K. Amarasekara Dr. P.S.H. Uluwaduge M. Gunawardena A.S. Perera N.R. Nanayakkara
F L M C Plantations Ltd	D.S.K. Amarasekara Dr. P.S.H. Uluwaduge M. Gunawardena A.S. Perera
Ceylon Estate Teas (Pvt) Ltd	Dr. Pradeep Uluwaduge D.S.K. Amarasekera M. Gunawardena A.S. Perera
Melfort Green Teas (Pvt) Ltd	D.S.K. Amarasekera M. Gunawardena A.S. Perera Dr. Pradeep Uluwaduge N.R. Nanayakkara

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.

CONTINGENT LIABILITIES

A condition or situation existing at the balance sheet date due to past events, where the obligation is crystallised by the occurrence or nonoccurrence of one or more future events.

CURRENT RATIO

Current assets divided by current liabilities.

QUICK ASSET RATIO

Current assets minus inventory divided by current liabilities.

DEBT/EQUITY RATIO

Debt as a percentage of shareholders' funds and non-controlling interests.

DEBT SERVICE COVERAGE RATIO

Earnings Before Interest, Tax, Depreciation, and Amortisation (EBITDA) divided by total debt service

DIVIDEND PAYABLE

Final dividend per share multiplied by the latest available total number of shares as at the date of the report.

DIVIDEND PAYOUT RATIO

Dividend as a percentage of company profits.

EARNINGS PER SHARE

Profit attributable to equity holders of the parent divided by the weighted average number of ordinary shares in issue during the period.

EBIT

Earnings Before Interest and Tax (includes other income).

INTEREST COVER

Consolidated profit before interest and tax over finance expenses.

MARKET CAPITALISATION

Number of shares in issue at the end of period multiplied by the market price at the end of the period.

NET ASSETS

Total assets minus current liabilities minus long term liabilities minus noncontrolling interests.

NET ASSETS 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.

PRICE EARNINGS RATIO

Market price per share over earnings per share.

PUBLIC HOLDING

Percentage of shares held by the public calculated as per the Colombo Stock Exchange's Listing Rules as of the date of the Report.

RETURN ON CAPITAL EMPLOYED (ROCE)

Consolidated profit before interest and tax as a percentage of capital employed.

RETURN ON SHAREHOLDERS' FUND

Profit attributable to shareholders as a percentage of shareholders' funds.

SHAREHOLDERS' FUNDS

Total of stated capital, capital reserves and revenue reserves.

TOTAL DEBT

Long term loans plus short term loans plus overdrafts.

TOTAL EQUITY

Shareholders' funds plus non-controlling interest.

One Hundred and Thirty-Fourth Annual General Meeting of Brown and Company PLC

NOTICE IS HEREBY GIVEN THAT THE ONE HUNDRED AND THIRTY FOURTH ANNUAL GENERAL MEETING of the Company will be held on **24th September 2026** at 11.00 a.m. as an on-line audio-visual meeting with arrangements for the on-line meeting platform made at No.100/1, Sri Jayawardenapura Mawatha, Rajagiriya, for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the Report of the Directors and Statement of Accounts of the Company for the Financial Year ended 31st March 2026 with the Auditors' Report thereon.

2. To re-elect Mrs. K U Amarasinghe as a Non-Executive Director who retires by rotation in accordance with Article 24(6) of the Articles of Association of the Company.

3. To re-appoint M/s. Deloitte Partners, Chartered Accountants as the External Auditors of the Company for the ensuing financial year at a remuneration to be fixed by the Directors.

4. To approve in terms of the Companies (Donations) Act (No. 26 of 1951, the making of donations by the Directors as determined by them for the current Financial Year and until the next Annual General Meeting of the Company

By order of the Board

BROWN AND COMPANY PLC

LOLC CORPORATE SERVICES (PVT) LTD
Secretaries
22nd August 2026

Rajagiriya (in the greater Colombo)

Form of Proxy

BROWN AND COMPANY PLC - REG. NO. PQ 25

I/We ....

of .... being a member/members of Brown and Company PLC

hereby appoint ....

of .... whom failing

Ishara Nanayakkara	or failing him
Kapila Jayawardena	or failing him
Kalsha Amarasinghe	or failing her
Danesh Abeyrathne	or failing him
Thamotharampillai Sanakan	or failing him
Kandiah Sundararaj	or failing him
Chitral Wijesinha	

as my/our proxy to represent me/us and vote on my/our behalf at the One Hundred and Thirty-Fourth Annual General Meeting of the Company to be held on 24th September 2026 and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid Meeting.

ORDINARY BUSINESS

	For	Against
1. To re-elect Mrs. K U Amarasinghe as a Non-Executive Director, who retires by rotation in accordance with Article 24(6) of the Articles of Association of the Company.		
2. To re-appoint M/s. Deloitte Partners, Chartered Accountants, as the Auditors of the Company for the ensuing financial year at a remuneration to be fixed by the Directors		
3. To authorise the Directors to make donations		

Dated this .... day of.................2026

....

Signature/s of shareholder/s

NOTE:

1) A proxy need not be a member of the company

INSTRUCTIONS AS TO COMPLETION

1. Please return the completed Form of Proxy after filling in legibly your full name and address, signing on the space provided and filling in the date of signature.

2. The Proxy shall

   a) In the case of an individual, be under the hand of the shareholder or his or /her attorney, and if signed by an attorney a notarially certified copy of the Power of Attorney should be attached to the completed Form of Proxy if it has not already been registered with the Company.

   b) If the shareholder is a company or a corporation, be either under its common seal or under the hand of an officer or attorney authorised by such organisation on that behalf in accordance with its Articles of Association or Constitution

   Please indicate with an 'X' how the proxy should vote on each Resolution. If no indication is given, the proxy shall exercise his/her discretion and vote as he/she thinks fit.

4. The Completed Form of Proxy should be deposited at LOLC Corporate Services (Pvt) Ltd, Secretaries to Brown and Company PLC, 4th Floor, No.34, Sir Mohamed Macan Markar Mawatha, Colombo 3, or scanned and emailed to corporateservices@lolc.com with the email subject titled "BCL AGM PROXY" or sent by facsimile to +94112865602 (with the email subject titled "BCL AGM PROXY" not later than 48 hours before the time appointed for the holding of the meeting.

Registration of Shareholder Details for Online Participation

To: LOLC Corporate Services (Pvt) Ltd
Secretaries to Brown & Company PLC
100/1 Sri Jayewardenapura Mawatha
Rajagiriya

Details of shareholder		
Full name	Primary: Joint * :	
Address/s		
National Identity Card number/ Company Registration number		
CDS Account number/s		
Contact number/s	Land line (residence/work): Mobile:	
Email address/s (to which the on-line meeting link should be forwarded by the Company)		
Name of the Proxy Holder		
Proxy holder/s' NIC/Passport No.		
Proxy holder/s' Contact number/s	Land line (residence/work): Mobile:	
Proxy holder/s' email		

*strike out if not applicable

I/We hereby certify that the details given above are true and accurate and are furnished for the purpose of enabling my/our online participation at the Annual General Meeting. I/We acknowledge that the Company shall have the right to disable my/our participation in the event the above information furnished are found to be incorrect or inconsistent with shareholding records.

..../...............................
Shareholder's signature & Date

..../...............................
Shareholder's signature & Date

Note:

1. It is mandatory for the shareholder/s to provide the email address in the space provided above in order to forward the log in information to facilitate the online participation at the meeting.
2. Duly completed registration of Shareholder Details Form should be forwarded to corporateservices@lolc.com or by facsimile on 011-2865602, to reach the Company Secretaries not less than five (05) days before the date of the meeting.

Only registered shareholders and registered proxy holders will be permitted to log in and participate in the AGM on-line

Stakeholder Feedback Form

Brown and Company PLC values your opinions and feedback. We invite you to share your thoughts to help us enhance our governance, operations, financial condition, and future prospects. Please take a moment to fill out this form with your comments and suggestions. Your feedback will be treated confidentially and used solely for the purpose of improving our stakeholder communication and overall performance.

Contact Information

Name : ....

Email : ....

Phone : ....

Company/Organisation : ....

WHICH STAKEHOLDER GROUP/S DO YOU BELONG TO? (You may tick more than one)

- ☐ Shareholder
- ☐ Customer
- ☐ Community
- ☐ Public Authority
- ☐ Employee
- ☐ Student
- ☐ Regulatory Body
- ☐ Journalist
- ☐ Service Provider
- ☐ Supplier
- ☐ Special Interest Group

GENERAL FEEDBACK

1. How would you rate your overall satisfaction with the Company's communication practices?

- ☐ Very Satisfied
- ☐ Satisfied
- ☐ Neutral
- ☐ Dissatisfied
- ☐ Very Dissatisfied

2. How often do you feel the Company provides timely and accurate information?

- ☐ Always
- ☐ Often
- ☐ Sometimes
- ☐ Rarely
- ☐ Never

3. How effective do you find the Company's use of its website and social media for communication?

- ☐ Very Effective
- ☐ Effective
- ☐ Neutral
- ☐ Ineffective
- ☐ Very Ineffective

SPECIFIC FEEDBACK

1. What specific aspects of the Company's communication do you find most useful?

- ☐ Financial Reports
- ☐ Annual Reports
- ☐ Press Releases
- ☐ Investor Briefings
- ☐ Social Media Updates
- ☐ Website Content
- ☐ Other (please specify): ___________________________

2. How would you rate the accessibility of the Company's spokespersons for providing information and responding to queries?

- ☐ Very Accessible
- ☐ Accessible
- ☐ Neutral
- ☐ Inaccessible
- ☐ Difficult to Access

3. How effectively does the Company address your concerns and queries?

- ☐ Very Effective
- ☐ Effective
- ☐ Neutral
- ☐ Ineffective
- ☐ Very Ineffective

Stakeholder Feedback Form

Forward-Looking Information & Major Developments

1. How useful do you find the Company's forward-looking comments and information on future prospects?

- [ ] Very Useful
- [ ] Useful
- [ ] Neutral
- [ ] Not Useful
- [ ] Not Useful at All

2. How effectively does the Company handle the communication of major corporate developments (e.g., mergers, acquisitions, new products)?

- [ ] Very Effectively
- [ ] Effectively
- [ ] Neutral
- [ ] Ineffectively
- [ ] Very Ineffectively

Crisis Communication & Confidentiality

1. How confident are you in the Company's ability to manage crisis communications?

- [ ] Very Confident
- [ ] Confident
- [ ] Neutral
- [ ] Not Confident
- [ ] Not Confident at All

2. How well does the Company maintain the confidentiality of sensitive information?

- [ ] Very Effectively
- [ ] Effectively
- [ ] Neutral
- [ ] Ineffectively
- [ ] Very Ineffectively

Additional Comments

Please provide any additional comments or suggestions you have for improving the Company's communication practices.

....

....

Submission

Please return the completed form to:

Investor Relations/ Communications

Brown and Company PLC
No. 34, Sir Mohamed Macan Markar Mawatha, Colombo 03.
Email: prasanna.g@brownsgroup.com

Corporate Information

BROWN AND COMPANY PLC - REG. NO. PQ 25

LEGAL FORM

A Public Limited Liability Company incorporated in Sri Lanka on 17th August 1892 under the Joint Stock Companies Ordinance 1861 and re-registered under the Companies Act No. 07 of 2007. The Company was listed on the Colombo Stock Exchange on 25th April 1991.

COMPANY REGISTRATION NO.

PQ 25

DIRECTORS

Ishara Nanayakkara
Executive Chairman

Kapila Jayawardena
Non-Executive Director

Mrs. Kalsha Amarasinghe
Non-Executive Director

Danesh Abeyrathne
Executive Director

Thamotharampillai Sanakan
Executive Director/CEO

Kandiah Sundararaj
Senior Independent Director

Chitral Wijesinha
Independent Director

SECRETARIES

L O L C Corporate Services (Private) Limited,
No.100/1, Sri Jayewardenepura Mawatha, Rajagiriya.

Tel : 011 5063000

Fax : 011 2865602

Email : corporateservices@lolc.com

REGISTRARS

S S P Corporate Services (Pvt) Ltd
101, Inner Flower Road, Colombo 03

Tel : 011 2573894

Fax : 011 2573609

REGISTERED OFFICE

No. 481, T. B. Jayah Mawatha (Darley Road),
P. O. Box 200, Colombo 10.

Tel : 011 5063000

Fax : 011 2865602

Website : www.brownsgroup.com

BUSINESS OFFICE

No. 34, Sir Mohamed Macan Markar Mawatha, Colombo 3.

Tel : 011 5063000.

Fax : 011 2865602

Website : www.brownsgroup.com.

AUDITORS

Messrs Deloitte Partners, Chartered Accountants,
No. 100, Braybrooke Place, Colombo 02.

Tel : 011 7719838

Fax : 011 2303197

Website : www.deloitte.com/lk

BANKERS

Bank of Ceylon

Commercial Bank of Ceylon PLC

Cargills Bank Ltd.

DFCC Bank PLC

Hatton National Bank PLC

MCB Bank Ltd.

National Development Bank PLC

Peoples Bank

Pan Asia Banking Corporation PLC

Standard Chartered Bank

Sampath Bank PLC

Seylan Bank PLC

Union Bank of Colombo PLC

Nations Trust Bank

National Savings Bank

Amana Bank PLC

Bank of China Limited

State Mortgage & Investment Bank

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www.brownsgroup.com

BROWN AND COMPANY PLC
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