

# ANNUAL REPORT 2025





## **VISION**

Our vision is to become the Model Plantation Company in the World through innovation, diversification and highest quality standards

## **MISSION**

Malwatte Valley Plantations PLC is committed to achieving excellence and the highest quality standards in every sphere of activity by optimising productivity and developing its employees. We will become an increasingly profitable, stable and growth oriented Model in the Plantation Sector securing an acceptable return on investment through its core business as well as by diversification into other sectors, whilst affording the highest priority for environmental and social needs

# CORPORATE INFORMATION

## Name of the Company

Malwatte Valley Plantations PLC  
(PQ 111)

## Date of incorporation

22nd June 1992

## Board of Directors

Mr. Frits Bogtstra MBA, BSc (Hon) (UK) - Chairman  
Mr. Lucas Bogtstra - Managing Director  
Mr. G. Chamindra de Silva MBA, FCA, FCMA(UK), FCCA (UK), CA (SD)  
Mr. K. G. M. Piyaratne FCA, ACMA(UK), CPA(Canada), FSCMA, MSc (Mgt&IT)  
Mr. S. D. Samaradiwakara FIPM, MBA  
Mr. G. Z. A. Chitty  
Mr. W. A. de Silva  
Mr. D. S. Seneviratne, FCA, FCMA

## Registrars

Central Depository Systems (Pvt) Ltd.  
Corporate Solutions Unit  
Ground Floor, M & M Centre  
341/5, Kotte Road,  
Rajagiriya.

Tel. No: 011 235 6477

## Secretaries

Secretarius (Pvt) Ltd  
No. 40, Galle Face Court 2  
Colombo 03  
Tel. No. 011 239 9090, 011 2 333 431

## Registered office

No. 280, Dam Street,  
Colombo – 12, Sri Lanka.  
Tel. No: 0112800400

## Auditors

Ernst & Young  
Chartered Accountants  
Rotunda Towers  
No. 109, Galle Road  
P.O. Box 101  
Colombo 03, Sri Lanka  
Tel. No. 011 557 8677

## Bankers

Hatton National Bank PLC  
Union Bank of Colombo PLC  
People's Bank  
Bank of Ceylon  
Indian Overseas Bank  
NDB Bank  
DFCC Bank  
Seylan Bank  
Commercial Bank

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# FINANCIAL HIGHLIGHTS

	Company	
	Financial Year Ended	
	31st Dec. 2025 12(Months) Rs.'000	31st Dec. 2024 12(Months) Rs.'000
Turnover	8,605,507	10,062,991
Gross Profit/(Loss)	771,923	1,244,595
Operating Profit/(Loss)	514,420	905,793
Gross Profit on Cost of Sales (%)	10	14
Gross Profit on Turnover (%)	9	12
Profit/(Loss) Before Tax	507,750	769,173
Tax Expenses	156,874	236,336
Profit/(Loss) After Tax	350,876	532,837
Fixed Assets	7,552,405	6,836,340
Current Assets	4,937,145	4,896,442
Current Liabilities	3,121,282	2,868,358
Shareholders Funds	6,155,612	5,894,491
Capital Expenditure	642,822	441,000
Earnings Per Share (Rs.)	1.57	2.39
Net Assets Per share (Rs.)	27.59	26.42
Interest Cover	3.82	2.93
Quick Asset Ratio	131%	131%
Dividend Per Share (Rs.)	0.12	0.20
Dividend Payout Ratio (%)	7.6	8.3
Stated Capital	373,000	373,000
Capital Employed	9,368,268	8,864,423
Net Assets	6,155,612	5,894,491
Return on Capital Employed (%)	5	9
Market Capitalisation	12,957,229	13,249,468

# CHAIRMAN'S REVIEW

Dear shareholders,

On behalf of the Board of Directors of Malwatte Valley Plantations PLC it gives me great pleasure in presenting the annual report of our Company for the financial year 2025.

The year was defined by a cautious yet strategic navigation of a volatile global economic landscape and a return to fundamental operational excellence. Our focus remained steadfast on our 'Grower-Manufacturer-Exporter' model ensuring that Malwatte Valley Plantations remains a resilient name in the global market.

## Financial Performance

Amidst the very challenging market environment, the financial year 2025 reflects the broader pressure facing the plantation sector.

The total revenue of the Company was approximately Rs 8.6 billion with a net profit before tax of Rs 507 million, a contraction compared to the year before. The general softening of tea auction prices in the 2nd and 3rd quarters contributed towards this decline. Despite the profit dip, our net assets per share increased reflecting the long term value of our biological assets and our replanting programs.

## Sectoral highlights

### Tea: The backbone of quality

Our tea sector faced high production costs particularly in labour and energy. However, our commitment to rainforest alliance and ISO 22000 standards along with our professional manufacturing skills helped us to maintain premium prices for our uva seasonal flush.

Our direct exports of tea and other crops now contribute significantly to our top line.

### Rubber – Managing Disease and Demand

The Rubber sector continues to grapple with Pestalotiopsis leaf fall disease which is reducing yields. As a result of the above, national production volumes were pressured. Our tight controls on expenditure and attention to detail on the manufacturing side helped us to navigate through these choppy waters to ensure that this sector ran profitably.

## Diversification & Spices

Our 'Mosaic of Diversity' strategy is yielding fruit.

The Cinnamon & Avocado crops are nearing maturity with a further 117 hectares of Cinnamon coming into revenue this year. The revenue extent of Cinnamon now stands at 337 hectares out of the 400 hectares planted. A further factory was opened for the peeling of Cinnamon during the current financial year. The Avocado should start coming in from next year. These crops are expected to add higher margins to our revenue stream. Over and above this, we have commenced high density planting of tea in the low country which is expected to bring us large revenue stream in the years ahead. As we do not have any low country tea in our portfolio this addition is expected to improve the profitability of the sector.

**Solar Energy** – Our foray into renewable energy contributed Rs 350+ million in revenue, acting as a critical hedge against rising grid electricity costs.

## Strategic outlook for 2026

Looking into 2026, the geo political risks continue to be the key source of uncertainty. The ongoing conflicts in the Middle East & Ukraine continue to disrupt trade flows and investor sentiments. Against this back drop, the supply and demand balance equation for tea and rubber will remain sensitive. Prices being achieved now therefore should not be taken for granted.

The wage increase that was imposed on us from the 1st of January will cost the Company approximately Rs. 400 million in 2026. The Company will however remain 'future fit' and will continue to pivot towards value added exports rather than trading in bulk commodities. Our investment in mechanization is no longer a luxury but a necessity to combat the dwindling plantation labour force and the escalating wages.

## Dividends

In order to reward our shareholders with a return in the form of dividends whilst taking into cognizance the need to reserve sufficient funds for the future development and growth of the Company, the Board of Directors recommend a first and final dividend of Rs. 0.12 per share.

# CHAIRMAN'S REVIEW

I wish to thank our dedicated staff across all estates, our management team and Board of Directors for their agile leadership and you our shareholders for your continued confidence in Malwatte Valley Plantations PLC.

I also wish to thank our business associates, the buyers and brokers, our bankers and customers who stood by us, our suppliers and all others who supported our endeavors during the year under review.

I look forward to another year of working together to ensure continuing success during the coming year.

Warm regards,



**Mr. F Bogtstra**

Chairman  
29th May, 2026

# BOARD OF DIRECTORS

## Mr. Frits Bogtstra – Chairman

### Executive Director

Mr. Frits Bogtstra holds a degree in Electrical and Electronic engineering from the University of London and a Masters degree in Business Administration with a focus on Competitive Strategy, Corporate Financial Strategy and International Enterprise from the OUBS in Milton Keynes.

He has experience in the ICT field and has developed software relating to real time data capture and analysis in production systems as well as quality control, medical equipment, and ballistics.

He has experience working in Germany and Austria for reputed companies in the fields of IT and financial controlling, developing control system and processes for efficient and cost optimized production and related logistics.

This work involved using modern methods of data capture, “Just in sequence” and “Just in Time” supply methods to minimize cost of capital bound by material in work.

During his tenure in the company, he has gained a vast insight into the intricacies of the plantation industry and the issues and processes involved.

He was appointed Chairman on 4 December 2015.

### Other appointments

- Director of Wayamba Plantations (Private) Limited, Chris Hotels (Pvt) Ltd and Bogtstra & Gerlach (Pvt) Ltd.

## Mr Lucas Bogtstra

### Managing Director

Mr Lucas Bogtstra has served on many Private Sector Boards and has been actively involved in the Import, Export, Manufacturing and Agricultural fields.

He joined the Company in 1998 and was appointed to the Boards of Malwatte Valley Plantations PLC and its Holding Company – Wayamba Plantations (Pvt) Limited in 2003.

Mr. Bogtstra acted as the Director Operations of the Company from 2003 and in December 2015 was appointed as its Managing Director.

During his tenure as Director Operations, he was instrumental in setting up and managing both the Export Arm of the Company and its modern Warehousing Complex in Wattala.

Since taking over as Managing Director he has spearheaded many diversification projects for the Company which will help it to propel future income streams and deliver greater value to its shareholders.

### Other appointments

- Director of Wayamba Plantations (Private) Limited, Bogtstra & Gerlach (Pvt) Ltd and Malwatte Spices (Pvt) Ltd.

## Mr. Chamindra de Silva

### Non-Independent Director

Chamindra De Silva is a senior Chartered Accountant with over forty years of post-qualifying, senior managerial experience in industry and commerce. Until his retirement in July 2020, he functioned as the ‘Chief Financial Officer’ at Alliance Finance Company PLC.

Presently he is a non-executive director of Malwatte Valley Plantations PLC since 2009, a leading Plantation company having formerly functioned as the head of its Audit Committee. He was appointed as a Member of the Council of the University of Sri Jayawardenepura (SJP) in 2017, functioned as a member of the Finance Committee and was its head of the Audit Committee up to December 2019.

Mr. De Silva has been a former Vice-President of the ACCA (UK) -Sri Lanka branch and a member of the council of CIMA Sri Lanka branch, having completed both CIMA and ACCA examinations in the late 70s. He has also been a member of the Institute of Marketing (UK), the Institute of Management Services (UK) , and the Institute of Data Processing and Management (UK), completing the respective examinations in the 80s, and a recipient of the CIMA award for the ‘Accounting & Information Systems at the Colombo University’s 1989/90 MBA program.

He also possesses extensive experience in the field of managerial education specializing in the fields of Finance, Marketing and Strategy, and functioned over a decade as the Course Director for Financial Management in the MBA program of the University of Colombo.

## Mr. K. G. M. Piyaratne

### Director Finance

Mr. Piyaratne is a fellow member of the Institute of Chartered Accountants of Sri Lanka, member of the Institute of Chartered Management Accountants of UK, Chartered Professional Accountant (CPA) of Canada and Masters degree holder of Management and information Technology from University of

# BOARD OF DIRECTORS

Kelaniya. He is a Senior Chartered Accountant with over twenty-five years experience in Industry and Commerce. He was reappointed to the Board as Director Finance of Malwatte Valley Plantations PLC in 2015. Prior to joining the Company he served as an Accountant, Mahaweli Engineering & Construction Agency, Manager, Someswaran Jayawickrama & Co. He has also served as Director Finance, Sri Lanka Broadcasting Corporation, Chief Accountant, Ceylinco Cisco Security Corporation (Pvt) Ltd., and Ernst & Young, Doha, State of Qatar as Audit/Tax Accountant.

## Other appointments

- Director of Malwatte Spices (Pvt) Ltd.

## Mr. Shanaka D Samaradiwakara FIPM, MBA

### Director/Chief Executive Officer

Mr. Shanaka D. Samaradiwakara commenced his career in the private sector in 1989 concluding his secondary education at Royal College, Colombo 7 and joined the Plantation sector in 1992 with JEDB.

He is a senior planter with over 3 decades of experience, managing plantations and possesses a National Diploma in Plantation Management and an MBA from Horizons University, France. He is a fellow member of the National Institute of Plantation Management.

He possesses an extensive experience in the manufacture, Cultivation, Processing, Packaging, Warehousing & Exporting key crops such as Tea, Rubber, Spices, & other export agricultural crops.

Initially, having worked at Kotagala Plantations for 3 years, he joined Kelani Valley Plantations where he worked for 19 years until 2013.

Thereafter, he joined Malwatte Valley Plantations PLC in 2014, and was appointed as the Director, Chief Executive Officer on 01st August 2019 & to the Board of Malwatte Spices Pvt Ltd in 2020.

Currently he is serving as the Deputy Chairman, Planters Association of Ceylon and as Chairman of the Plantation Services group & Council Member of the Employers Federation of Ceylon.

He is also, serving as a Board Director of the Plantation Human Development Trust (PHDT) & is a Member of the Plantation Sector Wages Board.

## Other appointments

- Director of Malwatte Spices (Pvt) Ltd.

## Mr. Zal Chitty

### Independent Director

Mr. Zal Chitty was educated at Royal College Colombo 7 and is a professional in the Tea Industry counting 40 years' experience as a Tea Broker. He has also been extensively involved in Shipping, Logistics and Agriculture holding positions of responsibility at Senior Management levels. As a Director of Colombo Shipping Company Ltd, Sea Land Colombo (Pvt) Ltd and Lloyd Serendib Ltd he has in past years handled the Sri Lankan and Indian Sub-Continent interests of major international Shipping Lines such as Sea Land Service USA and CGM France, accounting for some of the largest volumes of export, import and container transshipment through the Port of Colombo. He is a keen sportsman having represented Sri Lanka in Shooting and Golf. He competed in the Olympic Games in 1988.

## Other appointments

Director of Colombo Shipping Company Ltd, Eastern Management Services Limited, Intertravels Ltd, Caxton Printing Works Limited and Lloyd Serendib Limited.

## Sub-Committee Membership

- Member of the Audit Committee, Related Party Transactions Review Committee, Remuneration Committee and Nominations and Governance Committee.
- Chairman of the Remuneration Committee and Nominations and Governance Committee.

## Wilfred Avindra de Silva

### Independent Director

Mr. Wilfred Avindra de Silva Joined Forbes & Walker Tea and Produce Brokers in January 1978 as a Trainee executive and moved on to Brooke Bond Ceylon Ltd in November 1979. Continued to work for the combined Tea businesses of Brooke Bond and Lipton post the acquisition by Unilever PLC in 1984. Worked continuously for 38 Years in the Tea procurement and export business operations of Unilever Tea inclusive of a 2-year secondment in the United Kingdom. During this period, Mr. De Silva held the following leadership positions in the trade:

- Tea Exporters Association - Chairman (2006-2008)
- Colombo Tea Traders Association - Chairman (2008-2010)
- Sri Lanka Tea Board - Director (2009-2010)
- National Tea Council - Member (2012)

## BOARD OF DIRECTORS

- Sri Lanka Tea Board Promotion and Marketing Committee 2022/23 - Member

After retiring from Unilever Tea at the end of 2017, Mr. De Silva continued to work as a consultant for different business entities of Unilever – Unilever International Ekaterra Ceylon Ltd post the sale of Unilever Tea business and Finlay Plantations in Sri Lanka from 2019 – 2021.

### Sub-Committee Membership

- Member of Audit Committee, Remuneration Committee and Nominations and Governance Committee w.e.f 02.02.2024.
- Chairman of Related Party Transactions Review Committee w.e.f 02.02.2024.

### Dilantha Stephen Seneviratne

#### Independent Director

Mr. Dilantha Stephen Seneviratne is a Fellow of the Institute of Chartered Accountants of Sri Lanka (FCA) and a Fellow of the Institute of Certified Management Accountants (FCMA) with over 36 years of post-qualifying experience in Finance, Corporate Management & Commercial operations in the Plantation / Corporate sector.

Mr. Seneviratne served as a Director at Hayleys Plantation Services (Pvt) Ltd, and Director/ Chief Executive Officer, of Talawakelle Tea Estates PLC. With over two decades of experience in Finance and Corporate Management, Mr. Seneviratne has made a significant contribution to the plantation sector.

He was Chairman of the CSR Steering Committee of Ceylon Chamber of Commerce. He also served as a Trustee of the Plantation Trust Fund, Member of Employers Federation of Ceylon and Planters Association sub committees, and Steering Committee on IAS 41 – Agriculture of the Institute of Chartered Accountants of Sri Lanka.

### Other appointments

Director of Kahawatte Plantations PLC. and Lake House Printers.

### Sub-Committee Membership

- Member of Related Party Transactions Review Committee, Remuneration Committee and Nominations and Governance Committee w.e.f 02.02.2024..
- Chairman of Audit Committee w.e.f 02.02.2024.

# CORPORATE GOVERNANCE

Corporate Governance is about the way in which the Board oversees the managing of a Company by its managers, and how Board Members are in turn accountable to shareholders and the Company.

Corporate Governance influences how the objectives of the Company are set and achieved, risks identified and managed and organizational performance optimized. The Board of Directors ensures that all activities of the Board are conducted upholding the highest standards of transparency, accountability and ethics.

The Company is primarily guided by the Code of best practices on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Listing Rules of the Colombo Stock Exchange on Corporate Governance. This report sets out the Company's Corporate Governance practices.

## The Board of Directors

The following Directors held office during the period under review and their brief profiles are given on pages 07 to 09 of the Annual Report:

	Directors	Executive / Independent Non Executive
1.	Mr. Frits Bogtstra	Executive Director
2.	Mr. Lucas Bogtstra	Executive Director
3.	Mr. S D Samaradiwakara	Executive Director
4.	Mr. G M K Piyaratne	Executive Director
5.	Mr. G C De Silva	Non Independent Non Executive Director
6.	Mr. G Z A Chitty	Independent Non Executive Director
7.	Mr. W A De Silva	Independent Non Executive Director
8.	Mr. D S Seneviratne	Independent Non Executive Director

The Board meets at least four (04) times each year and in addition a regular update takes place in the months when no formal meeting is scheduled. The agenda for each Board Meeting is set by the Company Secretaries in consultation with the Chairman and the Managing Director. Board members receive a monthly report of the Company's activities which incorporate updates on progress against objectives and the management of business risks.

## The Board of Directors are responsible for:

- 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.

- Implementing and monitoring of such strategies.
- Reviewing and ratifying systems in operation relating to risk management, internal control, codes of conduct and compliance with the laws, statutes and regulations.
- Reviewing monitoring and ratifying all capital expenditure, acquisitions and divestitures.
- Monitoring senior management performance.
- Overseeing Systems of Internal Control and Risk Management.
- Ensuring that due attention is given to annual and interim financial statements prior to Publication.
- Determining the quantum of the final dividend for approval by the shareholders.
- Approving and monitoring Financial and other Reporting.
- Monitoring Systems of Governance and Compliance.

The Board in discharging its duties seeks independent professional advice from external parties when necessary, at the Company's expense.

The Company Secretaries advise the Board on matters relating to the Companies Act, Colombo Stock Exchange regulations and other applicable rules and regulations and ensures that appropriate, timely and accurate information is submitted to the Board and its Committees.

All Company Directors bring independent judgment to bear on issues of strategy, performance, resources, key appointments and standards.

New directors receive a full introduction to the Company. This consists of information covering the operations of the Board as well as meetings with the Board, Chief Executive and other Executive Directors. All non-executives have direct contact with the Company's senior executives between Board meetings and also visit the Company's operations in order to familiarize themselves with its activities and to meet and engage with staff.

## Re-Appointment of Directors who are over 70 years of age

Mr. Chamindra De Silva and Mr Frits Bogtstra who were over 70 years of age to be re-appointed as Directors of the Company in terms of Section 210 of the Companies Act No.07 of 2007 at the Annual General Meeting (AGM) to be held on 25th June 2026 for a further period of one year commencing from the conclusion of the said AGM.

# CORPORATE GOVERNANCE

The Nominations and Governance Committee noted that Mr. Chamindra De Silva and Mr Frits Bogtstra are fit and proper based on the Fit and Proper Assessment Criteria in terms of Rule 9.7.3 of the Listing Rules and based on the recommendation of the Nominations and Governance Committee and the Board, it is recommended that Mr. Chamindra De Silva and Mr Frits Bogtstra who are over 70 years of age be re-appointed as Directors of the Company for a further period of one year from the conclusion of the Annual General Meeting and that the age limit stipulated in Section 210 of the Companies Act, No.07 of 2007 shall not be applicable to them..

## Fitness and Propriety of Directors and CEO

The Company obtained an Annual Declaration from the Directors as per Rule 9.7.3 and 9.7.4 of the Listing Rules of the Colombo Stock Exchange (CSE) confirming that they have continuously satisfied the specified Fit and Proper Assessment Criteria set out in the Rules during the financial year and as at the reporting date. Therefore, no Director was identified as a person who has failed to fulfil the required assessment criteria during the year under review. The Nominations and Governance Committee having reviewed and evaluated the fitness and propriety of the Directors of the Company based on the Fit and Proper Assessment Criteria declarations, confirms that all Directors of the Company satisfies the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange as at the reporting date.

## Board Evaluation

Each Director individually appraises the Board's performance to ensure discharging its responsibilities satisfactorily. This process takes into account and evaluates all aspects in relation to Board responsibilities. Independent observations made by the Directors are collated and addressed by the Nominations and Governance Committee of the Company and recommended as relevant to the Board of Directors for consideration.

## Board Composition

The Board currently consists of three (03) Independent - Non executive Directors namely Messrs. George Zal A Chitty, Dilantha Seneviratne and Avindra De Silva at the date of reporting as per the current Listing Rules of the Colombo Stock exchange. The position of Chairman, Managing Director, Chief Executive Officer and Finance Director are held by Messrs. Frits Bogtstra, Lucas Bogtstra, Shanaka D Samaradiwakara and G Mahinda Piyaratne respectively.

The Directors provide the Company with the knowledge, mix of skills, experience and networks of contacts required. The Board

Committees comprise of directors with a variety of relevant skills and experience so that no undue reliance is placed on any one individual.

The Non-Executive Directors combine broad business and commercial experience with independent and objective judgment. The balance between Non-Executive and Executive Directors enables the Board to provide clear and effective leadership and maintain the highest standards of integrity across the Company's business activities

## Chairman and Chief Executive Officer

The roles of the Chairman and Chief Executive Officer are separate with a clear distinction of responsibilities, which ensures balance of power and authority.

## Senior Independent Director

The vast knowledge and the acumen Mr. Frits Bogtstra, Executive Chairman, possesses is very vital in driving the business to greater heights in the global market. The Board taking into consideration the above, appointed Mr. George Zal A Chitty, an Independent Director as Senior Independent Director to ensure compliance on Section 9.6.2 of the Corporate Governance Rules of the Colombo Stock Exchange.

A report by the Senior Independent Director is included on page 24 of this report.

## Meetings and Attendance

Four (04) regular Board meetings were held during the year 2025 with an active participation of Directors. The quorum required for a Board Meeting is three (03) Directors being present and / participating by means of audio or audio and visual communication as per the Article 26(b) of the Articles of Association of the Company. Directors actively participated, shared their views, and made valuable contributions at Board proceedings and the required quorum is maintained throughout each Board Meeting. The Board's functions include the assessment of the adequacy and effectiveness of internal controls, compliance with applicable laws and regulations, review of management and operational information, adoption of annual and interim accounts before they are published, review of exposure to key business risks, strategic direction of operational and management units, monitoring progress towards achieving the budgets, approvals relating to key appointments, sanctioning major capital expenditure etc. Directors receive complete information related to agenda items in advance. The Chairman actively fosters an environment of open and candid debate among all Directors during each Board meeting. Decisions are made unanimously, and any dissenting

# CORPORATE GOVERNANCE

views raised by Directors are duly recorded in the meeting minutes, ensuring transparency and accountability in the decision-making process.

## Directors' Meetings Attendance

The Board of Directors had four (04) Board Meetings as at the reporting date and the attendance of the Directors were as follows.

Board Member	Attendance
Mr. Frits Bogtstra (Executive Director)	4/4
Mr. Lucas Bogtstra (Executive Director)	4/4
Mr. S D Samaradiwakara (Executive Director)	4/4
Mr. G M K Piyaratne (Executive Director)	4/4
Mr. G C De Silva (Non Independent Non Executive Director)	4/4
Mr. G Z A Chitty (Independent Non Executive Director)	4/4
Mr. W A De Silva (Independent Non Executive Director)	4/4
Mr. D S Seneviratne (Independent Non Executive Director)	4/4

## Company Information

The Board recognizes that the decision-making process is highly dependent on the quality of information furnished. As such, all Directors have full and unrestricted access to any information pertaining to the Company.

The Managing Director and CEO play a key role in ensuring that all Directors have full and timely access to information relevant to matters that will be deliberated at the Board Meeting. The agenda and set of Board papers are circulated in advance of the Board Meetings. A comprehensive balance of financial and nonfinancial information is encapsulated in the papers covering strategic, operational, financial, regulatory and marketing issues.

All Directors have access to the advice and services of the Company Secretaries, who ensure that the Board receives appropriate and timely information for its decision-making, that Board procedures are followed, and the statutory and regulatory requirements are met. The Secretaries also assist the Chairman

in ensuring that all Directors are properly briefed on issues arising at Board meetings. The Board believes that the current Company Secretaries are capable of carrying out the appropriate duties to ensure the effective functioning of the Board while the terms of appointment permit the removal and appointment by the Board as a whole.

## Management Committee

The Board of Directors devotes adequate time to the fulfillment of their duties as Directors of the Company. The Board has delegated the day-to-day operations of the Company and the group to the Management Committee. The Management Committee is chaired by the Managing Director and meets once a month. The Committee comprises of Heads of Divisions such as Plantation, Finance, Marketing and Legal.

The functions of the Management Committee are to innovate, develop, implement and review the strategies in order to achieve the corporate objectives and discuss matters in relation to the operational activities of the Company.

## Directors Remuneration

The total remuneration of the Directors is disclosed in Note 35.2 to the Financial Statements.

## Accountability and Audit

The Statement of Director's Responsibilities are presented on Page 40 of the Annual Report.

The Board has implemented a sound system of internal control and Risk Management to safeguard the Shareholders investment and the Company's assets. The details of the Company's Risk Management system are provided on Pages 25-26 of this Annual Report.

With a view to having Board oversight on the Company's financial performance and administrative affairs, a separate Finance and Administration Monitoring Committee has been formed chaired by Mr. F. Bogtstra. This Committee functioned throughout the year 2025. Other members of the Committee are Mr. Lucas Bogtstra, Mr. G. M. K. Piyaratne and Mr. S. D. Samaradiwakara.

Key management personnel are invited to participate regularly on performance related subjects.

# CORPORATE GOVERNANCE

## Sub Committees to The Board as at the date of reporting.

In accordance with Rule 9.3.1 of the Colombo Stock Exchange, the Company established its own Sub-Committees. The Sub-Committees ensure compliance with all applicable regulatory frameworks and reports to the Board accordingly.

### 1. Audit Committee

The Audit Committee consists of the following members as at the date of reporting and the Committee met 07 times during the financial year ended 31st December, 2025.

Member	Independent Non-Executive/ Non Independent Non Executive	Attendance
Mr. Dilantha Stephen Seneviratne (Chairman)	Independent Non-Executive Director	7/7
Mr. George Zal Ajit Chitty	Independent Non-Executive Director	7/7
Mr. Wilfred Avindra De Silva	Independent Non-Executive Director	7/7
Mr. Gnanavo Chamindra De Silva	Non Independent Non Executive Director	7/7

The above Non-Executive Directors of the Company have wide experience in Commerce and Finance enabling them to have sound control over operations as well as finance.

### Objectives of the Board Audit Committee

The Audit Committee was set up with the following objectives while keeping in line with the objectives defined by the Securities and Exchange Commission.

- To evaluate internal control procedure with close liaison with internal auditors and ensure smooth operation with a sound control over the operations.
- Continuous implementation of improvements and corrective action on deviations observed by internal auditors and monitoring the success of implementation.
- Analytical review of the business risks towards the Company and making sure sufficient risk management techniques are in operation based on observations.
- To ensure that the Company adheres to all statutory compliance and carries out the operation in accordance with commercially and ethically accepted management practices.
- Enhancing the public confidence in the credibility and objectivity of financial statements.
- Ensuring the greater independence of internal and external auditors and providing an autonomous reporting system.
- The Audit Committee also assists the Board of Directors to maintain the stewardship responsibilities towards shareholders.

### Activities of the Board Audit Committee

- Reviewing compliance with Corporate Governance requirements.
- Advising and suggesting scope and responsibilities of Internal Audits.
- Assisting in conducting investigations.
- Liaising with Internal and External Auditors.
- Assessing and commenting on all financial reports, internal and external audit findings.
- Communication with Directors and Managers on further investigations on audit findings before corrective action.
- Implementation of corrective action required and follow-up on success of implementation.

The Audit Committee Report describes the activities carried out during the financial year ended 31st December, 2025.

The report of the Audit Committee is on pages 27-29 of this report.

### 2. Remuneration Committee

The Remuneration Committee ensures that the Company has well-established, formal and transparent procedures in place for developing an effective remuneration policy for both Executive and Non-Executive Directors. No Director is involved in deciding his/her own remuneration to avoid potential conflicts of Interest. The Committee is also responsible for setting up the remuneration policy and providing guidelines to the Board on the overall remuneration framework (including setting performance incentives and targets) to ensure that remuneration levels are sufficient to attract and retain the caliber of professionals required for the successful management and operations of the Company.

# CORPORATE GOVERNANCE

The Remuneration Committee consists of the following members as at the date of reporting and the Committee met 01 time during the financial year ended 31st December, 2025.

Member	Independent Non-Executive/ Non Independent Non Executive	Attendance
Mr. George Zal Ajit Chitty (Chairman)	Independent Non-Executive Director	1/1
Mr. Wilfred Avindra De Silva	Independent Non-Executive Director	1/1
Mr. Dilantha Stephen Seneviratne	Independent Non-Executive Director	1/1
Mr. Gnanavo Chamindra De Silva	Non Independent Non Executive Director	1/1

The report of the Remuneration Committee is on page 33 of this report.

### 3. Related Party Transactions Review Committee

The Related Party Transactions Review Committee ensures that the interest of shareholders as a whole is taken into account when engaging in transactions with related parties. The Related Party Transactions Review Committee consists Three Independent Non-Executive Directors and One Non Independent Non-Executive Director.

The Related Party Transactions Review Committee consists of the following members as at the date of reporting:

Member	Independent Non-Executive/ Non Independent Non Executive	Attendance
Mr. Wilfred Avindra De Silva (Chairman)	Independent Non-Executive Director	3/3
Mr. George Zal Ajit Chitty	Independent Non-Executive Director	3/3
Mr. Dilantha Stephen Seneviratne	Independent Non Executive Director	3/3
Mr. Gnanavo Chamindra De Silva	Non Independent Non Executive Director	3/3

The Report of the Related Party Transactions Review Committee is given on pages 34-35 of this Annual Report.

### 4. Nominations and Governance Committee

The Nomination and Governance Committee consists of the following members as at the date of reporting:

Member	Independent Non-Executive/ Non Independent Non Executive	Attendance
Mr. George Zal Ajit Chitty (Chairman)	Independent Non-Executive Director	1/1
Mr. Wilfred Avindra De Silva	Independent Non-Executive Director	1/1
Mr. Dilantha Stephen Seneviratne	Independent Non Executive Director	1/1
Mr. Gnanavo Chamindra De Silva	Non Independent Non Executive Director	1/1

The Committee is responsible for various activities including nominating, selecting, and recommending Non-Executive Directors, the Chief Executive Officer (CEO), and key senior officers.

The Committee also oversees succession planning for the CEO and Senior Management, and reviews the composition of the Board, particularly focusing on diversity of background, skills, and experience. Evaluation of Directors' independence is an essential part of the director nomination process. As a part of this evaluation, the Committee reviews the Directors' professional engagements and conflicts of interest, related party transactions and other commitments that could jeopardize a director's independence.

The Committee discharges its responsibilities in accordance with its Policy which is in place.

### Financial Reporting

The Board aims to provide and present a balanced assessment of the Company's position and prospects in compliance with the Sri Lanka Accounting Standards (LKAS / SLFRS) and the relevant Statutes and has established formal and transparent processes for financial reporting and internal controls.

The Statement of Directors' Responsibilities for Financial Reporting is given on page 40 of this Report.

### Internal Controls

The Board is responsible for the Company's internal controls. In this respect controls are established for safeguarding the

## CORPORATE GOVERNANCE

Company's assets, making available accurate and timely information and imposing greater discipline on decision making. The process is strengthened by regular internal audits. The internal audit specifically focuses on internal controls and procedures in the areas of finance, operations, human resources, payroll management and relevant legal and regulatory compliance.

### Corporate Disclosure and Shareholder Relationship

The Company is committed to providing timely and accurate disclosure of all price sensitive information, financial results and significant developments to all shareholders, the Colombo Stock Exchange and where necessary, to the general public.

Shareholders are provided with the Annual Report and, the Company disseminates to the market, Interim Financial Statements in accordance with the Listing Rules of the Colombo Stock Exchange.

The Annual General Meeting provides a platform for shareholders to discuss and seek clarifications on the activities of the Company.

### Compliance

The Board is conscious of its responsibility to shareholders, the Government and the Society in which it operates and is unequivocally committed to upholding ethical behavior in conducting its business. The Board strives to ensure that the Company complies with the laws and regulations of the Country.

Each of the non-executive Directors have submitted a declaration of their independence/non-independence pursuant to Rule 9.8.3 of the Listing Rules of the Colombo Stock Exchange and the Board of Directors have made an annual determination as to the independence/non-independence of each non-executive Director based on their declaration pursuant to Rule 9.8.5 of the Listing Rules of the Colombo Stock exchange. The said declarations were tabled at a Board Meeting of the Board of Directors of the Company held on 12th May 2026.

Messrs. Zal Chitty, Dilantha Seneviratne and Avindra De Silva qualify against the criteria for independence as per Rule 9.8.5 of the Listing rules and the Board, based on the declaration submitted by the said Directors, has determined that they are Independent Directors.

### Statement of Compliance under the Rules of Colombo Stock Exchange on Corporate Governance

Rule No	Corporate Governance Rule	Compliance Status	Reference
7.6 (i)	Board of Directors during the FY with profiles	Complied	Page No. 7-9
7.6 (ii)	Principal activities of the Entity and subsidiaries including any changes	Complied	Page No. 64
7.6 (iii)	Top 20 shareholders – number of shares and % of Voting and Non-Voting shares	Complied	Page No. 118-119
7.6 (iv) (a)	Public holding details for LKR denominated Shares - Float adjusted market capitalization. - Public holding percentage (%) - Number of public shareholders Public holding percentage (%) in respect of non-voting ordinary shares	Complied	Page No. 118-120
7.6 (v)	Each Director's and Chief Executive Officer's shareholding in each class of shares	Complied	Page No. 120
7.6 (vi)	Material foreseeable risk factor of the entity	Complied	Page No. 25-26
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity.	Complied	Page No. 25
7.6 (viii)	Extents, locations, valuations and the number of buildings of the Entity's land holdings and investment properties.	Complied	Page No. 122-124
7.6 (ix)	Number of shares representing the Entity's stated capital	Complied	Page No. 99
7.6 (x)	Distribution schedule – Number of holders and % for each class as per the format in the rules.	Complied	Page No. 117

# CORPORATE GOVERNANCE

Rule No	Corporate Governance Rule	Compliance Status	Reference
7.6 (xi)	<p>Ratios and market prices</p> <p>Equity</p> <ul style="list-style-type: none"> <li>- Dividend per share</li> <li>- Dividend payout.</li> <li>- Net Asset value per share.</li> <li>- Market value per share-High, Low and closing</li> </ul> <p>Debt</p> <ul style="list-style-type: none"> <li>- interest rate of comparable government security.</li> <li>- Debt/equity ratio</li> <li>- Interest cover</li> <li>- Quick asset ratio</li> <li>- Debt Service Coverage Ratio (where applicable)</li> <li>- The market prices &amp; yield during the year (ex-interest) – High, Low and last traded</li> </ul>	Complied	Page No. 120-121
7.6 (xii)	Significant changes of entity and subsidiaries' fixed assets including substantial difference between market value and book value of lands.	Complied	Page No. 91
9.1.3	Statement confirming the extent of compliance with the Corporate Governance Rules	Complied	Page No. 10-23
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted	Not applicable	
9.2.1	<p>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.</p> <ul style="list-style-type: none"> <li>a) Policy on the matters relating to the Board of Directors</li> <li>b) Policy on Board Committees</li> <li>c) Policy on Corporate Governance, Nominations and Re-election</li> <li>d) Policy on Remuneration</li> <li>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.</li> <li>f) Policy on Risk Management and Internal Controls</li> <li>g) Policy on Relations with Shareholders and Investors</li> <li>h) Policy on Environmental, Social and Governance Sustainability</li> <li>i) Policy on Control and Management of Company Assets and Shareholder Investments</li> <li>j) Policy on Corporate Disclosures</li> <li>k) Policy on Whistleblowing.</li> <li>l) Policy on Anti-Bribery and Corruption.</li> </ul>	Complied.	"The Company has established and maintains required policies and have been disclosed under the Company website"
9.2.3	<p>Listed entities must disclose in their Annual Report:</p> <ul style="list-style-type: none"> <li>(i) the list of policies that are in place in conformity Rule 9.2.1 above, with reference to its website.</li> <li>(ii) details pertaining to any changes to policies adopted by the listed entities in compliance with Rule 9.2 above.</li> </ul>	Complied	

## CORPORATE GOVERNANCE

Rule No	Corporate Governance Rule	Compliance Status	Reference
9.2.4	Listed entities shall make available all such policies to shareholders upon a written request being made for any such Policy.	Complied	
9.3.1	Listed entities shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include: a) Nominations and Governance Committee. b) Remuneration Committee. c) Audit Committee. d) Related Party Transactions Review Committee.	Complied	Page No. 13-14
9.3.2	Listed entities shall comply with the composition, responsibilities and disclosures required in respect of the above-Board committees as set out in these Rules.	Complied	Page No. 13-14 Corporate Governance.
9.3.3	The Chairperson of the Board of Directors of the listed entity shall not be the Chairperson of the Board committees referred to in Rule 9.3.1.	Complied	The Chairman of the Company Mr . Frits Bogtstra is not the Chairman of any sub-committees.
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. The Entity shall provide copies of the same at the request of the Colombo Stock Exchange and/or the SEC. 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	Company Secretaries maintain the records of the required information along with the meeting minutes of the shareholders.
9.4.2	Communication and relations with shareholders and investors: a) Listed entities shall have a policy on effective communication and relations with shareholders and investors and disclose the existence of the same in the Annual Report and the website of the Listed Entity. b) Listed entities shall disclose the contact person for such communication. c) The policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders, and such a process shall be disclosed by the Entity in the Annual Report and the website of the Entity.		
	d) Listed entities that intend to conduct any shareholder meetings through virtual or hybrid means shall comply with the Guidelines issued by the Exchange in relation to same and published on the website of the Colombo Stock Exchange.	Complied	AoA of the Company provides for virtual Meeting.

# CORPORATE GOVERNANCE

Rule No	Corporate Governance Rule	Compliance Status	Reference
9.5.1	<p>Listed entities must establish and maintain a formal policy governing matters pertaining to the Board of Directors and such policy shall:</p> <ul style="list-style-type: none"> <li>a) Recognize the need for a balance of representation between Executive and Non-Executive Directors and cover at minimum Board composition, the roles and functions of the Chairperson and Chief Executive Officer or equivalent position (hereinafter commonly referred to as the CEO), Board balance and procedures for the appraisal of Board performance and the appraisal of the CEO.</li> <li>b) Where a listed entity decides to combine the role of the Chairperson and CEO. <ul style="list-style-type: none"> <li>(i) set out the rationale for combining such positions; and,</li> <li>(ii) require the Board Charter of the listed entity to contain terms of reference/functions of the Senior Independent Director (SID) and the powers of the SID, which should be equivalent to that of the Chairperson in the instance of a conflict of interest.</li> <li>(iii) set out the measures implemented to safeguard the interests of the SID.</li> </ul> </li> <li>c) Require diversity in Board composition for Board effectiveness in terms of a range of experience, skills, competencies, age, gender, industry requirements and importance of objective selection of Directors.</li> <li>d) Stipulate the maximum number of Directors with the rationale for the same.</li> <li>e) Specify the frequency of Board meetings, having regard to the requirements under the Listing Rules.</li> <li>f) Provide mechanisms for ensuring that Directors are kept abreast of the Listing Rules and ongoing compliance and/or non-compliance by the Listed Entity with obligations arising under such Rules.</li> <li>g) Specify the minimum number of meetings, in numbers and percentage, that a Director must attend, in order to ensure consistent attendance at Board meetings and to avoid being deemed to vacate such position.</li> <li>h) Provide requirements relating to trading in securities of the Listed Entity and its listed group companies and disclosure of such requirements.</li> <li>i) Specify the maximum number of directorships in Listed Entities that may be held by Directors.</li> <li>j) Recognise the right to participate at meetings of the Board and Board committees by audio visual means and for such participation to be taken into account when deciding on the quorum.</li> </ul>	Complied	
9.6.1	<p>The Chairperson of every Listed Entity shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity in terms of Rule 9.6.3.</p>	Complied	

## CORPORATE GOVERNANCE

Rule No	Corporate Governance Rule	Compliance Status	Reference
9.6.2	A Listed Entity that is unable to comply with Rule 9.6.1 above shall make a Market Announcement within a period of one (1) month from the date of implementation of the Rules or an immediate Market Announcement from the date of non-compliance (if such date falls subsequent to the implementation of the Rules)	Complied	
9.6.3	The requirement for a SID (i) The position of the Chairperson and CEO are held by the same individual. (ii) The Chairperson is an Executive Director. (iii) The Chairperson and CEO are Close Family Members or Related Parties.	Complied Chairman is an Executive Director and Mr. Zal Chity was appointed as SID.	
9.6.3 (e )	The SID shall make a signed explanatory disclosure in the Annual Report demonstrating the effectiveness of duties of the SID.	Complied	Page No. 24
9.6.4	Where a Listed Entity has appointed a SID as required in terms of Rule 9.6.1, such Entity shall set out the rationale for such appointment in the Annual Report of the Entity.	Complied	Page No. 24
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 Not applicable	Page No. 32
9.8.1	The Board of Directors of a listed entity shall, at a minimum, consist of five (05) Directors.	Complied	Page No. 10
9.8.2	Minimum Number of Independent Directors.	Complied	Page No. 10
9.8.5	The Board of Directors of listed entities shall require. a) Require each Independent Director to annually submit a signed and dated declaration of their "independence" or "non-independence" using the specified criteria and format in Appendix 9A. b) Annually assess the "independence" or "non- independence" of each Independent Director based on their declaration and other available information, listing the names of "independent" Directors in the Annual Report. c) If the Board finds that the independence of an Independent Director is compromised according to the criteria in Rule 9.8.3, it should immediately issue a market announcement regarding this determination.	Complied Not applicable	All the Independent Directors have submitted the signed declaration of their independence to the Board.  Required disclosures are mentioned in the Annual Report.

# CORPORATE GOVERNANCE

Rule No	Corporate Governance Rule	Compliance Status	Reference
9.9	<p>Alternate Director</p> <p>If a Listed Entity provides for the appointment of Alternate Directors, it shall be required to comply with the following requirements and such requirements shall also be incorporated into the Articles of Association of the Entity:</p> <ul style="list-style-type: none"> <li>a) Alternate directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment.</li> <li>b) If an Alternate Director is appointed for a Non-Executive Director, such alternate should not be an executive of the Listed Entity.</li> <li>c) If an Alternate Director is appointed by an Independent Director, the person so appointed should meet the criteria of independence specified in these Rules and the Listed Entity shall satisfy the requirements relating to the minimum number of Independent Directors specified in these Rules. The Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an Independent Director before such an appointment is made.</li> <li>d) The Listed Entity shall make an immediate Market Announcement regarding the appointment of an Alternate Director. Such Market Announcement shall include the following: <ul style="list-style-type: none"> <li>i. The exceptional circumstances leading to such appointment.</li> <li>ii. The information on the capacity in which such Alternate Director is appointed, i.e., whether as an Executive, Non-Executive or Independent Director;</li> <li>iii. The time period for which he/she is appointed, which shall not exceed one (1) year from the date of appointment; and,</li> <li>iv. A Statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity.</li> </ul> </li> </ul>	<p>AoA already provide for the appointment of Alternate Director.</p> <p>Complied</p>	
9.10.1	<p>Listed entities shall disclose its policy on the maximum number of directorships its Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such number is exceeded by a Director(s), the Entity shall provide an explanation for such non-compliance in the manner specified in Rule 9.5.2.</p>	Complied	

## CORPORATE GOVERNANCE

Rule No	Corporate Governance Rule	Compliance Status	Reference
9.10.2	Listed entities shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following; <ul style="list-style-type: none"> <li>(i) a brief resume of such Director;</li> <li>(ii) his/her capacity of directorship; and</li> <li>(iii) Statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity.</li> </ul>	Complied	At the time of appointment of a new director to the Board, the relevant market announcements are made in accordance with the Rule 9.10.2 also such appointments are reviewed by the Nominations and Governance Committee.
9.10.3	Listed entities shall make an immediate Market Announcement regarding any changes to the composition of the Board Committees referred to in Rule 9.3 containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof.	Complied	Relevant market disclosures are made on a timely manner.
9.10.4	Listed entities shall also disclose the following in relation to the Directors in the Annual Report: <ul style="list-style-type: none"> <li>a) name, qualifications and brief profile.</li> <li>b) the nature of his/her expertise in relevant functional areas.</li> <li>c) whether either the Director or Close Family Members have any material business relationships with other Directors of the Listed Entity.</li> <li>d) whether Executive, Non-Executive and/or independent Director.</li> <li>e) the total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or Key Management Personnel indicating whether such companies are listed or unlisted Companies and whether such Director functions in an executive or non-executive capacity, provided that where he/she holds directorships in companies within a Group of which the Listed Entity is a part, their names (if not listed) need not be disclosed; it is sufficient to state that he/she holds other directorships in such companies.</li> </ul>	Complied	Page No. 7-9 Directors Profile
	<ul style="list-style-type: none"> <li>f) number of Board meetings of the Listed Entity attended during the year.</li> <li>g) names of Board Committees in which the Director serves as Chairperson or a member.</li> <li>h) Details of attendance of Committee Meetings of the Audit, Related Party Transactions Review, Nominations and Governance and Remuneration Committees. Such details shall include the number of meetings held and the number attended by each member.; and,</li> </ul>	Complied	Page No. 12-14
	<ul style="list-style-type: none"> <li>i) The terms of reference and powers of the SID (where applicable).</li> </ul>	Complied	

# CORPORATE GOVERNANCE

Rule No	Corporate Governance Rule	Compliance Status	Reference
9.11.6	The Annual Report of the Listed Entities shall contain a report of the Nominations and Governance Committee signed by its Chairman.	Complied	Page No. 31-32
9.12.8	Remuneration Committee Report a) Names of chairperson and members with nature of directorship. b) Remuneration Policy. c) The aggregate remuneration of the Executive and Non-Executive Directors.	Complied	Page No. 33
9.13.5	Audit Committee Report a) Names of chairperson and members with nature of directorship. b) Status of risk management and internal control - company and group. c) Statement on CEO and CFO assurance on operations and finance. d) Opinion on compliance with financial reporting requirements, information requirements Listing Rules, Companies Act, SEC Act and any other requirements. e) Availability of formal Audit Charter. f) Internal audit assurance and summary of the work of the internal audit function. g) Details demonstrating effective discharge of functions and duties. h) Statement on external auditors' assurance on their independence. i) Confirmation on determining auditor's independence.	Complied	Page No. 27-29
9.14.8 (1)	Related Party Disclosures Non-recurrent RPT exceeding 10% of the Equity or 5% of the Total Assets, whichever is lower (in the specified format) - Name of the RP - Relationship and Value of RPT - Value as % of equity and total assets and Terms and Conditions - Rationale	Complied	Page No. 34-35
9.14.8 (2)	Recurrent RPT exceeding 10% of the gross revenue/income (in the specified format) - Name of the RP - Relationship and Nature of RPT - Value of aggregate RPT - Value as % of gross income - Terms and Conditions	Complied	Page No. 34-35

## CORPORATE GOVERNANCE

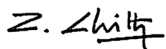
<b>Rule No</b>	<b>Corporate Governance Rule</b>	<b>Compliance Status</b>	<b>Reference</b>
9.14.8 (3)	Related Party Transactions Review Committee Report. <ul style="list-style-type: none"> <li>- Names of the Directors Committee is comprised of.</li> <li>- Statement that Committee has reviewed RPTs and communicated comments/observations to the Board.</li> <li>- Policies and procedures adopted by the Committee.</li> </ul>	Complied	Page No. 34-35
9.14.8 (4)	Affirmative declaration by the Board of Directors on compliance with RPT Rules or negative statement to that effect.	Complied	Page No. 34-35
9.17	Additional disclosures by Board of Directors.	Complied	Page No. 36-39 Directors Report

# DISCLOSURE BY THE SENIOR INDEPENDENT DIRECTOR

In compliance with the provision of the section 9.6.3 (a) of the Listing Rules of the Colombo Stock Exchange (CSE), the undersigned was appointed by the Board of Directors of Malwatte Valley Plantations PLC as the Senior Independent Director of the company with effect from 7th November 2023.

The meetings of this committee are held only with the presence of all non-executive directors and in compliance with Rule 9.6.3 (b) of the Listing Rules. The members of this committee are all active participants during the Board's proceedings with a view to exercise an independent and professional judgement over all items and issues subject to discussions during the meetings of the Board. It is stated with satisfaction that all members of this committee are well respected members by the Chairman and the Directors of the company and have the opportunity of deliberating all relevant concerns and expressing constructive ideas and recommendations.

In my capacity as the Chairman of this committee, especial emphasis is made to ensure objectivity and transparency, particularly in the areas of corporate governance. It is relevant to place on record that all non-executive directors are also members of the Audit Committee of the company that affords further opportunity to address and discuss any unresolved issues and matters in connection with internal controls at estate level as well as at other cost centers and other operating units thereby contributing to the effectiveness collectively, of the role of the company's non- executive directors.



**Zal Chitty**

Senior Independent Director of Malwatte Valley Plantations PLC

29th May 2026

# RISK MANAGEMENT

The Company operates in an evolving environment which exposes it to different types of risks especially being in the Agricultural Sector which is very sensitive to Weather patterns. An effective risk management system is an important area of business management which would attempt to prevent many events which would otherwise have adverse effects on the business.

## Risk Management Process

The Risk Management Process is designed to ensure identification of any circumstances that would adversely affect the goals of the Company. Our Risk Management Process ensures that we accept or manage unavoidable risks and uncertainties are minimised. The Company has a systematic process of risk management that is aligned with its strategy. The Main Risk factors falls into three categories namely Strategic Risk, Financial Risk and Operational Risk

### 1. Strategic Risks

#### 1.1 Wage Structure (Rating HIGH)

Trade Unions Play an active role in determining wages. The wage structure is not aligned to worker productivity. This affects the cost of production and gratuity liability substantially there by the competitiveness and profitability. Risk management strategies in place are as follows;

- Increase land and worker productivity
- Optimise labour deployment and maximise productivity
- Motivate employees through better HR practices
- Continuous dialogue with Trade Unions and workers in order to bring wage structure in line with productivity

#### 1.2 Impact of Climate Change (Rating HIGH)

Crops are seasonal and subject to changes in weather. The loss of crop and quality of the harvest affect the market share, earnings and profitability. In order to mitigate this risk, the Company has adopted soil and soil moisture conservation methods, soil improvement, intercropping, crop diversification and establishment and management of shade trees, selection of suitable lands for new planting or replanting, use of drought and heat tolerant cultivars.

#### 1.3 Business Risk (Rating MODERATE)

Non implementation of Revenue enhancing and Cost saving measures, Strategic Plans and Initiatives on profitable investments results in reducing future growth of the Company reducing revenue, cash flow and profitability.

In order to mitigate business risks the Board of Directors and the management committee hold regular meetings to formalise strategies and plans for the future. The use of Best Practices in Agriculture and Company Diversification Policy also contributes in mitigating business risks.

#### 1.4 Political and Environmental Risks (Rating HIGH)

Political and Economic upheaval in key markets and volatility of the world economy causes rapid fluctuations in Tea prices.

The main risk factor is that fluctuating prices affect profitability and reduce profit margins.

In order to mitigate these risks the Company focuses mainly on producing quality Teas and has been very successful in the Uva Regions where Malwatte Valley Plantations obtains the highest averages on a continuous basis and also its factories output is maintained at high volumes with the increased high market prices in the Uva Region.

In order to mitigate risks further the Company converts low yielding Tea lands to cultivate subsidiary crops.

### 2. Operational Risk

#### 2.1 Product Quality (Rating HIGH)

##### Non maintenance of product Quality lowers Demand

This results in buyers curtailing purchases and looking for new suppliers. This will drop market prices and erode market share.

In order to mitigate these risks the Company maintains a regular dialogue with buyers and brokers to obtain feedback, and take prompt and corrective action on Broker Reports.

Also the Company on a continuous basis improves its manufacturing processes both in Tea and Rubber to produce quality products.

#### 2.2 Human Resource (Rating MODERATE)

Reduction in resident manpower, low productivity, immobility within estates / between estates and difficulty in retaining management / supervisory staff.

Lack of Human Resources will make it difficult for the Company in achieving the targeted crops. If there are work disruptions to operations and performance it will affect productivity and profitability.

In order to mitigate these risks, the Company maintains a close Dialogue with employees, staff training and development programmed are in place to improve performance, determine

# RISK MANAGEMENT

remuneration in line with the Industry Several programs are in place to uplift the living standards of employees and their families. These have resulted in a better relationship with the workforce. The Company has performance oriented reward schemes to motivate staff and labour force. This helps high performers to improve earnings which motivate them further.

## 2.3 Reputation Risk (Rating MODERATE)

Reputation risk refers to compliance of legal and statutory requirements and ethical practices as well as maintaining loyalty and trust worthiness among stakeholders.

These risks will result in the Company losing it's reputation, fines and even litigation.

In order to mitigate these losses, the Company ensures highest standards of business conduct in adopting a code of Corporate Governance by all employees, senior management and Board of Directors. Seek expert legal advice to incorporate risk mitigatory clauses in drafting legal contracts and agreements. Maintain effective Internal Control Systems to minimise fraud and error. Close dialogue with Golden Shareholder. Membership in Employers Federation, Ceylon Chamber of Commerce and Planters Association of Ceylon.

## 2.4 Risk of Land Acquisitions (Rating LOW)

The Company is exposed to the risk of acquisition of productive land for public purposes. These are as far as possible resolved by discussion and negotiation to minimise losses. Compensation claims are lodged for any lands acquired.

## 3. Financial Risk

### 3.1 Liquidity (Rating HIGH)

Sufficient working capital including readily available funds is crucial for the Industry.

The company has considered the importance of cash flow management and planned more controls over this activity such as strict monitoring of its cash flows to mitigate the adverse impacts which could affect the liquidity of the company. Abolishment of SVAT Scheme with effect from 01.10.2025 would create adverse impact on liquidity of the company.

### 3.2 Credit Risk (Rating HIGH)

The Company sells most of its produce through the auction mechanism. There is satisfactory system to control and maximise the recovery of debts arising from direct sales as there are stipulated settlement dates for auction produce. Direct exports are usually covered by letters of credit and document acceptance term.

### 3.3 Interest Rate Risk (Rating HIGH)

This mainly refers to high finance costs resulting from fluctuating Interest rates.

Finance costs have a direct impact on profitability and cash flows.

The Company also applied for the relief loan package introduced by the Central Bank if granted to meet short-term cash deficits and meet financial commitments.

### 3.4 Foreign Exchange Risk (Rating HIGH)

This affects Company's profitability with fluctuating exchange rates.

This affects the Company's exports.

In order to mitigate the losses, exchange rate movements are monitored and outlook is closely followed in respect of currencies in which the company carries exposure. Exports have a direct exposure in respect of this risk which the Company closely monitors.

### 3.5 Online Fund Transfer Risk (Rating HIGH)

The Company faces risks from online fund transfers, including cyber fraud, unauthorized access, and transaction errors. To mitigate these, strong controls such as multi-factor authentication, dual authorization, and defined approval limits are in place. Transactions are regularly monitored and reconciled, supported by secure systems and staff awareness programs. Management continuously enhances controls to address evolving risks.

# AUDIT COMMITTEE REPORT

## Composition

The Audit Committee, appointed by and responsible to the Board of Directors, comprises three Independent Non-Executive Directors and one Non Independent Non-Executive Director.

Mr Dilantha Seneviratne	– Independent Non- Executive Director and Chairman of the Audit Committee
Mr Zal Chitty	- Senior Independent Non -Executive Director and member of the Audit Committee
Mr W. Avindra De Silva	– Independent Non-Executive Director and member of the Audit Committee
Mr G.C. De Silva	– Non-Independent Non-Executive Director and member of the Audit Committee

Mr Dilantha Seneviratne was appointed as an independent director of the company with effect from 10th January 2024.and functions as the head of the company's Audit Committee that comprises Mr. Zal Chitty (senior independent director), Mr G.C De Silva and Mr Avindra De Silva who was also appointed to the Board of Directors of the company as an independent Director as well as a member of the Audit Committee.

Mr Dilantha Seneviratne is a senior Chartered Accountant being a fellow member of the Institute of Chartered Accountants Sri Lanka and a fellow member of the Institute of Certified Management Accountants. He has over 20 years senior management experience in the plantation industry and has functioned as the Director /CEO of the Talawakelle Tea Estates PLC and a Director at Hayleys Plantation Services (Pvt) Ltd

Mr Avindra De Silva is also a senior professional in the Tea industry with a career of over 45 years in the field of Tea procurement and Tea Export business operations. He was a former chairman of the Colombo Tea Traders Association, Tea Exporters Association and a former director of the Sri Lanka Tea Board.

Mr. Zal Chitty presently functions as the 'senior independent director' of the company is an experienced senior professional in the tea industry coupled with extensive experience in shipping and agriculture industries.

## Attendance at Committee Meetings

Composition of the Audit Committee & attendance at meetings is given below:

Committee member	Attendance
Mr. Dilantha Seneviratne – Chairman of the Committee	7/7
Mr. Chamindra de Silva -Member	7/7
Mr. Avindra de Silva -Member	7/7
Mr. Zal Chitty -Member	7/7

*All of them except Mr Chamindra de Silva are Independent Non-Executive Directors*

The above includes three internal audit committee meetings for which the company Internal Auditor participated

Brief profiles of each member are provided on pages 7 to 9 of this report. Their individual and collective financial/ industry knowledge and business acumen and the independence of the Committee, are brought to bear on their deliberations and judgments on matters that come within the Committee's purview.

## Role of the Committee

The role and functions of the committee are regulated by the rules of corporate governance of the listing rules of the Colombo Sock Exchange as listed under section 9.13.4.

The committee is empowered, among other things, to examine any matters and reporting relating to the financial affairs, review of operational activities within the Company and further to examine the adequacy of systems and internal controls as well as adherence to statutory and regulatory requirements.

## Charter of the Audit Committee

The terms of reference of the Committee are clearly defined in the Charter of the Audit Committee.

## Meeting of the Audit Committee

The committee met 7 times during the year. The attendance of the members at these meetings is given in this report.

Secretarius (pvt) Ltd, the secretaries of the Company acts as the secretary to the audit committee. The Chairman of the Board, Managing Director, Chief Executive Officer, Director Finance, and relevant members of the senior management attend all the meetings of the committee by invitation

# AUDIT COMMITTEE REPORT

Other members of the Board as well as the External Auditors, Company internal Auditor were present at discussions where it was appropriate. The proceedings of the Audit Committee are regularly reported to the Board of Directors. Audit committee meeting papers, including agenda, minutes and related reports and documents are circulated to the committee members in advance.

## Tasks of the Audit Committee

### Financial Reporting

The management has the primary responsibility for the financial statements and the reporting process. The Committee oversee the financial reporting process adopted by the company in the preparation of its quarterly and annual Financial Statements to ensure reliability of the processes and consistency of the accounting policies and methods adopted and their compliance with the Sri Lanka Financial Reporting Standards. In this context, the Committee receives, discusses and reviews with the management the quarterly financial statements and the Annual Report and financial statements prior to their issuance. The Committee focuses on the key judgments and estimates, appropriateness of significant accounting policies adopted in preparation of the financial statements and the extent of compliance with the Sri Lanka Accounting Standards and applicable disclosure requirements. The Committee engaged in discussion with the Company's External Auditors on the results of the External Auditors' examinations and their judgement on the acceptability of the accounting principles adopted by the Company.

The Committee recommends the financial statements to the board for its consideration and discussion before publishing.

### Internal Audit and control

The Committee reviewed the internal audit scope, findings and process to assess the effectiveness of the Internal Controls that have been designed to provide reasonable assurance to the Directors that assets are safeguarded and that the financial reporting system can be relied upon in preparation and presentation of Financial Statements.

During the financial year ended 31st December 2025 the Committee held three meetings altogether. The Chairman, the Managing Director, Director Finance, and the Director/CEO attended all audit Committee meetings by invitation. When required, other senior officers of the Company are invited to attend these meetings and to clarify any observations by the internal auditor arising from issues that may concern their

respective sphere of activities. The Committee also noted the detailed studies, reviews, and follow-up action by the Managing Director in regard to matters that arise out of the Internal Audit findings and recommendations.

The Internal Audit function is headed by an experienced professional from the Plantation industry, as Head of Internal Audit. The Head of Internal Audit submits comprehensive audit reports under each estate and other operating units that are further reviewed at the Audit Committee. Adoption of a structured 'action tracker' largely assist the proceedings of the committee to systematically follow-up all outstanding issues according to their respective periods under review, until their completion.

This feedback system contains a structured summary of all cumulative outstanding issues grouped under Operations and Finance related issues, reported back by the respective heads of Operations and Finance.

It is opportune to mention that the Committee also encourage 'feedforward' strategic controls being discussed that address strategic environmental considerations and developments, thereby taking a more proactive mindset in relation the all-important managerial control function.

### Risk Management

The Committee reviewed and assessed the risk management process, strategies and risk threshold levels. The Committee obtained and reviewed statements from the Management identifying their respective major business risks, mitigatory action taken or contemplated for management of these risks. Including adequacy of Insurance covers'

A procedure has been laid down for reporting on the applicable statutory compliances of the Company. Such reported exceptions are followed up to ensure appropriate corrective action. Due compliance with all requirements is monitored through this process.

### Corporate Governance

The Committee also reviewed the level of compliance with corporate governance rules as per the Listing Rules of the Colombo Stock Exchange and is satisfied that the Company has complied with all mandatory requirements of this. Please refer to pages 10-23 on corporate governance

### External Audit

During the year the Committee held a meeting with the External Auditor to review the nature, approach, scope of the audit, Audit Plan for the year under review.

# AUDIT COMMITTEE REPORT

The external auditors were given adequate access by the Committee to ensure they had no cause to compromise their independence and objectivity, prior to commencement of the Annual audit.

The Audit Committee also reviewed the external auditor's management letter of 2024, together with the management's responses thereto. The Committee has also received a declaration from the external auditors as required by the Companies Act No. 07 of 2007, confirming that they do not have any relationship or interest in the Company which may have a bearing on their independence.

Ernst & Young being the external auditors of the Company from the financial year 2003 remained as Company external auditors in the current financial year.

The Audit Committee has recommended to the Board that Ernst & Young be re-appointed as statutory auditors for the financial year ending 31 December 2026 subject to the approval by the shareholders at the forthcoming Annual General Meeting.

## Compliance

The Committee received the Responsibility Statement from the Chief Executive Officer and Director Finance on the company's operational and financial status. It was satisfied that the financial records are properly maintained and that the financial statements accurately reflect the Company's operations and financial position. The Committee also obtained representations from the management of the Company on the adequacy of provisions made for possible liabilities and reviewed reports tabled by the Company certifying their compliance with relevant statutory

requirements. Further, the Committee obtained regular updates on HR and Legal regarding compliance matters.

The Committee reviewed revisions to the accounting policies to ensure that they are in line with the Sri Lanka Accounting Standards (SLFRS/LKAS) and made recommendations to the Board of Directors regarding its application. There were no Accounting Policy changes during the financial year 2025.

## Conclusion

Based on the review of reports submitted by the external and internal auditors and the information received during the deliberations, the Committee is satisfied that the internal controls and procedures in place are adequately designed and have been operating effectively to provide reasonable assurance that the Company's assets are safeguarded and that steps are being taken to continuously improve the Internal control environment maintained within the Company. The Committee is also satisfied that the financial position of the Company is regularly monitored and that the Company has adopted appropriate accounting policies and that the financial statements of the Company are reliable.



Mr. D. S. Seneviratne

Chairman - Audit Committee

29th May, 2026

# RESPONSIBILITY STATEMENT OF THE CEO AND CFO

Each of the Directors whose names are stated below, hereby confirm that

- Annual Financial statements of Malwatte Valley Plantations PLC 31 December 2025 set out on pages 53 to 116 fairly present in all material respects the financial position, financial performance and cash flows in terms of SLFRS/LKAS and prepared and presented in compliance with the Companies Act No 07 of 2007 and Listing rules of the Colombo Stock Exchange.
  - We confirm that the significant accounting policies used in the preparation of the financial statements are appropriate and are consistently applied, as described in the notes to the financial statements. We have also discussed the significant accounting policies and also the estimates that involved a high degree of judgement and complexity with the Audit Committee and external auditors Ernst and Young.
  - The internal controls have been put in place to ensure that material information relating to the company has been provided to effectively prepare the financial statements of the company. The internal controls are reviewed on regular basis by the internal audit department of the company to ensure the compliance.
- The financial statements were audited by independent external auditors Messer's Ernst and Young, Chartered Accountants.
  - We confirm that the Company has complied with all applicable laws and regulations and there is no material non compliances.
  - There are no material litigations that are pending against the Company.



Shanaka D Samaradiwakara  
Director / Chief Executive Officer



K.G.M.Piyaratne  
Director Finance

29th May, 2026

# NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

## Role of the Committee

The primary role of the NGC is to establish and maintain a formal and transparent process for appointing new Directors, ensuring that the composition of the Board and its committees aligns with the entity's strategic objectives and governance requirements. The NGC is also responsible for evaluating and recommending the corporate governance framework, ensuring compliance with the Listing Rules, regulatory requirements, and applicable best practices, as well as providing oversight on matters related to Board composition, succession planning, Board evaluation and corporate governance practices.

## Composition

Nominations and Governance Committee comprised the following members as at the reporting date.

Members	Independent Non Executive / Non Independent Non Executive
Mr. G Z A Chitty (Chairman)	Independent Non-Executive Director
Mr. D S Seneviratne	Independent Non-Executive Director
Mr. W A De Silva	Independent Non-Executive Director
Mr. G C De Silva	Non-Independent /Non-Executive Director

## Director Nomination and Committee Appointments

The Nominations and Governance Committee operates under a documented policy and established procedures for nominating Directors to the Board and recommending appointments to the Company's sub-committees. These processes ensure that all appointments are made based on merit, experience and alignment with the Company's strategic needs and governance principles. Members of the Committee abstain from participating in decisions relating to their own appointments.

## Re-appointment of Directors

In recognition of their extensive experience, deep insight and domain knowledge, the Committee recommended to the Board and the Board approved the re-appointment of Mr. G C De Silva who is over seventy years of age and is due to retire in terms of Section 210 of the Companies Act, No. 07 of 2007. Mr. G C De Silva who is over 70 years of age is to be re-appointed as a Director of the Company for a further period of one year from the conclusion of the AGM and that the age limit stipulated in

Section 210 of the Companies Act, No.07 of 2007 shall not be applicable to him.

The Chairman of the Board Mr. Frits Bogtstra also has reached 70 years of age, and the NGC Committee recommends his re-appointment in his existing capacity. Mr. Bogtstra is a senior professional engineer with post graduate management qualification and his extensive knowledge and acumen in the international arena is of immense benefit to the Company. He provides highest level expertise in general management of the organisation with particular value creation in HR, IT and project management.

## Board Diversity

The Company considers Board diversity a critical factor in ensuring the Board's effective performance. It is committed to maintaining a diverse Board across the following dimensions that align with its strategic goals.

- Knowledge and Experience: Representation of varied professional backgrounds and industry expertise.
- Skills: Inclusion of technical, human resource, financial, senior managerial leadership and strategic thinking competencies.
- Age: Balanced distribution across different age groups.

## Effective Implementation of Policies and Processes

The effectiveness of the policies and processes relating to the appointment and re-appointment of Directors is demonstrated by:

- Comprehensive due diligence is conducted on all prospective candidates, which may include interviews, reference checks and reviews of their past performance, particularly if the candidate has prior board experience.
- Structured evaluations of Board members' performance that including attendance, engagement and contributions to the Board's work, are carried out to ensure the director continues to bring value to the Company and aligns with its objectives before the re-election of a sitting director.
- Regular reviews of Board composition are undertaken to address any gaps in multicompetences and diversity.
- Engagement with external advisors, where appropriate, is used to identify and assess potential candidates.

## Statement on Directors' Independence

As required under Rule 9.8.5 (a) of the Listing Rules of the CSE, the following Independent Non-Executive Directors of the Company have each submitted a signed and dated declaration

# NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

confirming their independence, in accordance with the criteria specified in the CSE Listing Rules.

1. Mr. G Z A Chitty - Independent Non-Executive
2. Mr. D S Seneviratne - Independent Non-Executive
3. Mr. W. A.D.Silva - Independent Non-Executive
4. Mr. G.C. De Silva – Non-Independent Non-Executive

In accordance with Rule 9.11.6 (l) of the Listing Rules of the CSE, the Nominations and Governance Committee confirms that as at the reporting date the Independent Non-Executive Directors of the Company have satisfied the criteria for determining independence as specified under Rule 9.8.3 of the CSE Listing Rules.

## Statement on Directors' Fitness and Propriety

As required by Rule 9.7.4 of the Listing Rules, the Company has obtained signed declarations from all Directors of the Company as at the reporting date confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out under the Listing Rules during the financial year and satisfies the said criteria as at the date of such confirmation.

The Nominations and Governance Committee reviewed and evaluated the fitness and propriety of the Directors of the Company based on the Fit and Proper Assessment Criteria declarations, and confirms that all Directors of the Company as at the reporting date, satisfies the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange


## Periodic Review of the Board and the CEO

The Committee confirms that the annual evaluation of the performance of the Board of Directors and the CEO has been conducted. This assessment ensures alignment with the organization's strategic objectives and supports continuous improvement in governance and leadership effectiveness.

## Statement on Corporate Governance

In accordance with Rule 9.11.6 (m) of the Listing Rules of the CSE, the Nominations and Governance Committee confirms that the Company is in compliance with the Corporate Governance requirements stipulated under the said Listing Rules.

I take this opportunity to thank the Members of the Nominations and Governance Committee of Malwatte Valley Plantations PLC for the invaluable contribution made by them to the Company.



Mr G Z A Chitty  
Chairman

29th May, 2026

## REMUNERATION COMMITTEE REPORT

The Remuneration Committee for 2025 comprised the following members, all of whom served on the committee last year too.

Mr. George Zal Ajit Chitty	Independent Non-Executive Director – Chairman
Mr. Wilfred Avindra De Silva	Independent Non-Executive Director
Mr. Dilantha Stephen Seneviratne	Independent Non-Executive Director
Mr. Gnanavo Chamindra De Silva	Non-Independent Non-Executive Director

The Committee makes every effort to ensure, as far as possible, that the executive Directors, the Management personnel and the members of staff of the Company are remunerated fairly and equitably for their effort and contribution towards the effectiveness, efficiency and smooth operations of Malwatte Valley Plantations PLC.

The Remuneration Committee of the company carefully takes in to consideration a host of relevant factors in deciding on the policy that incorporates the guidelines and a framework towards formulating their recommendations. Given below are the pertinent factors considered in this process:

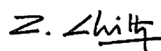
- The industry relevant variables, also taking in to account the applicable location specific ranges of the estates of the organization
- Intense industry competition in attracting efficient staff of certain managerial categories that seem to be in short supply
- Market benchmarks
- Experience and expertise in the Plantation industry
- Staff retention in case of certain members of staff with competencies and skills that are critical in value creation
- Contribution towards profitability and also the need to recognize creativity and innovation in estate management and productivity enhancement
- Motivate exceptional performance that require a repertoire of hard and soft skills
- Creating long term stakeholder confidence and value

During the sessions of the Remuneration Committee in consideration of remuneration structures and salary increments/ adjustments for the ensuing year, the Chairman of the Board and the Managing Director were invited to be present and assist the Committee in its deliberations and decisions, which helped ensure a holistic view of performance. The Director Finance was also required to be present during certain discussions at this meeting, with a view to present the financial implications of the decisions in this connection. The Chairman and the Managing Director however were not present when their own compensation packages were being considered and discussed.

It is also relevant to mention that since the members of the Remuneration Committee are also present at the Audit Committee Meetings and Board Meetings where finance, administration and operational matters are discussed in tactical as well as with strategic insights, the Committee gathers a host of relevant information that provides a more granular review of Strategic Business Units (SBUs) and estate-level performance.

Remuneration structures are carefully designed to incentivize operational efficiency, productivity, cost management, and the achievement of high-quality production standards. This approach ensures that management is motivated to drive growth even when operating under challenging climatic, economic and other operational constraints such as scarcity of estate labor inherent to the plantation industry and particularly to Tea, being our core business area.

The aggregate remuneration of the Executive and Non-Executive Directors during the period under review is referred to on note 35.2.



Zal Chitty  
Chairman of the Remuneration Committee

Colombo  
29th May, 2026

# REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

## Composition

The Related Party Transactions Review Committee, appointed by and responsible to the Board of Directors, comprises three Independent Non-Executive Directors and one Non-Executive Director. The Committee was reconstituted on 5th February 2024.

Mr W. Avindra De Silva	– Independent Non-Executive Director and Chairman of the Related Party Transactions Review Committee
Mr Zal Chitty	– Senior Independent Non-Executive Director and member of the Related Party Transactions Review Committee
Mr Dilantha Seneviratne	– Independent Non- Executive Director and member of the Related Party Transactions Review Committee
Mr G.C. De Silva	– Non-Independent Non- Executive Director and member of the Related Party Transactions Review Committee

Mr W. Avindra De Silva who was appointed as an independent director of the company with effect from 8th December 2023 and appointed as the head of the company's Related Party Transactions Review Committee that comprises Mr. Zal Chitty (senior independent director), Mr G.C De Silva and Mr Dilantha Seneviratne, continued to serve in this capacity for the financial year 2024 /2025.

Mr Avindra De Silva, a senior professional in the Tea industry with a career of over 40 years in the field of Tea procurement and Tea Export business operations, served as a Director of Unilever Lipton Ceylon Ltd and Head of Tea Division. He is a former chairman of the Colombo Tea Traders Association, Tea Exporters Association and a former director of the Sri Lanka Tea Board.

The profiles of the members of the company's Related Party Transactions Review Committee, appears in the report of the Chairman of the Audit committee.

## Meetings and attendance

There were four committee meetings held during the year under review where the attendance recorded was 100%. The Committee continued to review the status post the closure and amalgamation to the main company during the period under review.

## Objective

To ensure that the related party transactions are done, and related disclosures are made in compliance with the requirements of the laws and regulations of Securities and Exchange Commission, Companies Act, Colombo Stock Exchange, Central Bank of Sri Lanka, and Sri Lanka Accounting Standards.

## Identification of Related party transactions

The Director Finance of the Company, a senior Chartered Accountant, informs on a quarterly basis any changes in the transactions of the related parties.

## Related Parties to the Committee

The Company Secretary under supervision of the Director Finance, has sent declaration forms specifying the details required by the regulators to all directors and has obtained the filled declaration forms.

## Activities during the year

During the financial year ended 31 December 2024, the Company's investment in Malwatte Spices (Pvt) Ltd was fully impaired and the subsidiary ceased all operational activities. As of the reporting date, the subsidiary remains dormant with no active operations, no income-generating activity, and no ongoing transactions.

The Committee however continued to review the debtors settlement actions of the former subsidiaries for any related party transactions entered by the Company. At the end of every quarter and an affirmative statement by the Director Finance, re-assuring that all transactions entered into during the quarter were recurrent transactions, which have been entered into, on an arms-length basis where no favourable terms have been offered to related parties and that there had not been any non-recurrent related party transactions during the year under review.

Also, none of the recurrent related party transactions entered into by the Company fall under the category where the aggregate value of such transactions exceeds 10% of the gross revenue / income as per the latest Audited Financial Statements.

# REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Any Related party transactions entered into by the Company during the year under review have been disclosed on page 98 and 106.

## Declaration

The Directors have also disclosed transactions, if any, that could be classified as related party transactions in terms of LKAS 24. With effect from December 2016, all proposed recurrent and non-recurrent related party transactions have been placed before the Related Party Transactions Review Committee formed under the Listing Rules of the Colombo Stock Exchange, for its review and recommendations. The aggregate value of transactions of related parties (as defined in LKAS 24 – ‘Related Parties Disclosure’) with the Company are set out in Note 20 to the Financial Statements on page 98 and 106.

The Board confirms that the Company has not engaged in transactions with any related party in a manner that would grant such party ‘more favourable treatment’ than that accorded to other similar constituents of the Company. The Directors declare that the Company is in compliance with Section 9 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions during the financial year ended 31st December 2025.



Avindra de Silva  
*Chairman - Committee on Related Party Transactions*  
29th May, 2026

# ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Directors of Malwatte Valley Plantations PLC have pleasure in presenting their Annual Report together with the Audited Financial Statements of the Company for the year ended 31st December, 2025.

## General

Malwatte Valley Plantations PLC is a public limited liability Company which was incorporated under the Companies Act, No. 17 of 1982 as a private limited company on 22nd June, 1992, converted to a public limited liability company on 22nd June, 1997 and listed on the Colombo Stock Exchange on 26th July, 2000 and re-registered as per the Companies Act, No.7 of 2007 on 26th December, 2007 under Registration Number PQ 111.

## Principal activities of the Company and review of performance during the year

The principal activities of the Company are processing and selling of Tea, Rubber and Spices.

A review of the business and performance of the Company during the year, with comments on financial results, future strategies and prospects are contained in the Chairman's review which form an integral part of this Report.

## Financial Statements

The Financial Statements of the Company duly signed by two Directors on behalf of the Board are given on pages 57-116.

## Auditors' Report

The Report of the Independent Auditors on the Financial Statements of the Company is given on pages 53-56.

## Accounting Policies

The accounting policies adopted in the preparation of the Financial Statements are given on pages 64-70 to the Financial Statements. There were no significant changes to the accounting policies used by the Company during the year under review.

## Directors

The names of the Directors who held office as at the end of the accounting period are given below and their brief profiles appear on pages 7-9.

Mr. Frits Bogtstra	– Executive Director / Chairman
Mr. Lucas Bogtstra	– Executive Director / Managing Director

Mr. S. D. Samaradiwakara	– Executive Director/ Chief Executive Officer
Mr. K. G. M. Piyaratne	– Executive Director / Director Finance
Mr. G. Chamindra De Silva	– Non Independent Director
Mr. G. Z Ajit Chitty	– Independent Director
Mr. Wilfred Avindra De Silva	– Independent Director
Mr. Dilantha Stephen Seneviratne	– Independent Director

## Resignations / Cessations / Appointments

There were no resignations / cessations during the period under review.

## Directors Interests in Contracts

During the period under review, except as given in the notes to the financial statements, no Director of the Company has any direct or indirect interest in any other contract entered into by the Company.

## Directors Direct and Indirect Shareholdings

Details pertaining to Directors shareholdings as required under the Colombo Stock Exchange Rules are given in the shareholder and Investor information pages 120 of this report.

## Interest Register - Particulars of entries made during the year

The Directors' Interest register is maintained by the Company. Related Party Disclosures of the Company are disclosed in Note No. 35.1 to the Financial Statements.

## Directors' Remuneration

The Directors' remuneration is disclosed under Note 35.2 to the Financial Statements on page 107.

## Directors' Responsibility for Financial Reporting

The Directors are responsible for the preparation of Financial Statements of the Company to reflect a true and fair view of the state of its affairs. A further statement in this regard is included on page 40.

## Auditors

Messrs. Ernst & Young, Chartered Accountants served as the Auditors during the year under review and also provided non audit/ consultancy services. They do not have any interest in the

# ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

Company other than that of Auditor and provider of other non-audit/ consultancy services.

A total amount of Rs. 6.6Mn is payable by the Company to the Auditors for the year under review.

The Auditors have expressed their willingness to continue in office. A resolution to re-appoint the Auditors and to authorise the Directors to determine their remuneration will be proposed at the Annual General Meeting.

## Stated Capital

The Stated Capital of the Company as at 31st December 2025 consists of Voting Shares amounting to Rs.350,000,010/- and Non-Voting Shares amounting to Rs. 23,000,000/-.

## Directors Direct and Indirect Shareholdings

The relevant interests of Directors in the shares of the Company as at 31st December 2025 and 31st December 2024 are as follows:

	Shareholding as at 31.12.2025	Shareholding as at 31.12.2024
Mr. Frits Bogtstra	.....	.....
Mr. Lucas Bogtstra	100,000	100,000
Mr. S. D. Samaradiwakara	.....	.....
Mr. K. G. M. Piyaratne	.....	.....
Mr. G. Chamindra De Silva	.....	.....
Mr. G. Z Ajit Chitty	.....	.....
Mr. W Avindra De Silva	8,000 (nv)	8,000 (nv)
Mr. D S Seneviratne	.....	.....

## Shareholders (Voting & Non Voting)

There were 18,464 shareholders registered as at 31st December 2025 (18,487 shareholders as at 31st December 2024).

## Major Shareholders, Distribution Schedule and Other Information

Information on the distribution of shareholding, analysis of shareholders, market values per share, earnings, dividends, net assets per share, twenty largest shareholders of the Company and public holding as per the Listing Rules of the Colombo Stock Exchange are given on pages 117-119 under Shareholder and Investor information.

## Employment Policy

The Company's employment policy is totally non-discriminatory and respects individuals and provides career opportunities irrespective of gender, race or religion.

As at 31st December 2025, 2,818 persons were in employment (3,021 persons as at 31st December 2024).

## Reserves

The reserves of the Company with the movements during the year are given on page 61.

## Fixed Assets

The Company has invested Rs.642Mn on acquisition of fixed assets during the year which includes acquisition of plant and machinery, motor vehicles, land improvements, land and buildings etc. Information relating to the movements of fixed assets is given in the notes to the accounts.

## Land Holdings

The Company's land holdings are referred to on pages 122-124.

## Property, Plant & Equipment

Details and movements of property, plant and equipment are given under Note 13 to the Financial Statements on pages 88-89.

## Investments

Details of the Company's quoted and unquoted investments as at 31st December 2025 are given in Note 15.1 to the Financial Statements on page 95.

## Donations

No Donations have been made during the year under review.

## Dividends

As required by Section 56(2) of the Companies Act No. 7 of 2007, the Board of Directors have confirmed that the Company satisfies the solvency test in accordance with Section 57 of the Companies Act No. 7 of 2007, and has obtained a certificate from the auditors, prior to declaring all dividends.

# ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Board of Directors have proposed a final dividend payment of Rs. 0.12 per share for the financial year under review.

## Risk Management

An ongoing process is in place to identify and manage the risks that are associated with the business and operations of the Company. The Directors review this process through the Audit Committee. Specific steps taken by the Company in managing the risks are detailed in the section on Risk Management on pages 25-26.

## Statutory Payments

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company, all contributions, levies and taxes payable on behalf of, and in respect of employees of the Company and all other known statutory dues as were due and payable by the Company as at the Reporting date have been paid or, where relevant provided for, except for certain assessments where appeals have been lodged.

## Events Occurring after the Reporting Date

There are no material events as at the date of the Auditors' Report which require adjustment to, or disclosure in the Financial Statements.

## Corporate Governance

- The Board of Directors confirm that the Company is compliant with Section 9 of the Listing Rules of the Colombo Stock Exchange.
- The Directors have declared all material interests in contracts involving the Company and refrained from voting on matters in which they were materially interested.
- The Board of Directors has conducted a review of internal controls covering financial, operational and compliance controls, risk management and has obtained a reasonable assurance of their effectiveness and proper adherence.

- The Directors are aware of the applicable laws, rules and regulations and are aware of the changes particularly to Listing Rules and applicable capital market provisions.
- The measures taken and the extent to which the Company has complied with the Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka have been disclosed.
- The Company complied with all applicable laws and regulations in conducting its business and has not engaged in any activity contravening the relevant laws and regulations. Officers responsible for ensuring compliance with the provisions in various laws and regulations confirm compliance in each quarter to FAMC.
- All endeavors have been made to ensure that shareholders in each category have been treated equitably in accordance with the original Terms of Issue.

The Corporate Governance Statement on pages 10-23 explains the measures adopted by the Company during the year.

## Board Sub-Committees

An Audit Committee, Remuneration Committee, Related Party Transactions Review Committee and Nominations and Governance Committee function as Board sub committees, with Directors who possess the requisite qualifications and experience. The composition of the said Committees is reflected on page 13 under Corporate Governance.

## Corporate Social Responsibility

The Company continued its Corporate Social Responsibility Programmes, details of which are set out on pages 41-52 of this Report.

## Going concern

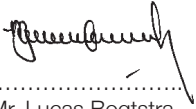
The Board being satisfied that the Company has adequate resources to continue its operation in the foreseeable future has adopted the going concern basis in preparing the financial statements.

# ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

## Annual General Meeting

The Annual General Meeting will be held on 25th June 2026 at 10.30 am on a virtual platform. Notice of the Thirty-Second (32nd) Annual General Meeting and Supplementary Notice to the Shareholders appear on page 127.

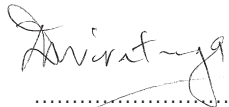
This Annual Report is signed for and on behalf of the Board of Directors by:



.....  
Mr. Lucas Bogtstra



.....  
Mr. S. D. Samaradiwakara



.....  
Secretarius (Private) Limited  
Secretaries

29th May 2026

# DIRECTORS' RESPONSIBILITIES

The Companies Act requires the Directors to prepare Financial Statements for each financial year giving a true and fair view of the State of Affairs of the Company as at the end of the financial year and of the Profit and Loss of the Company for the financial year. In preparing the financial statements, appropriate accounting policies have been selected and applied consistently, reasonable and prudent judgement and estimates have been made, and applicable accounting standards have been followed.

The Directors are responsible for ensuring that the Company keeps sufficient accounting records to disclose with reasonable accuracy the financial position of the Company and for ensuring that the Financial Statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards Act No. 15 of 1995 and provide the information required by the Companies Act No.7 of 2007 and the Rules of the Colombo Stock Exchange. They are also responsible for taking reasonable measures to safeguard the assets of the Company, and in that context to have proper regard to the establishment of appropriate systems of internal control with a view to the prevention and detection of frauds and other irregularities. The Auditors have carried out reviews and sample checks on the system of internal controls as they considered appropriate and necessary for expressing their opinion on the financial statements. The Directors have extended full co-operation to the Auditors and have provided them with every opportunity to carry out their statutory obligation of expressing an opinion on the financial statements. The Directors also confirm that to the best of their knowledge all taxes and levies payable by the Company, all contributions, levies and taxes payable on behalf of and in respect of the employees and all other known statutory obligations as were due as at the statement of financial position date have been either duly paid or appropriately provided for in the financial statements.

By Order of the Board

Malwatte Valley Plantations PLC



Secretarius (Private) Limited  
Secretaries

29th May 2026

# SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

## BASIS OF PREPARATION

### 1. Reporting Entity, Organization Boundary and Value Chain

This report has been prepared in line with the SLFRS Sustainability Disclosure Standards issued by the Institute of Chartered Accountants of Sri Lanka (SLFRS S1 and SLFRS S2).

#### Reporting Period and Boundary

This report covers the financial year from 1 January 2025 to 31 December 2025, consistent with the company's financial reporting period. The disclosures presented herein apply to all operations and assets within the financial reporting boundary of Malwatte Valley Plantations (MVP) PLC.

#### Overview of the Value Chain

MVP Plc is engaged in premium agro manufacturing and export agricultural crops. The company operates 17 estates and 5 factories in the Up-country and Low-country regions. In identifying its Climate-Related Risks and Opportunities (CRROs), the Company considered its entire value chain.

#### Upstream Value Chain

MVP's upstream value chain critically relies on inputs such as fresh tea leaf, rubber, agrochemicals, fertilizers, energy and labor.

#### Downstream Value Chain

The company downstream value chain includes tea sales through the Colombo Auction and direct exports and sales of Rubber.

### 2. Basis of Materiality

The company discloses only those CRROs that could reasonably be expected to affect its cash flow, access to finance, or cost of capital over the short, medium, or long term.

The company adopts a financial materiality lens when identifying material topics and determining reporting content. Materiality is determined by considering both quantitative and qualitative factors. The materiality thresholds will be reviewed annually to ensure continued alignment with the Companies' internal policies and governance framework.

The materiality threshold applicable to the Statement of Profit or Loss set at 10% of Profit Before Taxes over the past 3 years (2023-2025).

However, in light of the possible implications of significant effects, qualitative events that support decision making will also be included, based on the following criteria:

- Reputational Risk and Buyer Trust.
- Compliance with Sustainable Certifications.
- Non-compliance with any regulatory and policy frameworks.

CRROs not meeting threshold above are classified as non-material for the reporting period and full internal record of evaluated topics is maintained for future reference

### 3. Functional Currency

All disclosures are made in Sri Lankan Rupees (LKR).

### 4. Sources of Guidance

Non-financial disclosures have been prepared according to the following sources of guidance for the identification and disclosure of CRROs,

- SLFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information and
- SLFRS S2 –Climate-related Financial Disclosures Standard

### 5. Reporting Period

The reporting period covers the financial year from 1st January 2025 to 31st December 2025.

### 6. Time Horizon

The Company assesses Climate-Related Risks and Opportunities (CRROs) using a holistic approach covering its plantation operations, value chain, and agro-climatic environment. Time horizons are classified as short-term, medium-term, and long-term based on the nature and expected impact of climate-related factors.

Medium-term are aligned with the Company's plantation and replanting cycles. Short-term risks include particularly extreme weather events such as droughts and heavy rainfall, are monitored regularly due to their direct impact on crop yield and field operations. Long-term assessments are informed by national climate projections.

This enables the company to integrating climate considerations into operational planning and long-term strategic objectives as per below time horizons.

# SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

Time Horizon	Period Covered	Description
Short-term	2026	Matters expected to impact the Company within one year from the reporting date.
Medium-term	2027–2031	Matters expected to impact the Company within two to five years from the reporting date.
Long-term	2032 and beyond	Matters expected to impact the Company beyond six years from the reporting date.

## 7. Connected Information

The climate-related disclosures in this Report are prepared in a connected and integrated manner, reflecting the company's approach to managing Climate-Related Risks and Opportunities (CRROs) across its operations. These disclosures explain how climate considerations are linked to governance structures, strategic planning, risk management practices and performance monitoring. They also provide linkages, where appropriate, to the financial statements and other relevant sections of the Annual Report, enabling a clear and holistic view of the company's climate-related impacts and responses.

## 8. Transitional Relief

The company has applied the transitional reliefs permitted under SLFRS S1 and S2, as issued by CA Sri Lanka, in preparing this year's SLFRS sustainability-related financial disclosures.

- In the first annual reporting period of applying SLFRS S1, the Company has adopted a climate-first reporting approach. Accordingly, the Company has elected to disclose information primarily on Climate-Related Risks and Opportunities (CRROs), in line with SLFRS S2 requirements. This approach permits the initial focus on climate-related disclosures while broader sustainability-related reporting under SLFRS S1 will be progressively developed and enhanced in subsequent reporting periods.
- As permitted by SLFRS S2 (C3), the Company has not disclosed comparative information relating to Climate-Related Risks and Opportunities in the initial year of applying the Standard. Furthermore, comparative disclosures on sustainability-related risks and opportunities beyond CRROs will not be required in the second year of application.
- In accordance with SLFRS S2.29(a)(i)(3), the Company is initially required to disclose only Scope 1 and Scope 2 greenhouse gas emissions. Disclosure of Scope 3 emissions will become mandatory two years after the initial application of the Standard.

- As per SLFRS S2.15.(b): Entities are permitted to defer the disclosure of qualitative information on anticipated financial effects for a period of two years following the mandatory application of the Standard.
- Under SLFRS S2.22, a relief period of two years is granted from the date of mandatory application to fully comply with the climate resilience disclosure requirements.

## 9. Significant Judgements, Uncertainties and Proportionality

Professional judgment and estimation were applied when determining Sustainability-related financial disclosures due to the future-oriented and evolving nature of relevant risks. This approach ensures that disclosures remain faithful to the company's operational reality while meeting the expectations of primary users.

### Key areas include:

- Identification of Climate-Related Risks and Opportunities  
Professional judgement applied to identify specific sustainability-related risks and opportunities. Extreme weather events were considered a material physical climate risk, with potential impacts on the company's cash flows, asset quality, operational resilience, and access to capital over the short, medium or long term.
- Determination of Materiality  
The Company applied professional judgement in assessing materiality, by considering the potential effects of identified climate-related risks on enterprise value, consistent with the principles of SLFRS S2.

## 10. Statement of Compliance

This report represents a complete set of sustainability-related financial disclosures for **Malwatte Valley Plantations PLC** for the year ended 31 December 2025. The companies' sustainability-related disclosures have been prepared in accordance with SLFRS Sustainability Disclosure Standards as issued by the Institute of Chartered Accountants of Sri Lanka.

## GOVERNANCE

### Board Oversight Role

As a plantation company with significant reliance on natural capital, the Board maintains oversight of sustainability and climate related risks and opportunities that may influence operational resilience and long-term value creation.

# SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

The Board has established a Board Sustainability Committee (BSC) to focus on sustainability and climate related risks and opportunities. Comprising three Directors, including an Independent Non-Executive Director as Chairman. The Committee assists the Board in overseeing the company's sustainability agenda, climate-related risks and opportunities. The Committee meets on a quarterly basis and reports its observations and recommendations to the Board.

## Responsibility

Its responsibilities include reviewing sustainability objectives and performance indicators and assessing sustainability-related risks and opportunities. The BSC also ensuring that sustainability considerations are appropriately integrated into strategic planning and decision-making processes. Particular emphasis is placed on matters relevant to plantation operations, including climate adaptation, resource efficiency, biodiversity conservation and responsible agricultural practices.

The Committee further reviews compliance with applicable sustainability reporting requirements, including SLFRS Sustainability Disclosure Standards, and recommends policies, targets and initiatives that support the company's sustainability commitments and long-term strategic objectives. The Committee is empowered to obtain information from management, engage external expertise where necessary and oversee independent assurance activities relating to sustainability disclosures.

## Skills and Competencies

MVP ensures that the Board and its committees collectively maintain relevant sustainability-related expertise. Board Sustainability Committee comprises members with practical experience in plantation operations and corporate governance, enabling informed oversight of sector-specific sustainability risks and opportunities.

Board composition is subject to periodic review to ensure continued alignment with evolving sustainable and climate related priorities.

Further, the company organised a meeting for the Board of Directors on the "Role of the Board of Directors in Managing Climate Risks and Opportunities." In addition, SLFRS awareness programmes were provided to enhance the Directors' understanding of SLFRS S1 and S2 Standards.

## Inform

The Company maintains a proper governance structure to oversee sustainability initiatives and CRROs. The BSC plays a central role in monitoring the implementation of SLFRS S1 and S2, with progress on the action plan presented quarterly by CEO or CRO.

The Board is kept informed on sustainability matters through BSC. Strategic sustainability topics are tabled and discussed regularly at Board meetings, ensuring sustainability remains embedded in our overall business strategy.

## Address

Committee / Board	Key area/s discussed related to sustainability
BSC	<ul style="list-style-type: none"> <li>i. Implementation and alignment with SLFRS Sustainability Disclosure Standards (SLFRS S1 and S2).</li> <li>iii. CRROs strategy development and target setting.</li> <li>iii. Managing CRROs..</li> </ul>

## Monitor

The Board of Directors has overall responsibility for the governance of climate-related matters, including oversight of SLFRS S1 and SLFRS S2 implementation. The Board Sustainability Committee supports the Board of Directors by providing focused oversight of sustainability-related matters, including climate-related risks and opportunities. The Committee reviews sustainability performance and related disclosures on a periodic basis and ensures that climate considerations are integrated into strategic and operational decision-making.

## Management Role

### Delegation

To operationalise sustainability strategies and support implementation of Board-approved climate-related initiatives, An ESG Committee has been established. The Committee facilitates the execution of climate-related risk management actions and integration of sustainability practices across the company.

The ESG serves as the link between the Board of Directors and operational estate teams. Its key responsibilities include identification of Climate-Related Risks and Opportunities (CRROs), implementation of mitigation and adaptation measures and reporting performance to the Board Sustainability Committee on a periodic basis.

The implementation of the SLFRS S1 and S2 sustainability disclosure framework is supported through a cross-functional coordination structure comprising relevant corporate finance, strategic planning, internal audit and estate-level operational teams.

The Company collaborates with these functions to identify and assess climate-related risks, opportunities, and data gaps in line with SLFRS S1 and S2 requirements.

# SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

## Policies and procedures

### Climate Change and Weather Adaptation Procedure

As part of the Company's operational risk management framework, this procedure is explicitly structured to address vulnerabilities stemming from climate unpredictability and shifting weather patterns. It outlines protocols for managing disruptions to crop harvesting, such as the impact of irregular rainfall on rubber tapping days, and establishes mitigation actions like soil enhancement and sloped-terrain water management systems to reduce erosion.

### Crop Diversification and Biological Risk Management Policy

A core component of our Enterprise Risk Management structure, this policy provides a systematic framework to mitigate monoculture risks and biological asset vulnerabilities. It governs the procedures for strategic crop diversification into resilient

alternatives, including expanding extents under Cinnamon and Avocado cultivation to safeguard long-term financial stability.

### ESG Policy

The Company's ESG policy supports its commitment to sustainable plantation management and responsible business practices. The policy provides a framework for integrating environmental, social and governance considerations into operational activities and decision-making processes across the Company's plantation operations.

The ESG policy focuses on key sustainability priorities including climate resilience and environmental conservation. Through the implementation of ESG-related initiatives and sustainable agricultural practices, the Company aims to strengthen operational resilience, support long-term value creation and maintain compliance with applicable regulatory and governance requirements.

## STRATEGY

CRRO 1	Extreme Weather Events	
CRROs impact on Prospects	Description	The company is affected by climate-related extreme weather conditions including <ul style="list-style-type: none"> <li>- Droughts</li> <li>- Heavy rainfall</li> <li>- Rising temperatures</li> <li>- Pest &amp; Diseases</li> <li>- Water scarcity</li> <li>- Soil degradation.</li> </ul> These impacts lead to reduced yield.
	Physical Risk or Transition Risk	Physical Risk
	Time Horizon	M, L
	Define time horizon	Refer to Basis of Defining the Time Horizon on page 41
Business Model and Value Chain	Current Effects on Business Model and Value Chain	No material impact to current business model and value chain.
	Anticipated Effects on Business Model and Value Chain	Climate-related extreme weather conditions and environmental degradation directly affect plantation productivity and crop quality across both tea and rubber operations. Prolonged droughts and water scarcity reduce soil moisture levels, negatively impacting plant growth, crop yields and latex production. Heavy rainfall and erratic weather patterns disrupt harvesting and tapping activities, increase soil erosion and damage estate infrastructure. Rising temperatures affect crop quality, particularly in the tea sector, by influencing leaf development and seasonal yield patterns. In addition, changing climatic conditions contribute to the spread of pests and diseases, increasing crop vulnerability and plantation management costs. Soil degradation resulting from continuous exposure to adverse weather conditions further reduces land fertility and long-term agricultural productivity.
	Where is it Concentrated?	Highly concentrated in upstream agricultural cultivation across estate operations located in the primary planting zones of Bandarawela, Badulla (Uva region), and Awissawella (Sabaragamuwa province).

# SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

CRRO 1	Extreme Weather Events	
Strategy and Decision Making	Plans to respond to in Strategy, Risk Management, Transition Plans and Climate-related Targets	<p>Under the risk framework overseen by the Board, the company deploys targeted agricultural adaptation and asset protection methodologies:</p> <ul style="list-style-type: none"> <li>• Incorporating extensive soil and moisture conservation protocols alongside sloped-terrain field adaptations to mitigate land degradation and severe erosion.</li> <li>• Expanding organic compost utilization to reinforce soil resilience.</li> <li>• Cultivating heat-tolerant and drought-resilient cultivars to sustain yields.</li> <li>• Executing a long-term commercial diversification policy that targets low-yielding agricultural parcels and converts them into commercial alternative crops, notably Cinnamon (400 Ha) and Avocado (126 Ha), to hedge against monoculture exposure and disease.</li> </ul>
	How the Company is Resourcing and Plan to Resource Activities	The company leverages designated operational cash allocations and ongoing capital expenditures (CAPEX) to implement estate-level biological treatments, field upgrades, replanting initiatives.
	Progress (qualitative and quantitative)	<p>Qualitative: Successfully sustained estate operations through challenging weather anomalies by relying on robust field management and agricultural best practices.</p> <p>Quantitative: Expanded Cinnamon cultivation extents by 58.5 Ha (reaching a total of 400 Ha) and brought the specialized Cinnamon Processing Factory into active production. Added an extra 27.5 Ha to Avocado cultivation blocks.</p>
Financial Effects	Current year financial effects to PL, BS and CF	We have not identified material financial effects to the current financial year.
	Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year	We have not identified Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year.
	Anticipated financial effect over short, medium and long term to PL, BS and CF	Refer page 42 Transitional Relief
Climate resilience	Resilience Assessment	Refer page 42 Transitional Relief
	How and When Climate Scenario Analysis was performed. Disclosure of (i) Inputs; (ii) Key Assumptions, and (iii) Reporting period in which scenario analysis was carried out	Refer page 42 Transitional Relief
Judgements and Uncertainties	Judgements	Management has applied judgement in assessing the significance of climate-related physical risks, including extreme weather events and environmental degradation, and their potential impact on agricultural operations and long-term performance.
	Uncertainties	These disclosures involve estimation uncertainty due to the unpredictable nature of climate change impacts, and actual outcomes may differ from current assessments based on available information at the reporting date.

# SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

CRRO 2	Climate-Resilient Agriculture (Organic Tea)	
CRROs impact on Prospects	Description	Growing global demand for organically produced and sustainably certified tea presents a significant climate-related opportunity for the Company. The transition towards organic tea cultivation supports improved soil health, biodiversity conservation and climate resilience while enabling access to premium export markets and enhancing long-term brand value. Investments in specialized processing facilities and modern manufacturing equipment further strengthen the Company's ability to produce value-added organic tea products and capture emerging market demand.
	Physical Risk or Transition Risk	Not applicable
	Time Horizon	S, M and L
	Define time horizon	Refer to Basis of Defining the Time Horizon on page 41
Business Model and Value Chain	Current Effects on Business Model and Value Chain	The Company has commenced investments in organic tea cultivation and supporting processing infrastructure. During the reporting period, expenditure was incurred on organic tea development activities and factory-related improvements. No material impact on the current business model and value chain was identified during the reporting period as the transition remains in its implementation phase.
	Anticipated Effects on Business Model and Value Chain	Over the medium to long term, the transition to organic tea cultivation is expected to strengthen the Company's upstream agricultural operations through improved soil quality, reduced dependence on synthetic agrochemicals and enhanced resilience to climate-related stresses. Downstream benefits are expected through access to premium tea markets, improved product differentiation, stronger customer relationships and enhanced market positioning in sustainability-conscious export destinations.
	Where is it Concentrated?	The opportunity is primarily concentrated across tea-growing estates and tea processing facilities within the Company's plantation operations. Additional value creation is expected through downstream marketing and export channels targeting premium organic tea markets.
Strategy and Decision Making	Plans to respond to in Strategy, Risk Management, Transition Plans and Climate-related Targets	Under the oversight of the Board Sustainability Committee, the Company is progressively implementing an organic tea transition programme. Key initiatives include: <ul style="list-style-type: none"> <li>• Expansion of organic tea cultivation areas.</li> <li>• Adoption of sustainable soil management and organic fertilization practices.</li> <li>• Investment in specialized tea processing machinery to support organic production requirements.</li> <li>• Development and enhancement of tea factory infrastructure to improve processing efficiency and product quality.</li> <li>• Pursuit of relevant certifications and market development initiatives to strengthen access to premium international markets.</li> </ul>
	How the Company is Resourcing and Plan to Resource Activities	The transition programme is supported through a combination of operating cash flows and planned capital expenditure allocations. Resources are directed towards field development, organic cultivation practices, staff training, certification requirements, specialized processing equipment and factory development projects necessary to support future production growth.
	Progress (qualitative and quantitative)	<p><b>Qualitative:</b> Continued progress was achieved in implementing the Company's organic tea strategy through investments in cultivation practices, processing capabilities and factory development initiatives.</p> <p><b>Quantitative:</b> Approximately LKR 33 million had been invested in organic tea production infrastructure as at 31 December 2025. Additional capital expenditure has been approved to support the completion of the transition programme and expansion of processing capacity</p>

# SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

CRRO 2	Climate-Resilient Agriculture (Organic Tea)	
Financial Effects	Current year financial effects to PL, BS and CF	We have not identified material financial effects to the current financial year.
	Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year	We have not identified Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year.
	Anticipated financial effect over short, medium and long term to PL, BS and CF	Refer page 42 Transitional Relief
Climate resilience	Resilience Assessment	Refer page 42 Transitional Relief
	How and When Climate Scenario Analysis was performed. Disclosure of (i) Inputs; (ii) Key Assumptions, and (iii) Reporting period in which scenario analysis was carried out	Refer page 42 Transitional Relief
Judgements and Uncertainties	Judgements	Professional judgement was applied in determining that organic tea market expansion constitutes a material climate-related opportunity. This assessment considered expected market demand for sustainable agricultural products, the Company's investment commitments and the potential for enhanced long-term enterprise value creation.
	Uncertainties	The anticipated benefits associated with organic tea market expansion are subject to uncertainties including future consumer demand, certification requirements, market price premiums, climatic conditions, export market developments and the timing of achieving expected production yields and commercial returns.

## RISK MANAGEMENT

### Processes and Policies Relating to Climate-related Risks

#### Identification

- i. Inputs and Parameters the Company Use
  - Meteorological and Weather Pattern Monitoring: Given that the company's agricultural operations are highly sensitive to weather variations, daily and seasonal rainfall levels and localized Uva/Awissawella weather patterns use as direct inputs.
  - Crop Yield and Quality Data: Historical and current tracking of tea yields per hectare, rubber tapping day availability, and auction crop quality form essential metric baselines.
  - Stress Biological Threats Indicators: The company tracks climate-driven biological risks, such as the spread of Pesta fungal disease on rubber tree bark, as a key input parameter.

- ii. Whether the Company Uses Climate-related Scenario Analysis

The company has taken transition relief and in the process of conducting climate scenario analysis to assess the resilience of climate-related strategies and business model.

# SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

## Assessment

### iii. How the Company Assess:

#### Nature

The company reviews the dual nature of climate impacts on premium tea and rubber portfolios. It assesses physical risks (soil erosion on sloped terrain, crop yield degradation) and transition risks (fluctuating market preferences at the Colombo Auction)

#### Likelihood

The Company assesses the likelihood of climate-related risks and opportunities based on the probability of occurrence over the relevant assessment period. The following criteria are used when evaluating and prioritizing Climate-Related Risks and Opportunities (CRROs):

The company has determined the likelihood of occurrence as outlined below.

Likelihood Category	Definition	Probability of Occurrence
Very Likely	Expected to occur in most circumstances and has a high probability of affecting operations, assets or financial performance.	81% – 100%
Likely	Expected to occur under normal circumstances and may significantly affect business operations or performance.	61% – 80%
Possible	Could reasonably occur and may have a moderate impact on operations or financial outcomes.	41% – 60%
Unlikely	Not expected to occur under normal circumstances but remains possible under certain conditions.	21% – 40%
Very Unlikely	Rare occurrence with minimal expectation of material impact under current conditions.	0% – 20%

## Magnitude/Exposure

Exposure is quantified using quantitative and qualitative filters. The company tests potential climate disruptions against its rolling 10% PBT materiality threshold to calculate how much asset impairment, supply chain interruption or disrupt cash flows.

The company has determined the Magnitude/Exposure outlined below.

Description	Financial Impact
Severe	10% impact to PBT
Significant	7.5% impact to PBT
Moderate	5% impact to PBT
Minor	1% impact to PBT
Negligible	No impact

## Prioritization

### iv. whether and how the entity prioritises climate-related risks relative to other types of risk

Climate-related risks and opportunities are evaluated within the Company's Enterprise Risk Management framework together with other key risks such as financial, operational, market, regulatory and foreign exchange risks. Prioritization is based on the magnitude and likelihood of impacts on cash flows, profitability, asset values, operational continuity and long-term strategic objectives. Material climate-related matters are elevated to the Board Sustainability Committee and management for ongoing oversight and integration into business planning and capital allocation decisions.

# SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

## Monitoring

- v. how the entity monitors climate-related risks

Operational Management Monitoring:

Monitoring is integrated directly across Malwatte's 17 estates and 5 factories. Estate Superintendents and regional heads continuously monitor agricultural indicators like rainfall, soil quality and fertilizer volume.

## Changes in the Process

- vi. Standardized SLFRS S1 & S2 Framework: Company has formalized and updated its assessment process by aligning with the disclosure requirements of SLFRS Sustainability Disclosure Standards.

## Processes and Policies Relating to Climate-related Opportunities

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

The Company use the same core methods to identify, assess, prioritize, and monitor both climate-related risks and opportunities across its 17 estates and factories. Opportunities are identified by monitoring shifting weather patterns and agroclimatic conditions, and are prioritized based on their capacity to generate non-traditional, weather-resilient income streams, such as crop diversification — that protect corporate net margins from physical climate shocks while maintaining capital expenditure stability. These initiatives are continuously monitored through the dual framework of estate-level operational teams and the Board Sustainability Committee.

## Integration to Overall ERM

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

CRROs is a material topic for the company and this has been embedded in the overall strategy of the MVP. Refer to Risk Management Report.

## METRICS AND TARGETS

### Cross Industry Metrics

#### 1) Greenhouse Gas Emissions (GHG)

##### *Basis of Determination of Organizational Boundary and Operational Boundary*

The Company determines its organizational boundary using the operational control approach, which directly aligns with the financial reporting boundary of Malwatte Valley Plantations PLC. This boundary encompasses all operations across its 17 estates and processing factories located in the Up-country and Low-country regions

In accordance with the transitional relief available under SLFRS S1 and SLFRS S2, the Company has disclosed Scope 1 (Direct) and Scope 2 (Indirect) greenhouse gas emissions for the 2025 reporting period, while the disclosure of Scope 3 emissions has been deferred as permitted by the standards.

##### *Methodology used for the measurement and disclosure of GHG Emissions*

The Company measures and discloses its GHG emissions using the GHG Protocol, in accordance with the SLFRS S2 requirement.

Emissions are categorized into Scope 1 (Direct) and Scope 2 (Indirect) emissions. Scope 1 covers direct emissions from stationary combustion (such as generators, boilers, and LPG use), mobile combustion (estate and agricultural vehicles), process combustion from composting, and fugitive emissions from refrigerant leakages, fire extinguishers, and agricultural soil treatments (fertilizer and

# SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

dolomite application). Scope 2 covers indirect emissions from purchased electricity consumed.

The Company uses recognized emission factors from the 2006 IPCC Guidelines alongside locally relevant sources to convert primary activity data into carbon dioxide equivalent values. Data collection follows structured internal utility, purchase, and fuel tracking processes with localized quality checks to ensure accuracy and consistency.

## Summary of GHG Emissions

Scope	2025 (mtCO <sub>2</sub> e)
Scope 1	3,104
Scope 2	952
Scope 3 (Note: Refer Transitional Relief)	
Total	4,056

## GHG Scope 1 and Scope 2 Emissions

Description	Greenhouse gas emissions (metric tones CO <sub>2</sub> e) 2024/25		
	Scope 1	Scope 2	Total
Consolidated accounting group	3,104	952	4,056
Other investee (investment in associate, joint ventures)	N/A	N/A	N/A
<b>Total (Operational control approach)</b>	<b>3,104</b>	<b>952</b>	<b>4,056</b>

## Key Assumptions and Sources of GHG Measurement

Scope	Emission Sub-category	Activity	Data Source	Source of Emission Factor	Source of GWP Values
Scope 1	Stationary combustion	Diesel consumption by Generator	Fuel records	2006 IPCC Guidelines for National Greenhouse Gas Inventories	PCC Sixth Assessment Report, 2020 (AR6)
		Firewood for boilers	Firewood record		
		LPG for cooking	LPG purchase record		
Scope 1	Mobile combustion	On-road vehicles	Fuel records	2006 IPCC Guidelines for National Greenhouse Gas Inventories	IPCC Sixth Assessment Report, 2020 (AR6)
		Off-road vehicles			
Scope 1	Process combustion	Composting	Compost records	2006 IPCC Guidelines for National Greenhouse Gas Inventories	IPCC Sixth Assessment Report, 2020 (AR6)

# SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

Scope	Emission Sub-category	Activity	Data Source	Source of Emission Factor	Source of GWP Values
Scope 1	Fugitive Emissions	Refrigerant leakage	Refrigerant refilling records	2006 IPCC Guidelines for National Greenhouse Gas Inventories	IPCC Sixth Assessment Report, 2020 (AR6)
		CO2 leakage from fire extinguishers	CO2 refilling records	N/A	
		Direct emissions from fertilizers	Fertilizer purchase records	2006 IPCC Guidelines for National Greenhouse Gas Inventories	
		Dolomite	purchase records	2006 IPCC Guidelines for National Greenhouse Gas Inventories	
Scope 2	Electricity Consumption	Grid Electricity consumption	Electricity bills	Sri Lanka Energy Balance 2022	N/A

## 2) Climate-related Physical Risks

Company has not performed a quantified assessment of the percentage of assets or business activities vulnerable to climate related physical risks as of 31 December 2025.

## 3) Climate-related Transition Risks

Company has not performed a quantified assessment of the percentage of assets or business activities vulnerable to climate related Transition risks as of 31 December 2025.

## 4) Climate-related Opportunities

In compliance with SLFRS S2, MVP has identified organic tea expansion as core climate opportunity. While these projects have not yet altered material revenue flows in the current financial year, the company has aligned its business activities by investing on organic tea manufacturing as follows.

Climate-Related Opportunity Identified	Alignment Metric	Amount (LKR)	Percentage (%) of Total Assets
<b>Organic Tea Production Infrastructure</b> (Invested up to Dec 31, 2025)	Historical Capital Asset Allocation	LKR 33,000,000	0.3%
<b>Organic Tea Transition</b> (Future commitments)	Approved Capital Budget Commitments	LKR 87,000,000	0.7%

# SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

## 5) Capital Expenditure

Capital expenditures are intentionally deployed to finance agricultural climate adaptation and diversify risk away from traditional monoculture vulnerabilities. As of 31 December 2025, LKR 33 million was incurred for organic tea production development, with an additional future capital budget commitment of LKR 87 million to complete this transition. For the 2026 financial year, the approved forward capital budgets for weather-resilient crop planting and field-level upgrades are structured as follows:

- High-density tea planting (Low-country): LKR 173 million
- High-density tea planting (Upcountry): LKR 13.5 million
- Avocado cultivation: LKR 133 million
- Cinnamon cultivation: LKR 33.3 million

## 6) Internal Carbon Pricing

The Company does not currently utilize an internal carbon pricing mechanism. The feasibility of introducing carbon pricing will be reviewed in future reporting periods.

## 7) Remuneration

Climate-related metrics are not yet formally linked to executive or management remuneration. The Board Sustainability Committee plans to consider integrating measurable climate targets into remuneration structures in future reporting periods.

### Industry Specific Metrics

Sustainability Accounting Standards Board (SASB) Index

The Company aims to adopt the applicable industry-specific standards issued by the Sustainability Accounting Standards Board (SASB) in future reporting periods.

### Climate-related Targets

The company does not have any climate related targets as of 31 December 2025.

# INDEPENDENT AUDITOR'S REPORT



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CAY/PT/DRM

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## TO THE SHAREHOLDERS OF MALWATTE VALLEY PLANTATIONS PLC

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Malwatte Valley Plantations PLC ("the Company"), which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company Give a true and fair view of the financial position of the Company as at, 31 December 2025, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

#### Basis for opinion

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

#### Key audit matters

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

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

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

Principal T P M Ruberu FCMA, FCCA MBA (USJ-SL), G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons)- MIS Msc - IT,  
V Shakthivel B.Com (Sp)

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## Key audit matters

1. Valuation of Consumable Biological Assets	
<p>Assessment of consumable biological assets are carried at fair value. The fair value of such assets was determined by an external valuer engaged by the Company.</p> <p>This was a key audit matter due to:</p> <ul style="list-style-type: none"> <li>&gt; the materiality of the reported fair value of consumer biological assets which amounted to Rs.2,033 Mn representing 16% of the Company's total assets as of the reporting date; and</li> <li>&gt; the degree of assumptions, judgements and estimation uncertainties associated with fair valuation of consumer biological assets and the complexity of the valuation process.</li> </ul> <p>Key areas of significant judgments, estimates and assumptions used in assessing the fair value of consumer biological assets, as disclosed in Notes 4.3, 14.2 and 14.3 to the financial statements, included judgements involved in ascertaining the appropriate valuation technique and estimates such as:</p> <ul style="list-style-type: none"> <li>&gt; Discount rate</li> <li>&gt; Expected timber volume</li> <li>&gt; Price per cubic meter</li> </ul>	<p>Our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"> <li>&gt; Assessed the competence, capability and objectivity of the external valuer engaged by the Company.</li> <li>&gt; Read the external valuer's report and identified the key estimates made and the valuation approaches taken by the valuer in determining the fair value of consumable biological assets.</li> <li>&gt; Agreed the key data used by the external valuer, to the underlying books and records maintained by the Company. This also included assessing the appropriateness &amp; consistency of the application of the formula used for deriving the expected timber volume.</li> <li>&gt; Assessed the reasonableness of significant assumptions, judgements and estimates made by the valuer such as discount rate, expected timber volume, price per cubic meter and valuation technique in assessing the fair value of consumer biological assets. Our procedures included comparing with the industry practices that are generally used in determining fair value of consumable biological assets.</li> </ul> <p>We also assessed the adequacy of the disclosures made in Notes 4.3, 14.2 and 14.3 to the financial statements.</p>
2. Measurement of Bearer Biological Assets	
<p>As of 31 December 2025, the Company's bearer biological assets amounted to Rs. 2,520 Mn and represented 20% of the Company's total assets. Bearer Biological Assets comprised of Rs 1,005 Mn Immature Plantations and Rs 1,515 Mn of Mature plantations, as disclosed in Note 14.1. to the financial statements. Measurement of Bearer Biological assets in the financial statements was a key audit matter due to following:</p> <ul style="list-style-type: none"> <li>&gt; The materiality of the reported bearer biological asset balance; and</li> <li>&gt; Identification of costs to be capitalized as immature plantations, the degree of management's judgement involved in point at which transfers are to be made from immature plantations to mature plantations and identification of possible indicators of impairment, as disclosed in Notes 3.6.6.1 and Notes 14.1 to the Financial Statements.</li> </ul>	<p>Our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"> <li>&gt; Obtained an understanding of management's expense allocation process and the identification of expenses to be capitalized in relation to immature plantations.</li> <li>&gt; Tested the significant expenses incurred by capital expenditure authorizations and other corroborative evidence.</li> <li>&gt; Assessed the reasonableness of depreciation provided on the matured plantations by performing independent computations.</li> <li>&gt; Inspected the ageing profile of the immature biological assets as of the reporting date to ensure that possible indicators of impairment have been identified, assessed for probable impairment charges/ losses accounted for in the financial statements.</li> </ul> <p>We also assessed the adequacy of the disclosures made in notes 3.6.6.1 and 14.1 to the financial statements.</p>



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Key audit matter	How our audit addressed the key audit matter
<p><b>1. Retirement benefit obligations</b></p>	
<p>As disclosed in Note 27 to the financial statements, the Company retirement benefit obligation amounted to Rs. 1,049 Mn and represented 17 % of the Company total liabilities as of 31 December 2025. The value of the retirement benefit obligation was based on the actuarial valuation carried out by an external actuary engaged by the Company.</p> <p>This was a key audit matter due to:</p> <ul style="list-style-type: none"> <li>&gt; the materiality of the reported retirement benefit obligation balance; and</li> <li>&gt; the degree of assumptions, judgements and estimation uncertainties associated with measurement of the retirement benefit obligation.</li> </ul> <p>Key areas of assumptions, judgements and estimates used in assessing the value of the retirement benefit obligation included judgements involved in ascertaining the discount rate and future salary / wage growth rate as disclosed in Note 27 to the financial statements.</p>	<p>Our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"> <li>&gt; Assessed the competence, capability and objectivity of the external actuary engaged by the Company.</li> <li>&gt; Tested the data used in the valuation of retirement benefit obligations by agreeing key information to source documents and accounting records.</li> <li>&gt; Read the external actuary's report and identified the key estimates made and the approach taken by the actuary in determining the value of the retirement benefit obligation.</li> <li>&gt; assessed the reasonableness of the judgements, assumptions and estimates made by the external actuary such as discount rate and future salary / wage growth rate in measuring the value of the retirement benefit obligation.</li> </ul> <p>We also assessed the adequacy of the disclosures made in note 27 to the financial statements.</p>

**Other Information included in the Company's 2025 Annual Report**

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

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

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

**Responsibilities of the management and those charged with governance for the Financial Statement**

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

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

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

**Auditor's responsibilities for the audit of the financial statements**

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



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they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

### Report on other legal and regulatory requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 7752

29 May 2026

Colombo

# STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	Notes	2025 Rs.	2024 Rs.
<b>Revenue</b>	6	<b>8,605,507,470</b>	10,062,991,599
Cost of sales		<b>(7,833,584,314)</b>	(8,818,396,600)
<b>Gross profit/(loss)</b>		<b>771,923,157</b>	1,244,594,999
Gain on change in fair value of biological assets	17.2	<b>215,560,446</b>	118,787,986
Other income	7	<b>135,921,488</b>	64,665,194
Selling and distribution expenses		<b>(42,047,441)</b>	(36,058,789)
Administrative expenses		<b>(566,937,210)</b>	(486,196,393)
<b>Results from operating activities</b>		<b>514,420,440</b>	905,792,997
Finance Income	8.1	<b>242,229,650</b>	325,509,544
Finance expenses	8.2	<b>(180,013,553)</b>	(399,022,580)
Interest paid to government lease	8.3	<b>(68,886,149)</b>	(63,106,358)
<b>Net finance cost</b>		<b>(6,670,052)</b>	(136,619,394)
<b>Profit/ (Loss) before tax</b>	9	<b>507,750,388</b>	769,173,603
Tax (expense) /Reversal	10	<b>(156,874,735)</b>	(236,336,716)
<b>Profit / (Loss) for the year</b>		<b>350,875,653</b>	532,836,888
<b>Basic earnings/ (loss) per share (Rs.)</b>	11	1.57	2.39

The accounting policies and notes on pages 64 through 116 form an integral part of the financial statements.

# STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 Rs.	2024 Rs.
<b>Profit/(Loss) for the year</b>		<b>350,875,653</b>	<b>532,836,888</b>
<b>Other Comprehensive Income for the year, net of tax</b>			
<b>Net other comprehensive Income/(Loss) not be reclassified to profit or Loss in subsequent period</b>			
Net (loss) / gain on financial assets at fair value through OCI	15.2	<b>145,038</b>	82,961
Tax effect	10.2	-	-
Actuarial gains/ (losses) on defined benefit plans	27	<b>(64,701,998)</b>	(255,135,022)
Tax effect	10.2	<b>19,410,599</b>	76,540,507
<b>Revaluation of Land &amp; Building</b>	13	-	-
<b>Tax effect</b>	10.2	-	-
<b>Total Net other comprehensive income/(Loss) not be reclassified to profit or Loss in subsequent period</b>		<b>(45,146,360)</b>	<b>(178,511,554)</b>
<b>Total Other comprehensive income for the year, net of tax</b>		<b>(45,146,360)</b>	<b>(178,511,554)</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>305,729,292</b>	<b>354,325,334</b>

The accounting policies and notes on pages 64 through 116 form an integral part of the financial statements.

# STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 Rs.	2024 Restated Rs.
<b>ASSETS</b>			
<b>Non-current assets</b>			
Right-of-use assets	12.	436,811,476	420,248,744
Freehold Property, plant & equipment	13	2,561,887,406	2,423,292,460
Bearer biological assets	14.1	2,519,820,782	2,172,187,620
Consumable biological assets	14.2	2,033,466,540	1,820,337,181
Other non current financial assets	15.3	418,909	273,871
Investment in Subsidiary	16	-	-
<b>Total non-current assets</b>		<b>7,552,405,112</b>	<b>6,836,339,875</b>
<b>Current assets</b>			
Produce on Bearer Biological Assets	17	7,095,430	9,426,735
Inventories	18	800,182,211	1,111,242,679
Trade and other Receivables	19	1,891,566,309	1,847,538,818
Income Tax Recoverable		40,033,673	20,925,525
Amounts due from related companies	20	-	-
Short - term investments	21.1	1,294,236,648	1,401,375,049
Cash and cash equivalents	21.2	904,031,205	505,933,100
<b>Total current assets</b>		<b>4,937,145,476</b>	<b>4,896,441,905</b>
<b>Total assets</b>		<b>12,489,550,588</b>	<b>11,732,781,780</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated capital	22	373,000,010	373,000,010
Timber reserve		1,928,653,452	1,715,524,093
Revaluation reserve	23	792,796,402	792,796,402
Retained earnings		3,061,161,998	3,013,170,662
<b>Total equity</b>		<b>6,155,611,861</b>	<b>5,894,491,168</b>

# STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

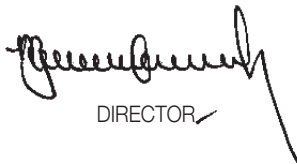
	Notes	2025 Rs.	2024 Restated Rs.
<b>Non-current liabilities</b>			
Deferred income	25	124,753,955	129,885,629
Deferred tax liability	26/ 36	1,550,078,589	1,409,517,753
Retirement benefit obligations	27	1,048,752,387	981,258,025
Lease liabilities	28	489,071,786	449,270,718
<b>Total non-current liabilities</b>		<b>3,212,656,717</b>	<b>2,969,932,125</b>
<b>Current liabilities</b>			
Trade and other payables	29	2,135,376,737	1,845,786,597
Amounts due to related companies	30	3,623,439	3,202,499
Lease liabilities	28	5,570,019	7,765,857
Interest-bearing borrowings payable within one year	24	765,270,720	900,025,100
Dividend payables		9,163,865	5,916,293
Bank overdraft	21.3	202,277,231	105,662,140
<b>Total current liabilities</b>		<b>3,121,282,010</b>	<b>2,868,358,485</b>
<b>Total liabilities</b>		<b>6,333,938,726</b>	<b>5,838,290,610</b>
<b>Total equity and liabilities</b>		<b>12,489,550,588</b>	<b>11,732,781,780</b>

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

  
Director Finance

The Board of Directors is responsible for these Financial Statements.

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

  
DIRECTOR

  
DIRECTOR

29 May 2026

Colombo

# STATEMENT OF CHANGES IN EQUITY

As at 31 December 2025

	Stated Capital Rs.	Timber Reserve Rs.	Revaluation Reserve Rs.	Retained Earnings Rs.	Total Equity Rs.
<b>Balance as at 31 December 2023</b>	373,000,010	1,607,292,650	1,071,556,265	2,767,076,768	5,818,925,693
Restatement relating to deferred tax liability (Note: 36)	-	-	(278,759,863)	-	(278,759,863)
Balance as at 1 January 2024 (Restated)*	373,000,010	1,607,292,650	792,796,402	2,767,076,768	5,540,165,830
Profit for the year	-	-	-	532,836,888	532,836,888
Total Other comprehensive income for the year, net of tax	-	-	-	(178,511,554)	(178,511,554)
Transferred to the Timber Reserve	-	108,231,440	-	(108,231,440)	-
Dividend Declared	-	-	-	-	-
<b>Balance as at 31 December 2024 (Restated)</b>	373,000,010	1,715,524,089	792,796,402	3,013,170,662	5,894,491,164
Profit for the year	-	-	-	350,875,653	350,875,653
Total Other comprehensive income for the year, net of tax	-	-	-	(45,146,360)	(45,146,360)
Transferred to the Timber Reserve	-	213,129,358	-	(213,129,358)	-
Dividend Declared	-	-	-	(44,608,598)	(44,608,598)
<b>Balance as at 31 December 2025</b>	373,000,010	1,928,653,448	792,796,402	3,061,161,998	6,155,611,858

\* Comparative information has been restated due to correction of prior period errors. Refer Note 36 for details

The accounting policies and notes on pages 64 through 116 form an integral part of the financial statements.

# STATEMENT OF CASH FLOWS

As at 31 December 2025

	Notes	2025 Rs.	2024 Rs.
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net Profit / (Loss) before Taxation		507,750,388	769,173,603
<b>ADJUSTMENTS FOR</b>			
Dividend Income	7	(24,707)	(18,475)
Interest Income	8.1	(104,234,486)	(65,999,059)
Unrealized Exchange Gain/ (Loss)		(25,096,198)	1,945,130
Depreciation	12/13/14	173,203,953	180,446,194
Provision for Defined Benefit Plan	27	166,675,672	146,715,737
Amortisation of Grants	25	(10,119,933)	(9,727,270)
Finance Costs	8.2/8.3	132,630,570	131,608,486
Profit on disposal of Property, Plant & Equipments	7	(3,348,420)	(8,068,502)
Gain on change in fair value of biological assets	17.2	(215,560,446)	(118,787,986)
Provision for Impairment of Investment in Subsidiaries	18	-	14,777,000
Profit from sale of timber trees	7	(7,828,107)	(7,703,414)
Write off Opening Balance		-	(2,258,583)
Write Back of Long Outstanding		7,772,212	937,023
Unclaimable ESC write-off		-	-
Write off of Bearer Biological assets (Immature/Mature)		674,270	13,928,183
<b>Operating Profit before Working Capital Changes</b>		<b>622,494,767</b>	<b>1,046,968,067</b>
(Increase)/Decrease in Inventories		313,692,433	(33,780,234)
(Increase)/Decrease in Trade and Other Receivables		31,991,127	246,127,011
Increase/(Decrease) in Trade and Other Payables		456,579,637	327,506,181
(Increase)/Decrease in amounts due from Related Parties		-	3,974,875
Increase/(Decrease) in amounts due to Related Parties		420,940	3,202,499
<b>Cash Generated from Operations</b>		<b>1,425,178,903</b>	<b>1,593,998,397</b>
Finance Costs Paid		(132,630,570)	(131,608,486)
ESC/ Income Tax Paid		(85,211,878)	(50,000,000)
Defined Benefit Plan Costs paid	27	(166,571,115)	(161,888,693)
<b>Net Cash from Operating Activities</b>		<b>1,040,765,340</b>	<b>1,250,501,217</b>

# STATEMENT OF CASH FLOWS

As at 31 December 2025

	Notes	2025 Rs.	2024 Rs.
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>			
Investment in Short - term Investments		107,138,401	(1,090,659,873)
Dividend Income Received	7	24,707	18,475
Grants Received	25	9,429,113	10,281,117
Proceeds from Sale of Property, Plant & Equipments		3,348,420	8,068,502
Field Development Expenditure		(419,857,160)	(352,376,875)
Cash received on harvested timber		12,590,500	12,837,080
Acquisition of PPE - ROU Asset		(45,820,183)	(105,823,089)
Purchase of Property, Plant & Equipment		(222,965,528)	(88,551,356)
Finance Income	8.1	104,234,486	65,999,059
<b>Net Cash used in Investing Activities</b>		<b>(451,877,244)</b>	<b>(1,540,206,960)</b>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>			
Payment of Government lease rentals		(74,469,083)	(69,709,574)
Proceeds from loans		3,283,704,395	3,581,475,850
Payment of loans		(3,452,031,795)	(3,813,133,487)
Dividend Paid		(44,608,598)	-
<b>Net Cash from (used in) Financing Activities</b>		<b>(287,405,081)</b>	<b>(301,367,211)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		<b>301,483,015</b>	<b>(591,072,956)</b>
A. Cash & Cash Equivalents at the beginning of the year		400,270,960	991,343,915
B. Cash & Cash Equivalents at the end of the year		701,753,974	400,270,959
<b>NOTE A</b>			
Cash & Bank Balances		505,933,100	994,661,108
Bank Overdrafts		(105,662,140)	(3,317,193)
		400,270,960	991,343,915
<b>NOTE B</b>			
Cash & Cash Equivalents at the end of the year			
Cash & Bank Balances		904,031,205	505,933,100
Bank Overdrafts		(202,277,231)	(105,662,140)
		701,753,974	400,270,960

The accounting policies and notes on pages 64 through 116 form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 1. REPORTING ENTITY

### 1.1 Domicile and legal form

Malwatte Valley Plantations PLC (the Company) was incorporated and domiciled in Sri Lanka, under the Companies Act. No. 17 of 1982 (The Company was re-registered under the Companies Act No. 07 of 2007), in terms of the provisions of the Conversion of Public Corporation and Government Owned Business Undertakings into Public Companies Act No. 23 of 1987.

The registered office of the Company is located at No. 280, Dam Street, Colombo 12, and Plantations are situated in the planting areas of Bandarawela, Badulla and Awissawella.

The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka.

The Financial Statements of the Company as at and for the year ended 31 December 2025 comprises the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows together with Accounting Policies and Notes to the Financial Statements.

The Financial Statement are prepared for a common financial year, which ends on 31 December.

### 1.2 Principal activities and nature of operations

During the year, the principal activities of the Malwatte Valley Plantations PLC were the cultivation, manufacture, sale and export Black Tea and Rubber and the sale of solar generators and other crops.

### 1.3 Ultimate Parent enterprise

The Company's ultimate parent undertaking is Wayamba Plantations (Pvt) Ltd.

### 1.4 Date of authorization for issues

The Financial Statements of Malwatte Valley Plantations PLC for the year ended 31 December 2025 were authorized for issue in accordance with a resolution of the Board of Directors on 29 May 2026.

### 1.5 Responsibility for Financial Statements

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

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

The Financial Statements of the Company has been prepared in accordance with Sri Lanka Accounting Standards promulgated by The Institute of Chartered Accountants of Sri Lanka (CASL), and with the requirements of the Companies Act. No. 07 of 2007.

### 2.2 Basis of measurement

These Financial Statements have been prepared on a historical cost convention, other than consumable biological assets, produce on bearer biological asset, Land & buildings, Defined Benefit Obligation and financial instruments that have been measured at fair value and where appropriate specific policies are explained in the succeeding notes.

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

### 2.3 Functional and presentation currency

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

### 2.4 Materiality and aggregation

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

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Comparative information

The presentation and classification of the financial statements of the current year are comparable with those of the previous year, except for the matters disclosed in Note 36.

### 3.2 Going concern

The financial statements have been prepared on the assumption that the company is a going concern. The Directors have made an assessment of the Company's ability to continue as a going concern in the foreseeable future, and they do not foresee a need for liquidation or cessation of trading, to justify adopting the going concern basis in preparing these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 3.3 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 December 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

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

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

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

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on

consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Company loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value. Company-level investments in subsidiaries are recognized in cost.

### 3.3.1 Not-Consolidation of Insignificant Subsidiary

In preparing these financial statements, management has considered the quantitative and qualitative aspects of materiality in accordance with the Sri Lanka Accounting Standards Framework. Based on this assessment, Malwatte Spices (Pvt) Ltd (the Subsidiary) is not material to the Company's financial statements.

The investment in the subsidiary has been fully impaired and is carried at a nil value as at the reporting date. Accordingly, the subsidiary does not have a material effect on the Company's financial position, financial performance, or cash flows.

Management will continue to reassess the materiality of the subsidiary at each reporting date, and consolidated financial statements will be prepared if the subsidiary becomes material in future periods.

### 3.4 Current versus non-current classification

The company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period

or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## 3.5 Fair Value Measurement

The Company measures financial instruments and non-financial assets indicated below at fair value at each statement of financial position date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarized in the following notes:

- Land and Buildings - Note 13
- Consumable biological assets - Note 14.2
- Produce on bearer biological asset - Note 17
- Financial Instrument (including those carried fair value through OCI)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and

best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as consumable biological assets, and significant liabilities, such as retirement benefit obligation. Involvement of external valuers is decided upon annually by the Management Committee after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management Committee decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## 3.6 Property, plant and equipment

The Company applies the requirements of LKAS 16 on "Property Plant and Equipment" in accounting for its owned assets which are held for and use in the supply

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

of goods, for rental to other or for administration purpose and are expected to be used for more than one year.

## 3.6.1 Recognition and measurement

Property, Plant and Equipment is recognized if it is probable that future economic benefit associated with the assets will flow to the Company and cost of the asset can be reliably measured.

Items of property, plant and equipment are measured at cost (or at fair value in the case of land & building), less accumulated depreciation and accumulated impairment losses, if any.

## 3.6.2 Owned assets

The cost of property, plant and equipment includes expenditures that are directly attributable to the acquisition of the asset. Such costs include the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. The cost of self-constructed assets includes the cost of materials and direct labor, any other cost directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognized in the statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment charged subsequent to the date of the revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. The Company's policy is to revalue Land and Buildings once in every three years. Other property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

Capital work in progress is transferred to the respective asset accounts at the time, the asset is ready for utilization or at the time the asset is commissioned.

## 3.6.3 De-recognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized and gains are not classified as revenue.

## 3.6.4 Leased assets

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### a) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Motor vehicle	5 years
Machinery	13.33 years

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## Amortization

The leasehold rights of assets taken over from JEDB/SLSPC are amortized in equal amounts over the shorter of the remaining lease periods and the useful lives as follows:

	No. of years	Rate (%)
Right to use of land	26	3.85
Improvements to land	30	3.33
Buildings	25	4.00
Machinery	15	6.67
Mature plantations (Tea & Rubber)	30	3.33

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

## b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate (i.e. for an example JEDB/SLSPC Government lease rentals linked with GDP Deflator), and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Note 28 to the financial statements.

## c) Short-term leases and leases of low-value assets

The Company does not contain the short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low values assets.

## 3.6.5 Land development cost

Permanent land development costs are those costs incurred in making major infrastructure development and building new access roads on leasehold lands. These costs have been capitalized and amortized over the remaining lease period. Permanent impairments to land development costs are charged to the Statement of Profit or Loss in full or reduced to the net carrying amounts of such assets in the year of occurrence after ascertaining the loss.

## 3.6.6 Biological Assets

Biological assets are classified in to mature biological assets and immature biological assets. Mature biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature biological assets are those that have not yet attained harvestable specifications. Tea, rubber, other plantations and nurseries are classified as biological assets.

Biological assets are further classified as bearer biological assets and consumable biological assets. Bearer biological asset includes tea and rubber trees, those that are not intended to be sold or harvested, however used to grow for harvesting agricultural produce from such biological assets. Consumable biological assets include managed timber trees those that are to be harvested as agricultural produce or sold as biological assets.

The entity recognizes the biological assets when, and only when, the entity controls the assets as a result of past event, it is probable that future economic benefits associated with the assets will flow to the entity and the fair value or cost of the assets can be measured reliably.

### 3.6.6.1 Bearer Biological Asset

The bearer biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 – Property Plant & Equipment.

The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, inter planting and fertilizing, etc., incurred between the time of planting and harvesting (when the planted area attains maturity),

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

are classified as immature plantations. These immature plantations are shown at direct costs plus attributable overheads. The expenditure incurred on bearer biological assets (Tea, Rubber) which comes into bearing during the year, is transferred to mature plantations.

### 3.6.6.2 Infilling Cost on Bearer Biological Assets

The land development costs incurred in the form of infilling have been capitalized to the relevant mature field, if it increases the expected future benefits from that field, beyond its pre-infilling performance assessment. Infilling costs so capitalized are depreciated over the newly assessed remaining useful economic life of the relevant mature plantation, or the unexpired lease period, whichever is lower.

Infilling costs that are not capitalized have been charged to the Profit or Loss Statement in the year in which they are incurred.

### 3.6.6.3 Consumable Biological Asset

Consumable biological assets include managed timber trees those that are to be harvested as agricultural produce or sold as biological assets. Expenditure incurred on consumable biological assets (managed timber trees) is measured on initial recognition and at the end of each reporting period at its fair value less cost to sell in terms of LKAS 41. The cost is treated as approximation to fair value of young plants as the impact on biological transformation of such plants to price during this period is immaterial. The fair value of timber trees is measured using DCF method taking in to consideration the current market prices of timber, applied to expected timber content of a tree at the maturity by an independent professional valuer. All other assumptions and sensitivity analysis are given in Notes 14.2, 14.2.1, 14.3 & 14.3.1.

The gain or loss arising on initial recognition of consumable biological assets at fair value less cost to sell and from a change in fair value less cost to sell of consumable biological assets are included in profit or loss for the period in which it arises.

Impairments to Biological Asset are charged to the Profit or Loss Statement in full and reduced to the net carrying amounts of such asset in the year of occurrence after ascertaining the loss.

### 3.6.6.4 Nursery Plants

Nursery cost includes the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads, less provision for overgrown plants.

### 3.6.6.5 Produce on Bearer Biological Assets

In accordance with LKAS 41, Company recognize agricultural produce growing on bearer plants at fair value less cost to sell. Change in the fair value of such agricultural produce recognized in profit or loss at the end of each reporting period.

For this purpose, quantities of harvestable agricultural produce ascertained based on harvesting cycle of each crop category by limiting to one harvesting cycle based on last day of the harvest in the immediately preceding cycle. Further, 50% of the crop in that harvesting cycle considered for the valuation.

For the valuation of the harvestable agricultural produce, the Company uses the following price formulas.

Tea – Bought Leaf rate (current month) less cost of harvesting & transport.

Rubber – latex Price (95% of current RSS1 Price) less cost of tapping & transport.

### 3.6.7 Depreciation and amortization

#### (a) Depreciation

Depreciation is recognized in Statement of Profit or Loss on a straight-line basis over the estimated useful economic lives of each part of an item of Property, Plant & Equipment. Assets held under right to use leases are depreciated over the shorter of the lease term and the useful lives of equivalent owned assets unless it is reasonably certain that the Company will have ownership by the end of the lease term. Lease period of land acquired from JEDB/SLSPC will be expired in year 2045. The estimated useful lives for the current and comparative periods are as follows:

	No. of years	Rate (%)
Building & Roads	40	2.50
Plant and other machinery	20/13.33	5.00/7.50
Motor vehicles – Supervisory	5	20.00
Motor vehicles – Utility	10	10.00
Equipment	8	12.50
Land Improvements	10	10.00
Furniture and fittings	10	10.00
Sanitation water supply & Electricity	20	5.00
<b>Mature plantations (Replanting and new planting)</b>	<b>No. of years</b>	<b>Rate (%)</b>
Tea	33 1/3	3.00
Rubber	20	5.00
Other	20/ 25/ 50	5.00/4.00/ 2.00

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date on which the asset classified as held for sale or is derecognized. Depreciation methods, useful lives and residual values are reassessed at the reporting date and adjusted prospectively, if appropriate. Mature plantations are depreciated over their useful lives or unexpired lease period, whichever is lower.

No depreciation is provided for immature plantations.

## 3.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### 3.7.1 Financial assets

#### 3.7.1.1 Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash and short-term deposits, investments, trade and other receivables, available for sale financial assets.

#### 3.7.1.2 Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

#### a) Financial assets at amortized cost (debt instruments)

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial instrument at amortized cost comprise of trade receivables, amounts due from related parties, deposits, advances and other receivables.

#### b) Financial assets at fair value through OCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling.

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

#### c) Financial assets at fair value through OCI

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument- by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

#### d) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

#### 3.7.1.3 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired

Or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full

without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### 3.7.1.4 Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company considers a financial asset including trade and receivable in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

that the Company is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## 3.7.2 Financial liabilities

### 3.7.2.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, bank overdrafts and loans and borrowings

### 3.7.2.2 Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as described below:

#### a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

#### b) Financial instrument at amortized cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the Profit or Loss Statement when the liabilities are derecognized as well as through the effective interest rate method (EIR) amortization process.

Financial liabilities comprise interest bearing loans and borrowings, trade payables, other payables, income tax payables and amounts due to related parties.

### 3.7.2.3 Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss

## 3.7.3 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 recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Financial risk management objectives and policies have been disclosed under Note 35.

## 3.8 Inventories

### Finish goods manufactured from agricultural produce of biological assets

These are valued at the lower of cost and estimated net realizable value. Net realizable value is the estimated selling price at which stocks can be sold in the ordinary course of business after allowing for cost of realization and/or cost of conversion from their existing state to saleable condition.

### Input materials, Spares and consumables

At actual cost on weighted average basis.

### Agricultural produce harvested from biological assets

Agricultural produce harvested from its biological assets are measured at their fair value less cost to sell at the point of harvest. The finished and semi-finished inventories from agriculture produce are valued by adding the cost of conversion to the fair value of the agricultural produce.

## 3.9 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand form and integral part of the Company's cash management and are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 3.10 Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or company of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited

so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

## 3.11 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Profit or Loss Statement net of any reimbursement.

## 3.12 Employees' benefits

### (a) Defined contribution plans – Employees' Provident Fund and Employees' Trust Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Provident and Trust Funds covering all employees are recognized as an expense in profit and loss in the periods during which services are rendered by employees.

The Company contributes 12% on consolidated salary of the employees to Ceylon Planters' Provident Society (CPPS) / Estate Staff Provident Society (ESPS) / Employees' Provident Fund (EPF)

All the employees of the Company are members of the Employees Trust Fund to which the Company contributes 3% on the consolidated salary of such employees.

### (b) Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognised in the Financial Statements in respect of defined benefit plan is the present value of the defined benefit obligation at the Reporting date. The defined benefit obligation is calculated annually using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

the estimated future cash flows using the interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in Other Comprehensive Income in the period in which they arise. Actuarial gains & losses recognised in other comprehensive income are recognised immediately in retained earnings and are not reclassified to profit or loss. Past service costs are recognised immediately in the Statement of Profit or Loss.

The provision has been made for retirement gratuities from the first year of service for all employees, in conformity with LKAS 19, "Employee Benefits". However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The Liability is not externally funded.

The key assumptions used in determining the retirement benefit obligations are given in Note 27.

## 3.13 Capital commitments and contingencies

Capital commitments and contingent liabilities of the Company have been disclosed in the respective Notes to the Financial Statements.

## 3.14 Events occurring after the reporting period

All material events after the Statement of Financial Position date have been considered where appropriate; either adjustments have been made or adequately disclosed in the Financial Statements.

## 3.15 Earnings per share

The Company presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number or ordinary shares outstanding during the period.

## 3.16 Deferred income - Grants and subsidies

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized 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 recognized as deferred income and released to income in

equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

## 3.17 Statement of Profit or Loss

For the purpose of presentation of Statement of Profit or Loss, the function of expenses method is adopted as it represents fairly the elements of the Company's performance.

### 3.17.1 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. Under SLFRS 15, revenue is recognised upon satisfaction of performance obligations.

The Company is in the business of cultivation, manufacture and sale of black tea, rubber and other crops (Plantation Produce). Revenue from contracts with customers is recognized when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to customer.

#### Revenue from contract with customers

##### ● Sale of Plantation produce

Revenue from sale of plantation produce is recognized at the point in time when the control of the goods is transferred to the customer. Black tea and Rubber produce are sold at the Colombo tea/rubber Auction and the highest bidder whose offer is accepted shall be the buyer, and a sale shall be completed at the fall of the hammer, at which point control is transferred to the customer. Revenue from other crops are recognized at the point in time when the control of the goods has been transferred to the customer generally upon delivery of the goods to the location specified by the customer and the acceptance of the goods by the customer.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

There is no element of financing present as the Company's sale of plantation produce are either on cash terms (Immediate payment or advance payment not exceeding 30 days) or on credit terms ranging from 7 to 15 days..

- **Sale of Solar Panels & Batteries**

The company imports the Solar Panels and batteries and selling them to the local customers. Revenue from sale of Solar Panels and Batteries are recognized at the point in time when the control of the good is transferred to the customer.

- **Solar Projects**

The Company undertakes solar energy projects which typically involve a bundled performance obligation consisting of the design, supply, installation, testing, and commissioning of rooftop solar PV systems, including facilitation of connection to the national grid. These activities are not distinct within the context of the contract and are therefore accounted for as a single performance obligation.

Revenue from such solar projects is recognized over time, in accordance with SLFRS 15, as the performance creates or enhances an asset (the solar energy system) that the customer controls as it is being constructed. The Company measures the progress toward satisfaction of this performance obligation using the input method, based on the proportion of costs incurred to date relative to the estimated total contract costs. Inputs that do not reflect the entity's performance, such as abnormal waste, are excluded from the progress measurement.

- **Export sales**

Control transition point to recognize the revenue on export sales is determined based on the international commercial terms applicable for the respective transactions.

### 3.17.2 Other Source of Revenue

Revenue recognition criteria for the other source of income as follows;

- **Rental Income**

Rental income is recognized on an accrual basis in accordance with the substance of the relevant agreement.

- **Dividend Income**

Dividend income is recognized when the right to receive payment is established.

- **Interest Income**

Interest income is recognized based on effective interest method.

Interest income on financial assets at FVTPL is recognized as part of net gains or losses on these financial instruments.

Interest income of financial assets at amortized cost is calculated by using the effective interest method and is recognized as other income.

### 3.17.3 Expenses

All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency is charged to revenue in arriving at the profit for the year.

### 3.17.4 Financing income and expenses

Finance income comprises interest income on funds invested. Interest income is recorded using the effective interest rate (EIR) method. Interest income is included in finance income in the statement of profit or loss.

Finance expenses comprise interest payable on borrowing. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

The interest expense component of lease payment is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Foreign currency gains and losses are reported on a net basis.

### 3.17.5 Taxes

#### 3.17.5.1 Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 3.17.5.2 Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## 3.18 Statement of cash flow

The Statement of Cash Flow has been prepared using the "Indirect Method". Interest paid is classified as operating cash flows, interest and dividends received are classified as investing cash flows while dividends paid and Government grants received are classified as financing cash flows, for the purpose of presenting the Cash Flow Statement.

## 3.19 Segment reporting

Segmental information is provided for the different business segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components.

Since the individual segments are located close to each other and operate in the same industrial environment, the need for geographical segmentation has no material impact. The activities of the segments are described on Note 6 in the Notes to the Financial Statements.

Revenue and expenses directly attributable to each segment are allocated to the respective segments. Revenue and expenses not directly attributable to a segment are allocated on the basis of their resource utilization, wherever possible.

Assets and liabilities directly attributable to each segment are allocated to the respective segments. Assets and liabilities, which are not directly attributable to a segment, are allocated on a reasonable basis wherever possible. Unallocated items comprise mainly interest-bearing loans, borrowings, and expenses.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one accounting period.

All operating segments' operating results are reviewed regularly to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

## 4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's Financial Statements in conformity with SLFRS/LKAS requires management to make judgments, estimates, and assumptions that influence the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Judgments and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual experience and results may differ from these judgments and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period and any future periods affected. Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Financial Statements is included in the following notes:

- Note 14 - Biological Assets
- Note 26 - Deferred Taxation
- Note 27 - Measurement of the Defined Benefit Obligations

Effective from 01 January 2025, the company revised the depreciation rates applicable to 'Cinnamon Planting – Mature' from 5% to 2% and 'Pepper Planting – Mature' from 5% to 4%, reflecting the reassessed useful lives of such assets. All other depreciation methods remain unchanged from those applied in the financial statements for the year ended 31 December 2024.

### 4.1 Taxation

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the

countries where the Company operates and generates taxable income.

### 4.2 Retirement benefit obligations

The present value of the retirement benefit obligation determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

In determining the appropriate discount rate, management considers the interest rates of Sri Lanka government bonds with maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future salary increases are based on expected future inflation rate and expected future salary increase rates of the Company.

Further details about Retirement benefit obligations are provided in Note 27.

### 4.3 Fair Valuation of Consumable Biological Assets

The fair value of managed timber depends on number of factors that are determined on a discounted cash flow method using various different financial and non-financial assumptions. The growth of the trees is determined by various biological factors that are highly unpredictable. Any change to the assumptions will impact the fair value of biological assets. All assumptions are reviewed at each reporting period. Key assumptions and sensitivity analysis of the biological assets are given in Notes 14.2, 14.2.1, 14.3 & 14.3.1.

### 4.4 Bearer Biological Assets

A mature plantation is an area of land developed with crops such as tea, rubber and other crops which has been brought into bearing ready for commercial harvesting. Hence, transfer of immature plantations to mature plantation fields happens at the point of commencement of commercial harvesting which depends on growth of plants, weather patterns and soil condition. Therefore, immature to mature transfer require significant management judgment in determining the point at which a plant is deemed ready for commercial harvesting.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 4.5 Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Company's stand-alone credit rating).

## 5. SRI LANKA ACCOUNTING STANDARDS (SLFRS / LKAS) ISSUED BUT NOT YET EFFECTIVE

The new and amended accounting standards issued up to the date these financial statements are authorised for issue, but not yet effective for the current reporting period, are disclosed below. These standards and amendments will be adopted, if applicable, when they become effective.

### 5.1 SLFRS 18 Presentation and Disclosure in Financial Statements

SLFRS 18, which replaces LKAS 1, introduces significant enhancements to the way financial information is organized and communicated. The standard establishes new categories and subtotals in the statement of profit or loss to improve consistency and comparability across entities. It also requires entities to disclose management-defined performance measures (as specified in the standard), together with clear explanations and reconciliations. In addition, SLFRS 18 introduces strengthened requirements regarding the location, aggregation, and disaggregation of financial information. These changes are designed to ensure that financial statements present information more transparently and in a way that enhances users' understanding of an entity's financial performance and position.

SLFRS 18, and consequential amendments to the other accounting standards, are effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

The potential impact of SLFRS 18 on the financial

statements and the related notes is currently being identified and evaluated.

### 5.2 SLFRS 19 Subsidiaries without public accountability: Disclosures

SLFRS 19 introduces reduced disclosure requirements for subsidiaries that do not have public accountability but continue to apply the full SLFRS recognition and measurement principles. Standards issued but not yet effective YE 31 March 2026.

The purpose of SLFRS 19 is to lessen the financial reporting burden on qualifying subsidiaries by simplifying disclosure requirements, while still ensuring that financial statements remain high-quality, consistent, and comparable for users.

SLFRS 19 applies to Specified Business Enterprises, as defined in the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995. Subsidiaries that fall within this category and do not have public accountability are eligible to apply SLFRS 19.

The Standard becomes effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

The entity is not eligible to apply SLFRS 19.

### 5.3 Classification and Measurement of Financial Instruments - Amendments to SLFRS 9 and SLFRS 7

The amendments introduce enhancements to the classification, measurement, derecognition, and disclosure requirements for financial instruments. Their objective is to strengthen transparency, promote greater consistency in financial reporting, and respond to emerging market developments - particularly features such as sustainability linked terms and nature dependent electricity contracts.

These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted. The amendments are not expected to have a material impact on the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

	2025 Rs.	2024 Rs.
<b>6. REVENUE</b>		
<b>6.1 Industry Segment Revenue</b>		
Tea	3,525,637,582	3,737,682,584
Rubber	324,036,528	340,753,104
Coconut	9,031,194	6,896,118
Tea Export	3,796,227,069	4,741,410,394
Solar Project	447,722,783	686,601,687
Others	502,852,315	549,647,712
Total	8,605,507,470	10,062,991,599
<b>6.2 Segment Information</b>		
a) Segment Revenue		
<b>Tea</b>		
Revenue	3,525,637,582	3,737,682,584
Revenue Expenditure	(2,948,857,834)	(2,742,707,770)
Depreciation	(65,680,224)	(67,421,700)
Other Non Cash Expenditure	(118,389,892)	(135,878,106)
Segment Results	392,709,632	791,675,008
<b>Rubber</b>		
Revenue	324,036,528	340,753,104
Revenue Expenditure	(213,844,792)	(179,560,768)
Depreciation	(44,446,477)	(45,642,914)
Other Non Cash Expenditure	(18,805,234)	(10,355,151)
Segment Results	46,940,026	105,194,271
<b>Coconut</b>		
Revenue	9,031,194	6,896,118
Revenue Expenditure	(2,529,530)	(3,105,397)
Depreciation	(282,994)	(282,866)
Segment Results	6,218,670	3,507,855

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 6 REVENUE (Contd.)

	2025 Rs.	2024 Rs.
<b>Export</b>		
Revenue	3,796,227,069	4,741,410,394
Revenue Expenditure	(3,709,255,448)	(4,622,845,334)
Depreciation	-	(1,532,874)
Segment Results	86,971,621	117,032,187
<b>Solar Project</b>		
Revenue	447,722,783	686,601,687
Revenue Expenditure	(413,863,084)	(679,630,348)
Depreciation	-	(73,767)
Segment Results	33,859,699	6,897,572
<b>Others</b>		
Revenue	502,852,315	549,647,712
Revenue Expenditure	(270,333,080)	(292,491,353)
Depreciation	(27,295,726)	(36,868,252)
Segment Results	205,223,509	220,288,107
<b>Total</b>		
Revenue	8,605,507,470	10,062,991,599
Revenue Expenditure	(7,558,683,768)	(8,520,340,969)
Depreciation	(137,705,420)	(151,822,373)
Other Non Cash Expenditure	(137,195,125)	(146,233,257)
Segment Results	771,923,157	1,244,594,999
Gains on fair value of biological assets	215,560,446	118,787,986
Other Income	135,921,488	64,665,194
Finance Income	242,229,650	325,509,544
Administrative Expenses	(566,937,210)	(486,196,393)
Interest paid on government lease	(68,886,149)	(63,106,358)
Finance expenses	(180,013,553)	(399,022,580)
Selling and distribution expenses	(42,047,441)	(36,058,789)
<b>Operating Profit / (Loss) of the Company</b>	<b>507,750,388</b>	<b>769,173,603</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 6 REVENUE (Contd.)

	2025	2024
	Rs.	Restated Rs.
<b>6.2 Segment Information (Contd..)</b>		
<b>b) Segment Assets</b>		
<b>Non Current Assets</b>		
Tea	2,844,078,571	2,598,085,122
Rubber	644,078,795	622,419,242
Tea Export	12,474,924	12,474,924
Unallocated	4,051,772,822	3,603,360,587
	7,552,405,112	6,836,339,875
<b>Current Assets</b>		
Tea	396,698,304	530,559,153
Rubber	99,343,598	81,979,680
Coconut	504,012	110,276
Tea Export	205,632,821	321,833,031
Unallocated	4,234,966,742	3,961,959,764
	4,937,145,476	4,896,441,905
<b>Total Assets</b>	<b>12,489,550,588</b>	<b>11,732,781,780</b>
<b>c) Segment Liabilities</b>		
<b>Non Current Liabilities and Deferred Income</b>		
Tea	1,207,216,357	1,147,956,050
Rubber	229,377,510	205,445,825
Unallocated	1,776,062,850	1,337,770,387
	3,212,656,717	2,691,172,263
<b>Current Liabilities</b>		
Tea	553,573,169	617,377,865
Rubber	107,283,510	93,062,395
Unallocated	2,460,425,330	2,436,678,087
	3,121,282,009	3,147,118,347
<b>Total Liabilities</b>	<b>6,333,938,725</b>	<b>5,838,290,610</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 6 REVENUE (Contd.)

	2025 Rs.	2024 Rs.
<b>d) Segment Capital Expenditure</b>		
<b>Field Development</b>		
Tea	82,800,372	3,680,047
Rubber	102,517,057	113,278,551
	<b>185,317,430</b>	<b>116,958,597</b>
<b>Property, Plant &amp; Equipment</b>		
Tea	73,816,432	42,749,365
Rubber	11,373,514	30,048,553
	<b>85,189,946</b>	<b>72,797,918</b>
<b>Unallocated</b>	<b>209,174,414</b>	<b>90,084,931</b>
	<b>209,174,414</b>	<b>90,084,931</b>
<b>Total Capital Expenditure</b>	<b>479,681,790</b>	<b>279,841,447</b>

## 7. OTHER INCOME

Profit on disposal of property, plant & equipment	3,348,420	8,068,502
Dividend income	24,707	18,475
Sale of other trees	74,272,264	572,240
Profit from sale of timber trees	7,828,107	7,703,414
Amortisation of government grants	10,119,933	9,727,270
Items written back	1,526,790	4,679,990
Sundry income	38,801,266	33,895,303
<b>Total</b>	<b>135,921,488</b>	<b>64,665,194</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 8 NET FINANCE INCOME/ (EXPENSES)

	2025 Rs.	2024 Rs.
<b>8.1 Finance Income</b>		
Foreign exchange gain	137,995,164	259,510,485
Interest income	104,234,486	65,999,059
Total	242,229,650	325,509,544
<b>8.2 Finance Expenses</b>		
Interest on Overdraft	17,450,032	3,806,280
Interest on lease liability	105,365	435,516
Bank Charges & Others	6,369,321	9,198,210
Interest on Packing Credit Loans	31,495,998	48,419,797
Interest on short term borrowings	8,323,705	6,642,325
Foreign exchange Loss	116,269,132	330,520,453
Total	180,013,553	399,022,580
<b>8.3 Interest paid to Government on lease liability</b>	<b>68,886,149</b>	<b>63,106,358</b>
<b>Total</b>	<b>68,886,149</b>	<b>63,106,358</b>
<b>8.4 Net Finance Income/ (Expenses)</b>	<b>(6,670,052)</b>	<b>(136,619,394)</b>

## 9. PROFIT / (LOSS) BEFORE TAXATION

Profit/ (Loss) before tax is stated after charging all expenses including the following:

Directors' emoluments	118,060,376	111,837,063
Auditors' fees	6,655,000	6,050,000
<b>Depreciation /Amortisation</b>		
Right-of-use-asset	29,257,451	35,733,164
Freehold Property, Plant & Equipment	72,399,113	64,352,589
Immature/Mature Plantations	71,549,728	80,360,501
<b>Personnel Cost</b>		
Defined Benefit Plan Costs - Gratuity	166,571,115	161,888,693
Salaries and Wages	1,765,698,421	1,340,422,912
Defined Contribution Plan Costs - EPF & ETF	209,104,530	165,830,627

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 10. INCOME TAX EXPENSE

	2025 Rs.	2024 Rs.
<b>10.1 Statement of Profit or Loss</b>		
<b>(I) Current Tax Expense</b>		
Income taxes on current year's profit (10.3)	-	122,701,782
Under / (Over)provision in respect of previous years	<b>(3,096,700)</b>	(3,225,321)
	<b>(3,096,700)</b>	119,476,461
<b>(II) Deferred Tax Expense</b>		
Deferred Tax Charge or (Reversal)	<b>159,971,435</b>	116,860,254
	<b>159,971,435</b>	116,860,254
<b>Net Tax Charge or (Reversal) reported in Statement of Profit or Loss</b>	<b>156,874,735</b>	236,336,716
<b>10.2 Statement of Other Comprehensive Income</b>		
Tax Effect on Actuarial gains/ (losses) on defined benefit plans	<b>(19,410,599)</b>	(76,540,507)
Tax Effect on Reevaluation of Land & Building	-	-
Tax Effect on financial assets at fair value through OCI	-	-
<b>Net Tax Charge directly to Other Comprehensive Income</b>	<b>(19,410,599)</b>	(76,540,507)
The Company is liable to income tax at the rate of 30% on its business income earned during the year.		
<b>10.3 Reconciliation of Accounting Profit to Income Tax Expense</b>		
Profit/ (Loss) before tax	<b>507,750,388</b>	769,173,603
Exempt Amounts & Other Sources	<b>(353,621,798)</b>	(202,808,444)
Aggregate Disallowable Expenses	<b>461,745,185</b>	443,274,802
Aggregate Tax deductible Expenses	<b>(728,975,888)</b>	(660,333,673)
Assesable Charge/ Balancing Allowance	<b>3,348,420</b>	-
Other sources of Income	<b>98,042,351</b>	59,699,653
Total statutory income	<b>(11,711,342)</b>	409,005,941
Transferred to tax Loss	<b>109,753,693</b>	-
Total statutory income	<b>98,042,351</b>	409,005,941
Tax losses Claimed during the year	<b>(98,042,351)</b>	-
Total Taxable Income	-	409,005,941
Income Tax @ 30%	-	122,701,782
Income tax on current year profit	-	122,701,782

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 10 INCOME TAX EXPENSE (Contd.)

	2025 Rs.	2024 Rs.
<b>10.4 Tax losses carried forward</b>		
Tax losses arising during the year	109,794,192	-
Utilisation of tax losses	(98,042,351)	-
Tax losses carried forward	11,751,841	-

## 11. EARNINGS / (LOSS) PER SHARE

### Basic earnings/ (loss) per Share

The calculation of the basic earnings /(loss) per share is based on after tax profit for the year which attributable to the ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding during the period and calculated as follows.

	2025 Rs.	2024 Rs.
<b>Amount used as the Numerator</b>		
Profit /(Loss) attributable to ordinary shareholders of the Company (Rs.)	350,875,653	532,836,888
<b>Amount used as the Denominator</b>		
Weighted average number of ordinary shares	223,042,992	223,042,992
Basic earnings / (loss) per share (Rs. )	1.57	2.39

## 12 RIGHT-OF-USE ASSETS

	Notes	2025 Rs.	2024 Rs.
Right-of-use asset -Land	12.1	419,026,149	394,157,273
Right-of-use asset- immovable bearer biological assets	12.2.1	-	2,114,802
Right -of-use asset- motor vehicles & machineries	12.3	17,785,327	23,976,669
		436,811,476	420,248,744

### 12.1 Right-to-use of Land

This Right-of-use asset- Land is amortized over the remaining lease term or useful life of the right whichever is shorter and is disclosed under non-current assets. An adjustment to the "Right-of-use asset- Land" could be made to the extent that the change relate to the future period on the reassessment of lease liability. The lease liability as at 01 January 2020 has been reassessed under the provisions of SLFRS 16 and both "Right-of-use asset- Land" and "Lease Liability" has been enhanced. "Right-of-use asset- Land" have been executed for all estates for a period of 53 years. The unexpired period of the lease as at the Statement of Financial Position date is 21 years.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 12 RIGHT-OF-USE ASSETS (Contd.)

	2025 Rs.	2024 Rs.
<b>Capitalized Value</b>		
As at 1st January	412,926,667	321,062,832
Transferred in due to reassessment of lease liability	(18,769,394)	(13,959,254)
Adjustment on reassessment of lease liability	45,820,183	105,823,089
As at 31st December	439,977,456	412,926,667
<b>Amortisation</b>		
As at 1 January	18,769,394	13,959,254
Transferred out due to reassessment of lease liability	(18,769,394)	(13,959,254)
Amortisation for the year	20,951,307	18,769,394
As at 31 December	20,951,307	18,769,394
<b>Carrying amount</b>	<b>419,026,149</b>	<b>394,157,273</b>

### 12.2 Right-of-use-assets immovable assets

At the time of privatisation of plantation estates, all immovable assets in these estates (Note 12.2.1 and Note 12.2.2) have been taken into the books of the Company retroactive to 22nd June 1992 under finance lease. These assets have accounted in accordance with SLFRS 16 - Leases.

#### 12.2.1 Right-of-use asset- immovable bearer biological assets

	Mature Plantations		2025 Rs.	2024 Rs.
	Tea Rs.	Rubber Rs.		
<b>Cost</b>	176,688,366	127,934,487	<b>304,622,853</b>	304,622,853
<b>Depreciation</b>				
As at 1st January	175,461,730	127,046,321	<b>302,508,051</b>	292,353,956
Depreciation for the year	1,226,636	888,166	<b>2,114,802</b>	10,154,095
As at 31st December	176,688,366	127,934,487	<b>304,622,853</b>	302,508,051
Carrying amount	-	-	-	2,114,802

Investment in plantation assets which were immature at the time of handing over to the company by way of estate leases are shown under immature plantation (revalued as at 22nd June 1992). all of which have been transferred to mature Plantations as at Statement of Financial Position date.

However, since then all such investments in Immature Plantations attributable to JEDB/SLSPC period have been transferred to Mature Plantations. These mature tea and rubber were classified as bearer biological assets in terms of LKAS 41 - Agriculture. The carrying value of the bearer biological assets leased from JEDB/SLSPC is recognised at cost less amortisation. Further investments in such plantations to bring them to maturity are shown in Note 14.1.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 12 RIGHT-OF-USE ASSETS (Contd...)

### 12.3 Right-of-use asset - motor vehicles & machineries

	Motor Vehicle Rs.	Machinery Rs.	2025 Rs.	2024 Rs.
<b>Cost</b>				
As at 1st January	102,649,212	41,329,000	<b>143,978,212</b>	143,978,212
Disposal During the Year	-	-	-	-
Additions	-	-	-	-
As at 31st December	102,649,212	41,329,000	<b>143,978,212</b>	143,978,212
<b>Depreciation</b>				
As at 1st January	99,557,545	20,443,998	<b>120,001,543</b>	113,191,868
Disposals During the year	-	-	-	-
Depreciation during the year	3,091,667	3,099,675	<b>6,191,342</b>	6,809,675
As at 31st December	102,649,212	23,543,673	<b>126,192,885</b>	120,001,543
Written Down Value	-	17,785,327	<b>17,785,327</b>	23,976,669

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 13 FREEHOLD PROPERTY, PLANT & EQUIPMENT

	Land At Valuation Rs.	Buildings At Valuation Rs.	Building Improvements Rs.	Motor Vehicles Rs.	Plant & Machinery Rs.
<b>Cost or valuation</b>					
<b>Balance as at 01 st January</b>	1,403,500,000	475,819,877	328,907,813	185,300,597	567,682,401
Additions	-	-	1,048,236	12,772,675	51,819,034
Disposals	-	-	-	(4,959,000)	-
Written off	-	-	-	-	-
Revaluation	-	-	-	-	-
Transferred due to revaluation	-	-	-	-	-
Transferred from capital working progress	-	-	-	-	-
<b>Balance as at 31 December</b>	1,403,500,000	475,819,877	329,956,048	193,114,272	619,501,435
<b>Accumulated Depreciation</b>					
<b>Balance as at 01 st January</b>	-	11,659,638	124,697,236	171,278,893	360,060,087
Charge for the year	-	11,895,497	8,187,512	5,553,500	28,644,291
On Disposals	-	-	-	(4,959,000)	-
Transferred due to revaluation	-	-	-	-	-
<b>Balance as at 31 December</b>	-	23,555,135	132,884,748	171,873,392	388,704,378
<b>Carrying Value</b>					
<b>As at 31 December 2025</b>	1,403,500,000	452,264,742	197,071,301	21,240,880	230,797,056
<b>As at 31 December 2024</b>	1,403,500,000	464,160,239	204,210,577	14,021,705	207,622,314

Furniture & Fittings Rs.	Equipments Rs.	Land Improvement Rs.	Water & Sanitation and Others Rs.	Capital Work in Progress Rs.	Total 2025 Rs.	Total 2024 Rs.
35,954,637	224,450,677	39,895,911	81,643,962	27,564,389	3,370,720,264	3,287,587,890
3,443,430	54,174,895	-	11,287,943	159,818,148	294,364,360	162,882,849
-	-	-	-	(64,988,481)	(69,947,481)	(79,378,216)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	(18,381,820)	(18,381,820)	(372,263)
39,398,066	278,625,572	39,895,911	92,931,905	104,012,236	3,576,755,324	3,370,720,264
32,576,801	145,990,048	39,789,650	61,375,451	-	947,427,804	888,494,317
705,292	15,470,348	56,250	1,886,423	-	72,399,113	64,352,589
-	-	-	-	-	(4,959,000)	(5,418,986)
-	-	-	-	-	-	-
33,282,093	161,460,397	39,845,900	63,261,874	-	1,014,867,917	947,427,804
6,115,973	117,165,175	50,011	29,670,031	104,012,236	2,561,887,406	
3,377,836	78,460,629	106,261	20,268,511	27,564,389	2,423,292,460	2,423,292,460

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 13 FREEHOLD PROPERTY, PLANT & EQUIPMENT (Contd...)

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**13.1** The assets shown above are those movable assets vested in the Company by gazette notification at the date of formation of the company (22nd June 1992) and all additions to tangible assets by the company since its formation. The assets taken over by way of estate leases are set out in notes 12.1 & 12.2.

**13.2** Details on assets pledged under facilities are given under the Note 31 of the financial statements.

### 13.3 Revaluation of land and buildings

The company measures land and building at revalued amounts with changes in fair value being recognised in other comprehensive income and in the statement of changes in equity. The company engaged independent valuation specialist to determine fair value of land and buildings as at 31 December 2023.

The Freehold Lands and Building on freehold lands were revalued by Mr. G.J. Sumanasena, Incorporated Valuer as of 31 December 2023. The results of such valuation have been incorporated in these financial statements as at that date. Such assets were valued on the basis of Land and Building Method or Contractors' Test Method. Fair value is determined by reference to market-based evidence. The surplus arising from the revaluation has been transferred to the revaluation reserve.

#### Summary description of valuation methodologies

##### 1. Comparable Market approach (CMA)

This method may be adopted when the rental value is not available from the property concerned, but there are evidences of sale price of properties as a whole. In such cases, the capitalized value of the property is fixed by direct comparison with capitalized value of similar property in the locality

##### 2. Depreciation replacement cost (DRC)

The replacement cost method is used to value properties which do not generally exchange on the open market and for which comparable evidence therefore does not exist. The valuations are based on two components, the depreciated cost of the building element and the market value of the land. Current building costs and often the land will be established by comparison.

Information on fair value measurement on land and building as at 31 December 2023 using significant unobservable inputs (level 3) is given below.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 13 FREEHOLD PROPERTY, PLANT & EQUIPMENT (Contd...)

Type of Asset	Location	Fair Value as at 31 December 2023	Method of Valuation	Significant Unobservable Inputs	Estimates for Unobservable Inputs	Sensitivity of Fair Value to Unobservable Inputs
Land	Bopitiya, Wattala	55,825,000	Market Approach	Estimated price per perch	Rs 725,000/- per perch	Positively correlated sensitivity
Land	Vakarai, Batticallo	51,000,000	Market Approach	Estimated price per perch	"Rs.5,250,000/- to Rs.6,000,000/- per acre"	Positively correlated sensitivity
Land	Dam Street, Colombo 12	851,625,000	Market Approach	Estimated price per perch	Rs.7,500,000/- per perch	Positively correlated sensitivity
Buildings	Dam Street, Colombo 12	178,375,000	Cost Approach	Estimated price per square foot	Rs.2,200/- to Rs.7,800/- per square foot	Positively correlated sensitivity
Land	Hendala, Wattala	445,050,000	Market Approach	Estimated price per perch	Rs.700,000/- to Rs. 1,200,000/- per perch	Positively correlated sensitivity
Buildings	Hendala, Wattala	283,350,000	Cost Approach	Estimated price per square foot	Rs.4,500/- to Rs.7,500/- per square foot	Positively correlated sensitivity
		<b>1,865,225,000</b>				

Information on fair value measurement on land and building as at 31 December 2020 using significant unobservable inputs (level 3) is given below.

Type of Asset	Location	Fair Value as at 31 December 2020	Method of Valuation	Significant Unobservable Inputs	Estimates for Unobservable Inputs)	Sensitivity of Fair Value to Unobservable Inputs
Land	Bopitiya, Wattala	42,350,000	Market Approach	Estimated price per perch	Rs.550,000/- per perch	Positively correlated sensitivity
Land	Vakarai, Batticallo	47,200,000	Market Approach	Estimated price per perch	Rs.4,800,000/- per acre	Positively correlated sensitivity
Land	Dam Street, Colombo 12	794,850,000	Market Approach	Estimated price per perch	Rs.7,000,000/- per perch	Positively correlated sensitivity
Buildings	Dam Street, Colombo 12	130,150,000	Cost Approach	Estimated price per square foot	Rs.2,200/- to Rs.6,500/- per square foot	Positively correlated sensitivity
Land	Hendala, Wattala	357,976,000	Market Approach	Estimated price per perch	Rs.700,000/- to Rs. 1,200,000/- per perch	Positively correlated sensitivity
Buildings	Hendala, Wattala	217,024,000	Cost Approach	Estimated price per square foot	Rs.2,800/- to Rs.5,200/- per square foot	Positively correlated sensitivity
Buildings	Hendala, Wattala	<b>1,589,550,000</b>	Cost Approach	Estimated price per square foot	Rs.2,800/- to Rs.5,200/- per square foot	Positively correlated sensitivity
		<b>1,589,550,000</b>				

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

13.4 If land and buildings were measured using the cost model, the carrying amounts would be as follows:

	2025 Rs.	2024 Rs.
Cost	883,239,312	883,239,312
Accumulated depreciation	(185,080,505)	(175,227,550)
Carrying value	698,158,807	708,011,762

13.5 The cost of fully depreciated and still in use assets of the company amounts to Rs. 542 Mn as of 31 December 2025. (2024 - 472 Mn ).

## 14 BIOLOGICAL ASSETS

### 14.1 Bearer Biological Assets

Company	Immature Plantations				Mature Plantations				2025 Rs.	2024 Rs.
	Tea Rs.	Rubber Rs.	Other Rs.	Total Rs.	Tea Rs.	Rubber Rs.	Other Rs.	Total Rs.		
<b>Cost</b>										
As at 1 January	3,680,047	392,628,263	490,332,705	886,641,015	498,723,480	777,290,819	818,948,087	2,094,962,385	2,981,603,400	2,643,692,916
Additions during the year	82,800,372	102,517,057	234,539,731	419,857,160	-	38,706,839	263,292,810	301,999,649	721,856,809	597,697,151
Transfers (from)/to	-	(38,706,839)	(263,292,810)	(301,999,649)	-	-	-	-	(301,999,649)	(245,320,276)
Written- off/back	-	-	-	-	-	-	(1,021,838)	(1,021,838)	(1,021,838)	(14,466,453)
As at 31 December	86,480,419	456,438,482	461,579,626	1,004,498,527	498,723,480	815,997,657	1,081,219,059	2,395,940,196	3,400,438,723	2,981,603,400
<b>Depreciation</b>										
As at 1 January	-	-	-	-	284,496,367	407,112,044	117,807,369	809,415,780	809,415,780	729,593,437
Charge for the year	-	-	-	-	14,961,704	32,274,492	24,313,532	71,549,728	71,549,728	80,360,501
Written- off/back	-	-	-	-	-	-	(347,567)	(347,567)	(347,567)	(538,270)
As at 31 December	-	-	-	-	299,458,071	439,386,536	141,773,334	880,617,941	880,617,941	809,415,780
Carrying amount	86,480,419	456,438,482	461,579,626	1,004,498,527	199,265,409	376,611,121	939,445,725	1,515,322,256	2,519,820,782	2,172,187,620

These are investments in immature/mature plantations since the acquisition of the Company. The assets (including plantation assets) taken over by way of estate leases are set out in Notes 12.2.1 and 12.2.2. Further investment in immature plantations taken over by way of these leases are shown in the above note. When such plantations become mature, the additional investments since take over to bring them to maturity, will be moved from immature to mature under this note.

The Company has elected to measure the bearer biological assets at cost using LKAS 16 - Property, Plant & Equipment.

Specific borrowings have not been obtained to finance the planting expenditure. Hence, borrowing costs were not capitalised during the year under Immature Plantations.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 14.2 Consumable Biological Assets

	Company	
	2025 Rs.	2024 Rs.
As at 1 January	1,820,337,181	1,712,105,742
Increase due to development	-	-
Gain/(loss) arising from changes in fair value less cost to sell	217,891,751	113,365,105
Cost of Harvested Timber trees	(4,762,393)	(5,133,666)
As at 31 December	2,033,466,540	1,820,337,181

Managed trees include commercial timber plantations cultivated on estates. The cost of immature trees is treated as 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.

The valuations, as presented in the external valuation models based on net present values, take into account the long term exploitation of the timber plantations. Because of the inherent uncertainty associated with the valuation at fair value of the biological assets due to the volatility of the variables, their carrying value may differ from their realisable value. Hence, the sensitivity analysis regarding selling price and discount rate variations as included in this note allows an investor to reasonably challenge the financial impact of the assumptions used in the SLFRS 13 against his own assumptions.

The fair value of managed trees was ascertained since the LKAS 41 is only applicable for managed agricultural activities in terms of the ruling issued by The Institute of Chartered Accountants of Sri Lanka. The valuation was carried by Messers Perera Sivaskantha & Company, incorporated valuers, using Discounted Cash Flow (DCF) methods. In ascertaining the fair value of timber valuer has considered the different species, size, condition and location of timber trees. The future cash flows are determined by reference to current timber prices without considering the future increase of timber prices.

### 14.2.1 Information about Fair Value Measurements using Significant Unobservable Input (Level3)

Non Financial Assets	Valuation Technique	Unobservable Inputs	Range of Unobservable Inputs		Relation of Unobservable Inputs to Fair Value
			2025	2024	
Consumable Biological Assets	Discounted Cash Flow Method	Discounted Rate	15.00%	16.00%	The higher the discount rate, the lesser the fair value
		Optimum rotation (Maturity)	20 -25 years	20 -25 years	Lower the rotation period, the higher the fair value
		Volume at rotation	0.06- 30.69 cu' Meter	0.06- 30.69 cu' Meter	The higher the volume, the higher the fair value
		Price per cu. Meter	'Rs.2,000/= to Rs.30,000/=	Rs.2,000/= to Rs.28,600/=	The higher the price per cu. Meter. the higher the fair value

### 14.3 Consumable Biological Assets - Managed Trees

The valuations, as presented in the external valuation models based on net present values, take into account the long term exploitation of the timber plantations. The market rates applied has been arrived at after discounting. The commodity markets are inherently volatile and that long term price projection are highly unpredictable. The sensitivity analysis regarding selling price

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 14 BIOLOGICAL ASSETS (Contd)

and discount rate variations every investor to reasonably challenge the financial impact of the assumptions used in the LKAS 41 against his own assumptions.

### 14.3.1 Sensitivity Analysis

#### Sensitivity variation sales price

Values as appearing in the Statement of Financial Position are very sensitive to price changes with regard to the average sales prices applied. Simulations made for timber show that a rise or decrease by 10% of the estimated future selling price has the following effect on the net present value of biological assets:

	Impact on Consumable Biological Assets	
	Rs. -10%	Rs. +10%
As at 31st December 2025	(203,346,654)	203,346,654
As At 31st December 2024	(182,033,718)	182,033,718

#### Sensitivity variation discount rate

Values as appearing in the Statement of Financial Position are very sensitive to changes of the discount rate applied. Simulations made for timber trees show that a rise or decrease by 1% of the estimated future discount rate has the following effect on the net present value of biological assets:

	Impact on Consumable Biological Assets	
	Rs. -1%	Rs. +1%
As at 31st December 2025	11,664,661	(11,043,523)
As At 31st December 2024	10,194,539	(9,628,147)

The carrying amount of biological assets pledged as securities for liabilities are nil for year 2025 (2024 - nil).

There are no commitments for the development or acquisition of biological assets .

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 15 OTHER NON CURRENT FINANCIAL ASSETS

### 15.1 Financial assets at fair value through OCI

	No. of Shares	Company	2024 Rs.
		2025 Rs.	
<b>Investment in quoted companies</b>			
Agalawatte Plantation PLC	100	5,300	4,660
Balangoda Plantation PLC	100	7,120	7,120
Bogawantalawa Plantation PLC	150	11,625	8,475
Hapugasthenne Plantation PLC	100	5,300	4,670
Horana Plantation PLC	100	5,270	4,730
Kahawatte Plantation PLC	100	2,060	1,980
Kegalle Plantation PLC	100	13,500	13,000
Kotagala Plantation PLC	150	1,515	1,335
Kelani Valley Plantation, PLC	100	18,400	19,320
Madulsima Plantation PLC	100	1,200	1,400
Namunukula Plantation PLC	100	65,000	40,000
Talawakelle Plantation PLC	100	29,400	28,600
Udapussellawa Plantation PLC	100	17,150	11,700
Watawala Plantation PLC	1,000	236,069	126,881
Total Financial Assets at fair value through OCI	2,400	418,909	273,871
<b>15.2 Net (loss) / gain on financial assets at fair value through OCI</b>		<b>145,038</b>	<b>82,961</b>

### 15.3 Fair Value Hierarchy for Financial

Financial Asset Type	Date of Valuation	Level 1	Level 2	Level 3
		(Quoted prices in active markets)	(Significant observable inputs)	(Significant unobservable inputs)
		Rs.	Rs.	Rs.
Investment in quoted equity shares	31-Dec-25	418,909	-	-
	31-Dec-24	273,871	-	-

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 16 INVESTMENT IN SUBSIDIARY

	Percentage of Holding	2025 Rs.	2024 Rs.
Malwatte Species (Pvt) Ltd	100%	-	14,777,000
Provision for Impairment		-	(14,777,000)
		-	-

The Company has invested in Malwatte Species (Pvt) Ltd (Formally known as Bloemendal Flower Company (Pvt) Ltd), which is involved in the business of manufacturing and sale of spices. With effect from 26 May 2020, Malwatte Species (Pvt) Ltd became a fully owned subsidiary of Malwatte Valley Plantations PLC.

Effective April 1, 2023, the Company fully ceased operations under Malwatte Spices (Pvt) Ltd as part of a strategic restructuring initiative aimed at reducing administrative burden. This decision followed the Board of Directors' evaluation of the potential initiation of a new operation under Malwatte Spices (Pvt) Ltd, which was disclosed in the previous year. However, during the current year, the Board of Directors decided to discontinue those plans and fully close down Malwatte Spices (Pvt) Ltd.

As a result of this closure and the discontinued nature of the entity, the Board has assessed the recoverable amount of the remaining assets. Given that the asset has no recoverable value, the balance carrying amount has been fully impaired during the year.

Due to the cessation of the operations and the integration of spice-related operations into Malwatte Valley Plantations PLC, the board determined that the assets of the Malwatte Spice (Pvt) Ltd had no value. Therefore, no significant assumptions were necessary for estimating the recoverable amount, as the decision was based on the complete discontinuation of operations and the lack of future cash flows.

As a result, an impairment loss of Rs. 14,777,000 has been recognised in the financial statements, reducing the carrying amount of the assets of Malwatte Spices (Pvt) Ltd to Rs. Nil

## 17 PRODUCE ON BEARER BIOLOGICAL ASSETS

	2025 Rs.	2024 Rs.
As at 1st January	9,426,735	4,003,854
Change in fair value less cost to sell	(2,331,305)	5,422,881
As at 31st December	7,095,430	9,426,735

### 17.1 Fair Value Hierarchy for Non financial asstes

Non Financial Asset Type	Date of Valuation	Level 1	Level 2	Level 3
		(Quoted prices in active markets) Rs.	(Significant observable inputs) Rs.	(Significant unobservable inputs) Rs.
Produce on Bearer Biological assets	31-Dec-25	-	7,095,430	-
	31-Dec-24	-	9,426,735	-

Details on Produce on Bearer Biological assets are given under the Note 3.6.6.5 of the accounting policies.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 17 PRODUCE ON BEARER BIOLOGICAL ASSETS (Contd)

### 17.2 Gain/(Loss) on Fair Value of Biological Assets

	Note	2025 Rs.	2024 Rs.
Gain/(loss) arising from Consumable Biological Assets	14.2	217,891,751	113,365,105
Gain/(Loss) arising from Produce on Bearer Biological Assets	17	(2,331,305)	5,422,881
<b>Total Change in Fair Value of Biological Assets</b>		<b>215,560,446</b>	<b>118,787,986</b>

Level 2 inputs were used when arriving the above figures.

## 18 INVENTORIES

	2025 Rs.	2024 Rs.
Input Materials	156,234,068	151,819,038
Nurseries	68,205,533	22,713,903
Trading Stocks (Solar)	28,845,986	95,537,984
Consumables & Spares	447,588	372,613
Harvested Crops	498,908,224	754,895,141
Spices Stock	49,743,404	91,806,144
	<b>802,384,803</b>	<b>1,117,144,823</b>
Less: Provision for slow-moving and obsolete inventory	(2,202,592)	(5,902,144)
	<b>800,182,211</b>	<b>1,111,242,679</b>

## 19 TRADE AND OTHER RECEIVABLES

	2025 Rs.	2024 Rs.
Trade receivables	1,741,788,888	1,607,247,344
Advances & Prepayments	40,150,085	49,747,291
Other debtors	88,940,106	146,947,115
Staff Debtors	48,769,796	52,468,247
WHT Recoverable	14,532,871	8,211,022
	<b>1,934,181,746</b>	<b>1,864,621,019</b>
Less: Provision for Impairment	(42,615,437)	(17,082,201)
	<b>1,891,566,309</b>	<b>1,847,538,818</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 19 TRADE AND OTHER RECEIVABLES (Contd)

2025  
Rs.                      2024  
Rs.

### 19.1 Movement in the provision for trade and other receivable

At the beginning of the year	17,082,201	3,198,222
Charge for the year	25,533,236	13,883,979
Reversal for the year	-	-
<b>At the end of the year</b>	<b>42,615,437</b>	<b>17,082,201</b>

### 19.2 The aging analysis of the trade receivables

	0 - 60 Days	60 - 120 Days	121 - 180 Days	180 days above
Company	1,679,803,320	59,574,719	-	2,410,848

## 20 AMOUNTS DUE FROM RELATED PARTIES

2025  
Rs.                      2024  
Rs.

Uva Resorts & Residencies (Pvt)Ltd	18,151,383	18,151,383
Malwatte Leisure (Pvt) Ltd	900,182	900,182
	19,051,565	19,051,565
Less: Provision for impairment		
Uva Resorts & Residencies (Pvt)Ltd	19,051,565	19,051,565
	19,051,565	19,051,565
	-	-

## 21. CASH AND CASH EQUIVALENTS

### 21.1 Short term deposits

Short term fixed deposits	1,294,236,648	1,401,375,049
<b>Total</b>	<b>1,294,236,648</b>	<b>1,401,375,049</b>

### 21.2 Favorable balances

Cash at bank	898,701,945	501,276,385
Cash in hand	1,904,982	527,836
Cash in transits	3,408,175	4,114,291
Stamps	16,103	14,588
<b>Total</b>	<b>904,031,205</b>	<b>505,933,100</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 21. CASH AND CASH EQUIVALENTS (Contd)

	2025	2024
	Rs.	Rs.
<b>21.3 Unfavorable balances</b>		
Bank overdraft	202,277,231	105,662,140
<b>Total</b>	<b>202,277,231</b>	<b>105,662,140</b>

Short-term deposits are made for varying periods between three months and twelve months, depending on the immediate cash requirements of the company and earn interest at the respective short-term deposit rates.

The securities pledged have been disclosed in Note 31 to the financial statements.

## 22. STATED CAPITAL

	2025	2024
	Number	Number
<b>Issued and Fully Paid Number of Shares</b>		
No. of Voting Ordinary Shares including one Golden Share held by the Treasury which has special rights	202,792,332	202,792,332
No. of Non- Voting Ordinary Shares	20,250,660	20,250,660
	<b>223,042,992</b>	<b>223,042,992</b>
Stated Capital including one Golden Share held by the Treasury which has special rights	350,000,010	350,000,010
Issue of Non - Voting Ordinary Shares	23,000,000	23,000,000
	<b>373,000,010</b>	<b>373,000,010</b>

Stated capital represents the amount paid to the company in respect of issuing 202,792,332 Ordinary Shares including one Golden Share which has special rights and 20,250,660 Non-Voting Ordinary Shares. Special rights of the golden share are given in the Annual Report of the Board of Directors on the Affairs of the Company.

## 23. REVALUATION RESERVE

	2025	2024
	Rs.	Restated Rs.
At the beginning of the year	792,796,402	792,796,402
Transfers through Other Comprehensive Income, net of tax	-	-
At the end of the year	<b>792,796,402</b>	<b>792,796,402</b>

The above revaluation reserve consists of net surplus resulting from the revaluation of property, plant and equipment as described in Note 13 to these financial statements. This unrealised amount cannot be distributed to shareholders.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 24 INTEREST BEARING LOANS AND BORROWINGS

	Payable within One year Rs.	2025 Payable After 1 year less than 5 years Rs.	Total payable Rs.	Payable within One year Rs.	2025 Payable After 1 year less than 5 years Rs.	Total Payable Rs.
24.1 Term loan facilities (Note 24.1.1)	765,270,720	-	765,270,720	900,025,100	-	900,025,100
	765,270,720	-	765,270,720	900,025,100	-	900,025,100

### 24.1.1 Term loan facilities

Company	Payable within One year Rs.	Payable After 1 year less than 5 years Rs.	Payable after 05 years Rs.	Total as at 31.12.2025 Rs.	Total as at 31.12.2024 Rs.	Facility Details
<b>Short term Loans - Packing Credit Loans</b>						
Hatton National Bank PLC (USD)	66,173,280	-	-	66,173,280	160,238,860	I
Bank of Ceylon Packing Credit Loans	158,865,440	-	-	158,865,440	115,253,890	II
DFCC Packing Credit Loan	-	-	-	-	31,451,480	III
Union Bank PLC Packing Credit Loans	260,232,000	-	-	260,232,000	493,080,870	IV
Hatton National Bank short Term Loan	280,000,000	-	-	280,000,000	100,000,000	V
<b>Total Term Loan Facilities</b>	765,270,720	-	-	765,270,720	900,025,100	

### 24.2 Details of the interest bearing loans and borrowing facilities

Facility details	Rate of interest	Terms of repayment
I	6.5% P.a	This loan has been provided for 5 months.
II	SOFR + 1%	This loan has been provided for 3 months. After completion of 3 months that will be renewed again.
III	6.25% P.a	This loan has been provided for 5 months.
IV	SOFR + 1.2%	This loan has been provided for 3 months. After completion of 3 months that will be renewed again.
V	AWPLR + 1%	This loan has been provided for 7 months.

### 24.3 Changes in Liability arising from financing activities

	1-Jan-25 Rs.	Cash flows Rs.	New leases Rs.	Others Rs.	31-Dec-25 Rs.
Current interest-bearing loans and borrowings	900,025,100	(164,902,162)	-	30,147,782	765,270,720
Current obligations under finance leases	7,765,857	(3,425,238)	1,229,400	-	5,570,019
Non-current obligations under finance leases	449,270,718	(74,469,083)	114,270,151	-	489,071,786
<b>Total liabilities from financing activities</b>	1,357,061,675	(242,796,483)	115,499,551	30,147,782	1,259,912,525

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 25 DEFERRED INCOME

	2025 Rs.	2024 Rs.
<b>Deferred Grants and Subsidies</b>		
As at 1 January	129,885,629	120,807,990
Add : Grants received during the year	9,429,113	18,804,909
Add : Other deferred income (Net)	(4,440,854)	
Less : Amortisation for the year	(10,119,933)	(9,727,270)
As at 31 December	124,753,955	129,885,629

The Company has received funding from the Plantation Housing and Social Welfare Trust and Asian Development Bank for the development of workers facilities such as re-roofing of line rooms, latrines, water supply and sanitation etc. The amounts spent are included under the relevant classification of property, plant & equipment and the grant component is reflected under Deferred Grants and Subsidies.

## 26 DEFERRED TAX LIABILITY

	2025		2024 Restate	
	Temporary Difference Rs.	Tax Effect Rs.	Temporary Difference Rs.	Tax Effect Rs.
As at 1 January	4,698,392,510	1,409,517,753	4,563,993,351	1,369,198,005
Amount originated during the year transferred to Statement of Profit or Loss	533,238,117	159,971,435	389,534,181	116,860,254
Amount originated during the year transferred to Other Comprehensive Income	(64,701,998)	(19,410,599)	(255,135,022)	(76,540,507)
As at 31 December	5,166,928,629	1,550,078,589	4,698,392,510	1,409,517,753
Right-of-use assets	436,811,476	131,043,443	420,248,744	126,074,623
Property, Plant and Equipment	1,727,280,406	518,184,122	1,731,650,448	519,495,134
Biological assets	4,560,382,752	1,368,114,826	4,001,951,537	1,200,585,461
Unrealized Exchange gain/ (loss)	25,096,198	7,528,860	(1,945,130)	(583,539)
Retirement benefit obligation	(1,048,752,387)	(314,625,716)	(981,258,025)	(294,377,408)
Lease liabilities	(489,071,786)	(146,721,536)	(449,270,718)	(134,781,215)
Provision for Inventories	(2,202,592)	(660,778)	(5,902,144)	(1,770,643)
Provision for Trade & other receivables	(42,615,437)	(12,784,631)	(17,082,201)	(5,124,660)
<b>As at 31 December</b>	<b>5,166,928,629</b>	<b>1,550,078,589</b>	<b>4,698,392,510</b>	<b>1,409,517,753</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 26 DEFERRED TAX LIABILITY (Contd)

### Income Tax Expense

	2025	2024
	Rs.	Restated Rs.
Balance as at 01 January	1,409,517,753	1,369,198,005
Amount of tax effect relating to the origination/(reversal) to Profit or Loss	159,971,435	116,860,254
Amount of tax effect relating to the origination/(reversal) to Other Comprehensive Income	(19,410,599)	(76,540,507)
Balance as at 31 December	1,550,078,589	1,409,517,753

The effective tax rate used to calculate deferred tax liability for all the Temporary Differences as at 31 December, 2025 is 30% (2024 - 30%) for the company. The applicable tax rates has changd due to the amendment of Act No. 45 of 2022. (Refer Note 4.1)  
During the year 2023, the company has fully set-offed tax losses carried forward (Refer Note 10.4) that are available for offsetting against future taxable profits of the Company.

## 27 RETIREMENT BENEFIT OBLIGATIONS

	2025	2024
	Rs.	Rs.
<b>As at 1 January</b>	981,258,025	736,839,759
Interest Cost	112,844,673	99,473,368
Current Service Cost	53,830,999	47,242,369
Actuarial (Gain) / Loss due to changes in financial assumptions	142,433,623	131,029,006
Actuarial (Gain) / Loss due to experience adjustment	(77,731,625)	124,106,016
Payments / Payable for the year	(163,883,308)	(157,432,493)
<b>As at 31 December</b>	1,048,752,387	981,258,025

LKAS 19 requires the use of actuarial techniques to make a reliable estimate of the amount of retirement benefit that employees have earned in return for their service in the current and prior periods using the Projected Unit Credit Method and discount that benefit in order to determine the present value of the retirement benefit obligation and the current service cost. This require an entity to determine how much benefit is attributable to the current and prior periods and to make estimates about demographic variables and financial variables that will influence the cost of the benefit. The following key assumptions were made in arriving at the above figure.

### Use of Discount Rate under the uncertain economic conditions

The Company uses market yields for the year ended 31st December 2025 on treasury bonds issued by the Government of Sri Lanka (T-bonds) to determine the discount rate, as disclosed in its accounting policy.

### Adopting Method :

Company used Projected Unit Credit Method (PUC) as the method of valuation. The PUC is the benchmark method recommended by Sri Lanka Accounting Standard as per LKAS 19.

### Input Used for the valuation

Basic input data used for the retirement benefit obligation is employee date who were expected to be in service as at 31st

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 27 RETIREMENT BENEFIT OBLIGATIONS (Contd)

December 2025. Such as retirement Age , Wage Rate etc. This input data mainly used to conduct the valuation.

### Assumptions used for valuation

In order to carry out the valuation, there are two main assumptions regarding the future experience and trends of two groups of elements.

#### i. Demographic Assumptions -

This assumptions covers item such as mortality rates, ill health retirement rate and staff turnover rate and these are generally referred to as the demographic assumptions. Sudden Changes in these are rare and the past experience can provide a reasonable guide to the future.

#### ii . Financial Assumption -

This assumption covers the financial elements such as the rate of increase in salaries / Wages, the rate of discount ( i.e. the rate of interest used to discount future cash flows in order to determine the present value). The assumptions regarding the financial elements , of necessity, have to be based on more general considerations of long-term economic trends and outlook.

According to the actuarial valuation report issued by Actuarial & Management Consultants (Pvt) Limited, a firm of professional actuaries as at 31 December 2025 the actuarial present value of promised retirement benefits amounted to Rs. 1,048,752,387/=. If the company had provided for gratuity on the basis of 14 days wages & half months salary for each completed year of service, the liability would have been Rs. 894,505,397/=

The following payments are expected from the defined benefit plan obligation in future years.

	Monthly Paid Staff Rs.	Daily paid Staff Rs.	2025 Rs.	2024 Rs.
Within the next 12 months	68,045,332	125,508,375	<b>193,553,707</b>	195,105,403
Between 2 and 5 years	23,273,310	185,485,157	<b>208,758,467</b>	205,347,048
Beyond 5 years	52,474,184	593,966,029	<b>646,440,213</b>	580,805,573
	143,792,827	904,959,561	<b>1,048,752,388</b>	981,258,024

The weighted average duration of the Defined Benefit plan obligation at the end of the reporting period is 5 years and 8.8 Years for staff and workers respectively (2024 - 4.97 years and 8.3 years for staff and workers respectively).

The key assumptions used by Actuarial & Management Consultants (Pvt) Limited include the following;

	2025	2024
(i) Rate of Interest	10.0%	11.5%
(ii) Retirement Age		
Workers	60 years	60 years
Staff	60 years	60 years

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 27 RETIREMENT BENEFIT OBLIGATIONS (Contd)

### 27.1 Sensitivity Analysis

Values appearing in the financial statements are very sensitive to the changes in financial and non-financial assumptions used. The sensitivity analysis for Discount Rate and Salary Escalation Rate as follows ;

	Impact on Retirement Benefit Obligation	
	Rs.Mn.	Rs.Mn.
<b>A one percentage point change in the discount rate.</b>	+1%	-1%
As at 31 December 2025	(85.74)	74.77
As at 31 December 2024	(66.01)	75.36
<b>A one percentage point change in the salary / wage increment rate.</b>	+1%	-1%
As at 31 December 2025	86.69	(76.97)
As at 31 December 2024	77.72	(69.17)

## 28 LEASE LIABILITY

	Note	2025 Rs.	2024 Rs.
Lease liability on right-of-use asset- land	28.1	494,641,898	453,716,796
Lease liability on right-of-use asset - motor vehicles and machineries	28.2	(93)	3,319,779
		494,641,805	457,036,575

### 28.1 Lease liability on right-of-use asset- land

<b>As at 1 January</b>	453,716,796	351,800,973
Adjustment on reassessment of lease liability	45,820,183	105,823,089
Accretion of interest	68,886,149	63,106,358
Payments	(73,781,230)	(67,013,624)
<b>As at 31 December</b>	494,641,898	453,716,796
Current	5,570,112	4,446,078
Non - Current	489,071,786	449,270,718

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 28 LEASE LIABILITY (Contd)

	2025 Rs.	2024 Rs.
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### 28.1.2 Maturity analysis of lease liabilities are as follows;

#### Payable within one year

Gross liability	73,781,230	67,013,624
Finance cost allocated to future periods	(68,211,118)	(62,567,546)
Net liability transferred to current liabilities	5,570,112	4,446,078

#### Payable within two to five years

Gross liability	368,906,150	335,068,120
Finance cost allocated to future periods	(327,183,875)	(301,765,293)
Net liability	41,722,275	33,302,827

#### Payable after five years

Gross liability	1,032,937,220	1,005,204,360
Finance cost allocated to future periods	(585,587,709)	(589,236,468)
Net liability	447,349,511	415,967,892

### 28.2 Lease liability on right-of-use asset - motor vehicles and machineries

As at 1 January	3,319,779	7,451,246
Additions	-	-
Accretion of interest	105,365	435,516
Payments	(3,425,238)	(4,566,984)
As at 31 December	(93)	3,319,779
Current	(93)	3,319,779
Non - Current	-	-

## 29. TRADE AND OTHER PAYABLES

Trade Creditors	24,174,550	80,891,295
Employee Related Creditors	186,938,012	189,888,873
Gratuity Payable	277,037,062	278,718,204
Provision for Gratuity Surcharge	75,485,019	77,628,938
Accrued Expenses	49,705,960	38,104,892
Bills Discounted	1,270,693,385	959,903,738
Others	251,342,748	220,650,657
	2,135,376,736	1,845,786,597

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 30. AMOUNTS DUE TO RELATED PARTIES

	2025 Rs.	2024 Rs.
Malwatte Spieces (Pvt) Ltd	3,623,439	3,202,499
	<b>3,623,439</b>	<b>3,202,499</b>

## 31 SECURITIES PLEDGED

Following assets have been pledged as security for liabilities.

Nature of Liability	Loan/Facility Rs.	Security	Balance outstanding of facility	
			2025 Rs.	2024 Rs.
<b>Company</b>			-	-

## 32 CAPITAL COMMITMENTS

There were no Capital commitments as at the statement of financial position date.

## 33 CONTINGENCIES

There are no known contingent liabilities exist as at the statement of financial position date.

## 34 EVENTS AFTER THE REPORTING PERIOD

There have been no material events occurring after the statement of financial position date that require adjustment or disclosure in the financial statements.

## 35 RELATED PARTY DISCLOSURES

### 35.1 Details of Significant Related Party Disclosures are as follows.

#### Terms and conditions of transactions with related parties

There were no significant transactions were carried out with this related party during the year under review and also, none of the recurrent related party transactions entered into by the company fall under the category where the aggregate value of such transaction exceeds 10% of the gross revenue/ income as per the financial statements.

Furthermore, no outstanding balances for related parties other than Malwatte Spices Pvt Ltd and no commitments existed as at the reporting date in relation to these parties. All related party transactions are conducted under normal commercial terms and conditions, and are subject to Board oversight.

#### Transactions with related entities

Nature of the Company	Relationship	Name of Director	Amount Charged/ (Credited)	
			2025 Rs.	2024 Rs.
Malwatte Spices (Pvt) Ltd	Subsidiary	Mr. Lucas Bogtstra Mr.S D Samaradiwakara Mr. K G M Piyaratne	(6,825,937)	(7,177,374)

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 35 RELATED PARTY DISCLOSURES (Contd)

### 35.2 Transactions with the key management personnel of the company

There were no material transactions with the Key Management Personnel of the Company other than those disclosed in Notes 20 and 30 to the Financial Statements.

	2025 Rs.	2024 Rs.
Directors Fee	108,580,289	99,088,574
Directors Incentive	9,480,087	12,748,489
Gratuity provision	4,000,000	3,500,000
	<b>122,060,376</b>	<b>115,337,063</b>

## 36. RESTATEMENT OF FINANCIAL STATEMENTS

### (a) Deferred Tax on Revaluation Surplus

The deferred tax adjustment related to the revaluation surplus on lands as at 31 December 2022 and 2023 had not been accounted for in Other Comprehensive Income during the relevant financial year ends, which led to an understatement of the deferred tax liability and overstatement of the revaluation reserve by Rs. 278,759,863. The statement of financial position has been restated to account for this deferred tax on the revaluation surplus. The impact is as follows;

### 36.1 Impact on the Statement of Other Comprehensive Income for the Year Ended 31st December 2023

	Previously Reported Rs.	Correction Rs.	Restated Rs.
<b>Other Comprehensive Income for the year, net of tax</b>			
<b>Net other comprehensive Income/(Loss) not be reclassified to profit or Loss in subsequent period</b>			
Net (loss) / gain on financial assets at fair value through OCI	(14,075)	-	(14,075)
Tax effect	-	-	-
<b>Actuarial gains/ (losses) on defined benefit plans</b>	264,473,110	-	264,473,110
<b>Tax effect</b>	(79,341,933)	-	(79,341,933)
Revaluation of Land & Building	301,713,050	-	301,713,050
Tax effect	(90,513,915)	(48,337,200)	(138,851,115)
<b>Total Net other comprehensive income/(Loss) not be reclassified to profit or Loss in subsequent period</b>	396,316,237	-	347,979,037
<b>Total Other comprehensive income for the year, net of tax</b>	396,316,237	-	347,979,037
<b>Total comprehensive income for the year, net of tax</b>	224,705,205	(48,337,200)	176,368,005

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 36. RESTATEMENT OF FINANCIAL STATEMENTS (Contd)

### 36.2 Impact on the Statement of Financial Position for the Year Ended 31st December 2023

	Previously Reported Rs.	Correction Rs.	Restated Rs.
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Right-of-use assets	350,158,819	-	350,158,819
Freehold Property, plant & equipment	2,399,093,574	-	2,399,093,574
Bearer biological assets	1,914,099,480	-	1,914,099,480
Consumable biological assets	1,712,105,742	-	1,712,105,742
Other non current financial assets	190,909	-	190,909
Investment in Subsidiary	14,777,000	-	14,777,000
	6,390,425,524	-	6,390,425,524
<b>Current Assets</b>			
Produce on Bearer Biological Assets	4,003,854	-	4,003,854
Inventories	1,078,483,802	-	1,078,483,802
Trade and other Receivables	2,029,614,984	-	2,029,614,984
Income Tax Recoverable	15,000,079	-	15,000,079
Amounts due from related companies	3,974,875	-	3,974,875
Short - term investments	310,715,176	-	310,715,176
Cash and cash equivalents	994,661,108	-	994,661,108
	4,436,453,878	-	4,436,453,878
<b>Total Assets</b>	10,826,879,401		10,826,879,401

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 36. RESTATEMENT OF FINANCIAL STATEMENTS (Contd)

### 36.2 Impact on the Statement of Financial Position for the Year Ended 31st December 2023 (Contd..)

	Previously Reported Rs.	Correction Rs.	Restated Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated capital	373,000,010	-	373,000,010
Timber reserve	1,607,292,650	-	1,607,292,650
Revaluation reserve	1,071,556,265	(278,759,863)	792,796,402
Retained earnings	2,767,076,769	-	2,767,076,769
<b>Total Equity</b>	<b>5,818,925,694</b>	<b>(278,759,863)</b>	<b>5,540,165,831</b>
<b>Non Current Liabilities</b>			
Interest-bearing borrowings	-	-	-
Deferred income	120,807,990	-	120,807,990
Deferred tax liability	1,090,438,142	278,759,863	1,369,198,005
Retirement benefit obligations	736,839,759	-	736,839,759
Lease liabilities	352,117,019	-	352,117,019
	2,300,202,910	278,759,863	2,578,962,773
<b>Current Liabilities</b>			
Trade and other payables	1,483,614,192	-	1,483,614,192
Lease liabilities	7,135,200	-	7,135,200
Interest-bearing borrowings payable within one year	1,207,751,800	-	1,207,751,800
Dividend payables	5,932,413	-	5,932,413
Bank overdraft	3,317,193	-	3,317,193
	2,707,750,797	-	2,707,750,797
	10,826,879,401	-	10,826,879,401

### 36.3 Impact on the Statement of Profit or Loss for the Year Ended 31st December 2024

There is no impact on Statement of Profit or Loss including OCI for the year ended 31st December 2024

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 36. RESTATEMENT OF FINANCIAL STATEMENTS (Contd)

### 36.4 Impact on the Statement of Financial Position for the Year Ended 31st December 2024

	Previously Reported Rs.	Correction Rs.	Restated Rs.
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Right-of-use assets	420,248,744	-	420,248,744
Freehold Property, plant & equipment	2,423,292,460	-	2,423,292,460
Bearer biological assets	2,172,187,620	-	2,172,187,620
Consumable biological assets	1,820,337,181	-	1,820,337,181
Other non current financial assets	273,871	-	273,871
Investment in Subsidiary	-	-	-
	6,836,339,875	-	6,836,339,875
<b>Current Assets</b>			
Produce on Bearer Biological Assets	9,426,735	-	9,426,735
Inventories	1,111,242,679	-	1,111,242,679
Trade and other Receivables	1,847,538,818	-	1,847,538,818
Income Tax Recoverable	20,925,525	-	20,925,525
Amounts due from related companies	-	-	-
Short - term investments	1,401,375,049	-	1,401,375,049
Cash and cash equivalents	505,933,100	-	505,933,100
	4,896,441,905	-	4,896,441,905
<b>Total Assets</b>	<b>11,732,781,780</b>		<b>11,732,781,780</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 36. RESTATEMENT OF FINANCIAL STATEMENTS (Contd)

### 36.4 Impact on the Statement of Financial Position for the Year Ended 31st December 2024 (Contd..)

	Previously Reported Rs.	Correction Rs.	Restated Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated capital	373,000,010	-	373,000,010
Timber reserve	1,715,524,093	-	1,715,524,093
Revaluation reserve	1,071,556,265	(278,759,863)	792,796,402
Retained earnings	3,013,170,662	-	3,013,170,662
Total Equity	6,173,251,030	(278,759,863)	5,894,491,167
<b>Non Current Liabilities</b>			
Interest-bearing borrowings	-	-	-
Deferred income	129,885,629	-	129,885,629
Deferred tax liability	1,130,757,890	278,759,863	1,409,517,753
Retirement benefit obligations	981,258,025	-	981,258,025
Lease liabilities	449,270,718	-	449,270,718
	2,691,172,263	278,759,863	2,969,932,126
<b>Current Liabilities</b>			
Trade and other payables	1,845,786,597	-	1,845,786,597
Amounts due to related companies	3,202,499	-	3,202,499
Lease liabilities	7,765,857	-	7,765,857
Interest-bearing borrowings payable within one year	900,025,100	-	900,025,100
Dividend payables	5,916,293	-	5,916,293
Bank overdraft	105,662,140	-	105,662,140
	2,868,358,486	-	2,868,358,486
	11,732,781,780	-	11,732,781,780

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd...)

### 36.5 Impact on the Deferred Tax Liability for Ended 31st December 2023

	Previously Reported (2023)		Correction (2023)		Restated (2023)	
	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Right-of-use assets	350,158,819	105,047,646	-	-	350,158,819	105,047,646
Property, Plant and Equipment	779,122,484	233,736,745	929,199,543	278,759,863	1,708,322,027	512,496,608
Biological assets	3,630,209,025	1,089,062,708	-	-	3,630,209,025	1,089,062,708
Unrealized Exchange gain/ (loss)	(4,919,479)	(1,475,844)	-	-	(4,919,479)	(1,475,844)
Retirement benefit obligation	(736,839,759)	(221,051,928)	-	-	(736,839,759)	(221,051,928)
Lease liabilities	(352,117,019)	(105,635,106)	-	-	(352,117,019)	(105,635,106)
Provision for Inventories	(1,181,477)	(354,443)	-	-	(1,181,477)	(354,443)
Provision for impairment of amounts due from balances	(19,051,565)	(5,715,470)	-	-	(19,051,565)	(5,715,470)
Provision for Trade & other receivables	(3,198,222)	(959,467)	-	-	(3,198,222)	(959,467)
Provision for impairment of Investment in subsidiaries	(7,389,000)	(2,216,700)	-	-	(7,389,000)	(2,216,700)
<b>As at 31 December</b>	<b>3,634,793,808</b>	<b>1,090,438,142</b>	<b>929,199,543</b>	<b>278,759,863</b>	<b>4,563,993,351</b>	<b>1,369,198,005</b>

### 36.6 Impact on the Deferred Tax Liability for Ended 31st December 2024

	Previously Reported (2023)		Correction (2023)		Restated (2023)	
	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Right-of-use assets	420,248,744	126,074,623	-	-	420,248,744	126,074,623
Property, Plant and Equipment	802,450,905	240,735,272	929,199,543	278,759,863	1,731,650,448	519,495,134
Biological assets	4,001,951,537	1,200,585,461	-	-	4,001,951,537	1,200,585,461
Unrealized Exchange gain/ (loss)	(1,945,130)	(583,539)	-	-	(1,945,130)	(583,539)
Retirement benefit obligation	(981,258,025)	(294,377,408)	-	-	(981,258,025)	(294,377,408)
Lease liabilities	(449,270,718)	(134,781,215)	-	-	(449,270,718)	(134,781,215)
Provision for Inventories	(5,902,144)	(1,770,643)	-	-	(5,902,144)	(1,770,643)
Provision for impairment of amounts due from balances	-	-	-	-	-	-
Provision for Trade & other receivables	(17,082,201)	(5,124,660)	-	-	(17,082,201)	(5,124,660)
Provision for impairment of Investment in subsidiaries	-	-	-	-	-	-
<b>As at 31 December</b>	<b>3,769,192,968</b>	<b>1,130,757,890</b>	<b>929,199,543</b>	<b>278,759,863</b>	<b>4,698,392,511</b>	<b>1,409,517,753</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company has loan and other receivables, trade and other receivables, and cash and short-term deposits that arrive directly from its operations. Accordingly the Company has exposure to namely Credit Risk, Liquidity Risk, Currency Risk and Interest Rate Risk from its use of financial instruments. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

### Credit risk

This is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arise principally from the Company's receivable from customers.

### Liquidity risk

Liquidity risk arises when the Company is unable to meet its financial obligations due to insufficient cash flow situations. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

### Currency risk

The Company is exposed to currency risk on sales and purchases, receivables and long term loan obligations that are denominated in a currency other than the respective functional currency of the Company. The currency in which these transactions primarily denominated is in USD.

### Interest rate risk

Interest Rate Risk is the potential for losses that may arise due to adverse movement of interest rates, mainly on floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company has not engaged in any interest rate swap agreements.

### 37.1 Financial Risk Management Framework

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's financial risk management framework which includes developing and monitoring the Company's financial risk management policies. The Company financial risk management policies are established to identify, quantify and analyze the financial risks faced by the Company, to set appropriate risk limits and controls and to monitor financial risks and adherence to limits. Financial risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Audit Committee of the Company oversees how management monitors compliance with the Company's financial risk management policies and procedures and reviews the adequacy of the financial risk management framework in relation to the risks faced by the Company.

### 37.2 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arise principally from the Company's receivable from the customers and from its financing activities including deposits with banks and financial institutions foreign exchange transactions and other financial instruments.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 37.2.1 Trade and Other Receivables

The Company's exposure to credit risk is influenced by the individual characteristics of each customer. The Company's credit policy is monitored at the Board level. The new customers are analysed individually for credit worthiness before Company's standard payment and delivery terms and conditions are offered. Company review includes external ratings, when available and in some cases, bank references, purchases limit etc. which also subject to under review on quarterly basis. The past experience of the Management is considered when revisions are made to terms and conditions.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

The maximum exposure to credit risk for trade receivables of the company at the reporting date is Rs. 1,742 Mn (2024 - Rs. 1,607 Mn).

Trade Receivable from export of Tea and Rubber has the largest exposure to credit risk as a major portion of the trade receivables are from foreign currencies. All open account debtors are covered with export credit Insurance. However, trade receivable from auction sale has a minimal credit risk of its trade receivables as the repayment is guaranteed within seven days by the Tea and Rubber auction systems. Settlement of other debtors are carried through banks.

## 37.2.2 Investments

Credit risks from invested balance with the financial institutions are managed by the Board of Directors. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to them. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure.

The Company held short term investments Rs. 1,294 Mn as at 31st Decemeber 2025 (2024 - Rs. 1,401 Mn).

## 37.2.3 Cash and Cash Equivalents

The Company held cash and Cash Equivalents of Rs. 904 Mn as at 31st December 2025 (2024 – Rs. 506 Mn) which represents its maximum credit exposure on these assets.

## 37.2.4 Amounts due from related parties

The Company held amounts due from related parties Nil as at 31st December 2025 (2024 – Nil ) which represents its maximum credit exposure on these assets.

## 37.3 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company does not concentrate on a single financial institution, thereby minimizing the exposure to liquidity risk through diversification of funding sources. The Company aims to fund investment activities of the individual and Company level by funding the long-term investment with long term financial sources and short term investment with short term financing.

The Table below summarizes the maturity profile of the Companys financial liabilities based on contractual undiscounted payments.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

As at 31st Dec 2025	Less than 3 Months (Rs.)	3 to 12 Months (Rs.)	2 to 5 years (Rs.)	>5 years (Rs.)	Total (Rs.)
Interest bearing loans & borrowing	-	-	-	-	-
Interest bearing loans & borrowing	-	-	-	-	-
Lease Liabilities	1,392,505	4,177,514	41,722,275	447,349,511	494,641,805
Trade payables	24,174,550	-	-	-	24,174,550
Bank overdraft	202,277,231	-	-	-	202,277,231
	227,844,285	4,177,514	41,722,275	447,349,511	721,093,586
As at 31st Dec 2024	Less than 3 Months (Rs.)	3 to 12 Months (Rs.)	2 to 5 years (Rs.)	>5 years (Rs.)	Total (Rs.)
Interest bearing loans & borrowing	-	-	-	-	-
Lease Liabilities	1,941,464	5,824,392	33,302,827	415,967,892	457,036,576
Trade payables	80,891,295	-	-	-	80,891,295
Bank overdraft	105,662,140	-	-	-	105,662,140
	188,494,899	5,824,392	33,302,827	415,967,892	643,590,010

## 37.4 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk & other price risk such as equity price risk. Financial instrument affected by market risk include loans & borrowings, deposits & derivative financial instruments.

### 37.4.1 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company has not engaged in any interest rate swap agreements.

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's Profit Before Tax is affected through the impact on floating rate borrowings as follows:

There are no long term Interest-bearing borrowings for the Y/E 31 December 2025 and the other current Interest-bearing borrowings are consists with the short term borrowings which settled within 03 months.

### 37.4.2 Foreign Currency Risk

The Company is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currency of the Company. The Company is exposed to currency risk on sales, purchases and borrowings. These currency primarily is USD.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 37.4.3 Equity Price Risk

The Company's listed & unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Management of the Company monitors the mix of debt & equity securities in its investment portfolio based on market indices. Material investment within the portfolio are managed on an individual basis and all buy and sell decision are approved by the Board.

## 37.4.4 Capital Management

"The Company's policy is to retain a strong capital base so as to maintain investor, creditor & market confidence and to sustain future development of the business. Capital consists of share capital, reserves, retain earning & non-controlling interest of the Company. The Board of Directors monitors the return on capital, interest covering ratio, dividend to ordinary shareholders."

The gearing ratio at the reporting date is as follows,

	2025 Rs.	2024 Rs.
<b>Interest bearing loans &amp; borrowing</b>		
Current portion of long-term interest bearing borrowings	-	-
Payable within 2 and 5 years	-	-
<b>Lease Liabilities</b>		
Current portion of liability to make lease payment	5,570,019	7,765,857
Payable within 2 and 5 years	41,722,275	33,302,827
Payable later than 5 years from year-end	447,349,511	415,967,892
Bank overdraft	202,277,231	105,662,140
<b>Total Debts</b>	696,919,035	562,698,716
Equity (Restated)	6,155,611,858	5,894,491,164
<b>Equity &amp; Debt (Restated)</b>	6,852,530,893	6,457,189,879
Gearing Ratio (Restated)	10%	9%

## SHAREHOLDER & INVESTOR INFORMATION

### Shareholders Categorized Summary Report as at 31/12/2025 (Voting)

No of Shares Held	No of Shareholders	No of Shareholders %	Total Holdings	Total Holdings %
1 – 1,000	8,010	44.65%	3,345,686	1.65%
1,001 – 10,000	9,841	54.86%	17,619,861	8.69%
10,001 – 100,000	69	0.39%	2,526,472	1.25%
100,001 – 1,000,000	13	0.07%	4,302,621	2.12%
1,000,001 – & over	6	0.03%	174,997,691	86.29%
Grand Total	17,939	100.00%	202,792,331	100.00%

### Analysis Report of Shareholders as at 31/12/2025

No of Shares Held	No of Shareholders	No of Shareholders %	Total Holdings	Total Holdings %
Local Individual	17,873	99.63%	28,057,648	14.01%
Local Institution	51	0.29%	174,005,726	85.63%
Foreign Individual	14	0.08%	208,957	0.10%
Foreign Institution	1	0.00%	520,000	0.26%
Grand Total	17,939	100.00%	202,792,331	100.00%

### Shareholders Categorized Summary Report as at 31/12/2025 (Non Voting)

No of Shares Held	No of Shareholders	No of Shareholders %	Total Holdings	Total Holdings %
1 – 1,000	429	81.25%	72,792	0.36%
1,001 – 10,000	72	13.64%	269,517	1.33%
10,001 – 100,000	20	3.78%	603,261	2.98%
100,001 – 1,000,000	4	0.76%	1,598,235	7.89%
1,000,001 – & over	3	0.57%	17,706,855	87.44%
Grand Total	528	100.00%	20,250,660	100.00%

### Analysis Report of Shareholders as at 31/12/2025

	No of Shareholders	No of Shareholders %	Total Holdings	Total Holdings %
Local Individual	506	95.83%	1,454,392	7.18%
Local Institution	19	3.60%	18,719,011	92.44%
Foreign Individual	3	0.57%	77,257	0.38%
Foreign Institution	0	0.0%	0	0.00%
Grand Total	528	100.00%	20,250,660	100.00%

# SHAREHOLDER & INVESTOR INFORMATION

## Top 20 Voting Shareholder's List as at 31st December 2025

No's	Name/Address	No. of Shares	%
1	WAYAMBA PLANTATION (PRIVATE) LIMITED	135,839,160	66.984
2	HATTON NATIONAL BANK PLC/ALMAS HOLDINGS (PRIVATE) LIMITED	30,614,479	15.096
3	AMANA BANK PLC/ALMAS HOLDINGS (PVT) LTD	5,004,669	2.468
4	MISS A. RADHAKRISHNAN	1,206,667	0.595
5	MISS M.P. RADHAKRISHNAN	1,206,666	0.595
6	DR. N.D. GUNAWARDENA	1,126,050	0.555
7	MR. R. MAHESWARAN (DECEASED)	910,057	0.449
8	COMMERCIAL BANK OF CEYLON PLC/ ALMAS HOLDINGS (PRIVATE) LIMITED	900,000	0.444
9	ALMAS HOLDINGS (PRIVATE) LIMITED	554,006	0.273
10	TRANZ DOMINION L.L.C.	520,000	0.256
11	HATTON NATIONAL BANK PLC/RAVINDRA ERLE RAMBUKWELLE	247,227	0.122
12	EST.OF LAT K.C. VIGNARAJAH	222,278	0.11
13	MR. M.V. THEAGARAJAH & MRS. L.THEAGARAJAH	200,000	0.099
14	MARIAPILLAIS (PRIVATE) LIMITED	180,000	0.089
15	MRS. S. VIGNARAJAH & MISS K.R.VIGNARAJAH	128,000	0.063
16	MR. R.E. RAMBUKWELLE	127,000	0.063
17	MR. W.L. BOGTSTRA	106,546	0.053
18	MR. H.V.M.S. DE SILVA	105,010	0.052
19	MRS. F.R. BUHARDEEN	102,497	0.051
20	HATTON NATIONAL BANK PLC/DINESH NAGENDRA SELLAMUTTU	100,000	0.049
21	MES ESJAY ELECTRONICS (PVT) LTD	100,000	0.049
22	MR L. BOGTSTRA	100,000	0.049
23	MR. J.M. ISAACS	100,000	0.049
24	PULOLY INVESTMENTS (PRIVATE) LIMITED	100,000	0.049
25	QUALITEA CEYLON (PRIVATE) LIMITED	100,000	0.049
26	MR. Z.G. CARIMJEE	79,333	0.039
27	MR. G.C. GOONETILLEKE	75,000	0.037
28	COCOSHELL ACTIVATED CARBON COMPANY (PRIVATE) LIMITED	72,913	0.036
29	HNB INVESTMENT BANK (PVT) LTD/MR.N.RAMESHKUMAR	70,000	0.035
30	MR. M.I. BUHARDEEN	65,310	0.032

**Public Shareholding - 32.96%**

**No of Share Holders representing the above percentage - 17,937**

# SHAREHOLDER & INVESTOR INFORMATION

## Top 20 Non-Voting Shareholder's List as at 31st December 2025

No's	Name/Address	No. of Shares	%
1	HATTON NATIONAL BANK PLC/ALMAS HOLDINGS (PRIVATE) LIMITED	8,578,888	42.363
2	LANKA MOUNTCASTLE (PRIVATE) LIMITED	7,425,085	36.666
3	ALMAS HOLDINGS (PRIVATE) LIMITED	1,702,882	8.409
4	HATTON NATIONAL BANK PLC/RAVINDRA ERLE RAMBUKWELLE	711,000	3.511
5	MR. R.E. RAMBUKWELLE	600,000	2.963
6	PEOPLE S LEASING AND FINANCE PLC/L.K.N.K.KULAWARDENA	184,041	0.909
7	MR. L.K.R.D. KULAWARDENA	103,194	0.51
8	SEYLAN BANK PLC/JAYANTHA DEWAGE	93,439	0.461
9	MR. W.A.S CHATHUMADHURA	65,408	0.323
10	MR. P.H.K.U.A. RANASINGHE	59,632	0.294
11	MR. L.K. SEPALAGE	50,000	0.247
12	MR. M.I. BUHARDEEN	49,284	0.243
13	MR. W.G.A. FERNANDO	32,089	0.158
14	MRS. F.R. BUHARDEEN	27,773	0.137
15	MR. P.L. SOMARATNE	27,100	0.134
16	DR. C. ALWISHEWA	27,006	0.133
17	MR. S. GOWRISANGAR	21,000	0.104
18	MR. M.A. AHAMED ZAHVIE	20,000	0.099
19	MR. D.M.M. DISSANAYAKE	19,796	0.098
20	ASSETLINE FINANCE LIMITED/L.K.N.K.KULAWARDENA	18,000	0.089
21	MR. H.D.D.S PERERA	17,752	0.088
22	MR. S.T. AMUNUGAMA	15,000	0.074
23	MR. H.A.D.A.S. ARIYARATHNE	13,941	0.069
24	MR. S. SUPRAMANIAM	13,354	0.066
25	MR. P.T. MADURASINGHE	11,669	0.058
26	MR. D.P. NAVARATNAM	10,518	0.052
27	MR. M.G. SARANATHILAKE	10,500	0.052
28	DR. M.I.A. MANSOOR	10,000	0.049
29	MR. F.R.M. NAINAR	10,000	0.049
30	MR. G.C. GOONETILLEKE	10,000	0.049
31	MR. M.K.C.P. MANAMPERI & MR. N.J.PITIGALAGE	10,000	0.049

**Public Shareholding - 99.96%**

**No of Share Holders representing the above percentage - 527**

# SHAREHOLDER & INVESTOR INFORMATION

## Directors Shareholdings in the Company - VOTING

Name	As at 31.12.2025	As at 31.12.2024
Mr. Frits Bogtsra	Nil	Nil
Mr. Lucas Bogtstra	100,000	100,000
Mr. S. D. Samaradiwakara	Nil	Nil
Mr. G. C. De Silva	Nil	Nil
Mr. K. G. M. Piyaratne	Nil	Nil
Mr. G. Z. A. Chitty	Nil	Nil
Mr. W. A. De Silva	Nil	Nil
Mr. D. S. Seneviratne	Nil	Nil

## Directors & CEO's Shareholding in the Company – NON-VOTING

Name	As at 31.12.2025	As at 31.12.2024
Mr. Frits Bogtsra	Nil	Nil
Mr. Lucas Bogtstra	Nil	Nil
Mr. S. D. Samaradiwakara	Nil	Nil
Mr. G. C. De Silva	Nil	Nil
Mr. K. G. M. Piyaratne	Nil	Nil
Mr. G. Z. A. Chitty	Nil	Nil
Mr. W. A. De Silva	8,000	8,000
Mr. D. S. Seneviratne	Nil	Nil

## Stock Exchange

Interim Financial Statements for the fourth quarter 31st December 2025 has been submitted to the Colombo Stock Exchange as required by the listing rules.

Market Value	Voting - 2025	Voting -2024	Non Voting - 2025	Non Voting - 2024
Highest	64.10	67.90	49.00	40.00
Lowest	52.10	50.00	30.50	31.20
Year End	59.60	61.90	42.60	34.40

## Float adjusted market Capitalization ('000)

	2025 ('000)	2024 ('000)
Voting	3,984,449	4,138,211
Non Voting	862,337	696,348
Price Earning Ratio (Times)	38	22

The company complies with Section Rule 7.13.1(l) (a) of the listing rules – Float adjusted market capitalization is 4.7 Bn

# SHAREHOLDER & INVESTOR INFORMATION

## FIVE YEAR SUMMARY (COMPANY)

	12 (Month) Rs.'000 2025	12 (Month) Rs.'000 2024	12 (Month) Rs.'000 2023	12 (Month) Rs.'000 2022	12 (Month) Rs.'000 2021
Turnover	8,605,507	10,062,991	9,757,409	9,210,022	4,712,945
Gross Profit/(Loss)	771,923	1,244,595	666,635	2,155,925	446,248
Operating Profit/(Loss)	514,420	905,793	324,651	2,020,053	431,387
Gross Profit on Cost of Sales (%)	10	14	7	31	10
Gross profit on Turnover (%)	9	12	7	23	9
Profit/(Loss) Before Tax	507,750	769,173	45,495	2,481,541	371,382
Tax expenses	156,874	236,336	217,106	348,180	88,628
Profit/(Loss) After Tax	350,876	532,837	(171,611)	2,133,367	282,754
Fixed Assets	7,552,405	6,836,340	6,390,425	5,588,989	5,282,633
Current Assets	4,937,145	4,896,442	4,436,459	4,101,197	1,811,004
Current Liabilities	3,121,282	2,868,358	2,707,751	1,982,649	1,709,877
Shareholders Funds	6,155,612	5,894,491	5,818,926	5,629,907	3,507,989
Capital expenditure	642,822	441,000	495,000	435,000	206,000
Earnings Per Share (Rs.)	1.57	2.39	(0.77)	9.56	1.27
Net Assets Per share (Rs.)	27.59	26.42	26.09	25.24	15.74
Interest cover	3.82	2.93	1.08	18.3	6.2
Quick asset ratio	131%	131%	123%	152%	75%
Dividend Per Share (Rs.)	0.12	0.20	-	0.16	0.12
Dividend Payout Ratio (%)	7.6	8.3	-	1.7	9.4
Stated Capital	373,000	373,000	373,000	373,000	373,000
Capital Employed	9,368,268	8,864,423	8,119,128	7,707,537	5,383,760
Net Assets	6,155.612	5,894,491	5,818,926	5,629,907	3,507,989
Return on Capital Employed (%)	5	9	0.5	32	7
Market Capitalisation	12.957.229	13,249,468	13,076,965	14,560,489	5,678,185

# FREEHOLD AND LEASEHOLD LAND AND BUILDINGS

## LEASEHOLD BUILDINGS

ESTATE NAME	LOCATION	NO OF BUILDINGS	BUILDINGS AT VALUATION (RS.)
AISLABY	BANDARAWELA	52	3,438,945
NELUWA	BANDARAWELA	40	5,606,195
UVA HIGHLAND	BANDARAWELA	38	10,731,585
UNUGALLA	HALI-ELA	53	3,403,012
WARWICK	AMBEWELA	20	763,718
HUGOLAND	LUNUWATTE	17	1,438,569
DOWNSIDE	WELIMADA	65	2,217,251
ST JAMES	HALI-ELA	56	10,531,114
ATTAMPITIYA	ATTAMPITIYA	28	22,197,555
DICKWELLA	HALI-ELA	58	2,782,070
LEDGERWATTE	HALI-ELA	43	7,507,444
SARNIA	BADULLA	66	12,235,154
QUEENTOWN	HALI-ELA	81	2,926,380
WELIMADA	WELIMADA	52	4,232,457
DYRABBA	MIRAHAWATTE	69	7,482,764
UVA KETAWELA	HALI-ELA	14	2,586,801
MORALIOYA	RUWANWELLA	52	696,548
SUNNYCROFT	WAHARAKA	53	3,801,242
TALDUA	AVISSAWELLA	44	1,681,283
CHESTERFORD	GONAGALDENIYA	14	673,009
GLENESK	AMITHIRIGALA	10	821,221
VINCIT	GONAGALDENIYA	36	3,755,524
HAKGALLA	BORAGAS	22	1,352,285
REGIONAL OFFICE	BADULLA	1	309,457
<b>Total Leasehold Buildings</b>			<b>113,171,583</b>

## FREEHOLD AND LEASEHOLD LAND AND BUILDINGS

### FREEHOLD BUILDINGS & BUILDING IMPROVEMENT

ESTATE NAME	LOCATION	NO OF BUILDINGS	BUILDINGS AT VALUATION (RS.)
HEAD OFFICE	NO. 280, DAM STREET, COLOMBO 12	1	178,375,000
STORES	WATTALA	1	283,350,000
<b>Total Freehold Buildings &amp; Building Improvements</b>			<b>475,819,877</b>
AISLABY	BANDARAWELA		11,801,067
DOWNSIDE	WELIMADA		4,973,024
HUGOLAND	LUNUWATTE		3,194,609
NELUWA	BANDARAWELA		4,973,039
UVA HIGHLANDS	BANDARAWELA		11,260,429
ATTAMPITIA	ATTAMPITIYA		10,914,518
WARWICK	AMBEWELA		7,563,142
UNUGALLE	HALI-ELA		7,940,862
DICKWELLA	HALI-ELA		19,296,773
DYRAABA	MIRAHAWATTE		11,930,531
SARNIA	BADULLA		31,916,983
ST JAMES	HALI-ELA		10,249,339
LEDGERWATTE	HALI-ELA		8,616,904
QUEENSTOWN	HALI-ELA		14,574,704
WELIMADA	WELIMADA		19,792,016
UVE KETAWELA	HALI-ELA		27,804,214
MORALIOYA	RUWANWELLA		28,279,904
SUNNYCROFT	WAHARAKA		32,984,846
VINCIT	GONAGALDENIYA		40,101,589
CIRCUIT BUNGLOW	AMBEWELA	1	13,480,254
TALDUA MANOR	TALDUA	1	8,307,302
<b>Total Leasehold Buildings &amp; Building Improvements</b>			<b>329,956,049</b>
<b>Total</b>			<b>805,775,926</b>

# FREEHOLD AND LEASEHOLD LANDS AND BUILDINGS

## LEASEHOLD LANDS

ESTATE NAME	LOCATION	LAND EXTENT (HA)	LAND AT VALUATION (RS.)
AISLABY	BANDARAWELA	731	22,768,576
NELUWA	BANDARAWELA	246	8,614,953
UVA HIGHLAND	BANDARAWELA	369	13,155,751
UNUGALLA	HALI-ELA	888	23,737,735
WARWICK	AMBEWELA	450	14,605,197
HUGOLAND	LUNUWATTE	142	5,116,541
DOWNSIDE	WELIMADA	380	12,680,606
ST JAMES	HALI-ELA	356	12,006,097
ATTAMPITIYA	ATTAMPITIYA	565	19,348,427
DICKWELLA	HALI-ELA	604	18,154,521
LEDGERWATTE	HALI-ELA	1134	28,570,074
SARNIA	BADULLA	1015	31,129,334
QUEENTOWN	HALI-ELA	610	18,281,903
WELIMADA	WELIMADA	374	12,517,680
DYRABBA	MIRAHAWATTE	460	14,853,803
UVA KETAWELA	HALI-ELA	268	9,324,075
MORALIOYA	RUWANWELLA	433	11,310,368
SUNNYCROFT	WAHARAKA	726	16,425,745
TALDUA	AVISSAWELLA	795	18,296,178
CHESTERFORD	GONAGALDENIYA	317	8,670,841
GLENESK	AMITHIRIGALA	303	8,324,899
VINCIT	GONAGALDENIYA	911	23,515,798
HAKGALLA	BORAGAS	217	7,686,210
<b>Total Leasehold Lands</b>			<b>359,095,312</b>

## FREEHOLD LANDS

HEAD OFFICE	NO. 280, DAM STREET, COLOMBO 12	0.2872(HA)	851,625,000
STORES	WATTALA	1.0136(HA)	445,050,000
Land	GALBANTHOTAWATTE	77.02 (PERCH)	55,825,000
Land	VAKARAI	9 (ACRE)	51,000,000
<b>Total Freehold Lands</b>			<b>1,403,500,000</b>

## ESTATES & SUPERINTENDENTS

ESTATE	NAME OF EXECUTIVES		DESIGNATION
AISLABY	Mr	Kasun Dhanapala	Group Manager
ATTAMPITIYA	Mr	Aditya Jayampathi	Superintendent
DYRAABA	Mr	Supun Wijesuriya	Snr. Superintendent
NELUWA	Mr	Chalindu Wijesinghe	Deputy Manager In-Charge
ST.JAMES	Mr	Jerrard Stephen	Group Manager
UNUGALLA	Mr	Chanaka Weerasinghe	Deputy Manager In-Charge
UVA HIGHLANDS	Mr	Daminda Wanigasekara	Snr. Group Manager
DICKWELLA / UVAKETAWELA	Mr	Chaminda Perera	General Manager - Range 1
DOWNSIDE / HUGOLAND	Mr	Lakshitha Ekanayake	Deputy Manager In-Charge
LEDGERWATTE	Mr	Chethiya Bandara	Snr. Superintendent
QUEENSTOWN	Mr	Ishara Sandaruwan	Superintendent
SARNIA	Mr	Kasun Samaradiwakara	General Manager - Range 2
WARWICK	Mr	Madeera Parussalla	Superintendent
WELIMADA	Mr	Damian Fernando	Deputy Manager In-Charge
MORALIOYA/GLENESK/CHESTERFORD	Mr	R.M.V.Rathnayake	Group Manager
SUNNYCROFT	Mr	S.D.Upul Premakumara	Superintendent
VINCIT / TALDUA	Mr	A R U Mathavan	Superintendent

# NOTICE OF MEETING

**NOTICE IS HEREBY GIVEN THAT THE THIRTY SECOND (32ND) ANNUAL GENERAL MEETING OF MALWATTE VALLEY PLANTATIONS PLC, WILL BE HELD ON 25TH JUNE 2026 AT 10.30 A.M AT THE BOARD ROOM OF THE COMPANY AT NO. 280, DAM STREET, COLOMBO 12, AND ON A VIRTUAL PLATFORM.**

## AGENDA

1. To receive and consider the Report of the Directors, Statement of Accounts of the Company for the year ended 31st December 2025 and the Report of the Auditors thereon.
2. To re-appoint Mr G Chamindra De Silva, Non-Executive, Non-Independent Director of the Company who is over 70 years of age and to consider and if deemed fit to pass the following Ordinary Resolution.

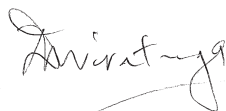
**“IT IS HEREBY RESOLVED** that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to Mr G Chamindra De Silva who is 72 years of age and that he be re-appointed a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year.”

3. To re-appoint Mr. Frits Bogtstra, Executive Director of the Company who is over 70 years of age and to consider and if deemed fit to pass the following Ordinary Resolution.

**“IT IS HEREBY RESOLVED** that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to Mr. Frits Bogtstra who is 70 years of age and that he be re-appointed a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year.”

4. To declare a final dividend of Rs.0.12 per share for the year ended 31st December 2025 as recommended by the Directors.
5. To re-appoint M/s. Ernst and Young, Chartered Accountants, as Auditors of the Company and to authorize the Directors to determine their remuneration.
6. To authorize the Directors to determine Donations for the year 2026, and up to the date of the next Annual General Meeting.
7. To consider any other business of which due notice has been given in accordance with the prevailing rules and regulations.

**BY ORDER OF THE BOARD  
MALWATTE VALLEY PLANTATIONS PLC  
SECRETARIUS (PRIVATE) LIMITED**



Secretaries  
Colombo

29th May 2026

Note:

1. A shareholder entitled to attend and vote at the Meeting is entitled to appoint a Proxy who need not be a shareholder, to attend and vote instead of him/her. A Proxy may vote on a poll (and join in demanding a poll) but not on a show of hands.
2. A Form of Proxy is enclosed in this Report.
3. To be valid the completed Form of Proxy should be lodged at the Registered Office of the Company at No. 280, Dam Street, Colombo 12, not less than 24 hours before the appointed time for holding the Meeting.

**MALWATTE VALLEY PLANTATIONS PLC- PQ 111**

## **SUPPLEMENTARY NOTICE TO SHAREHOLDERS**

### **32ND ANNUAL GENERAL MEETING**

Dear Shareholder/s

The Board of Directors of the Company have decided to convene the 32nd Annual General Meeting (“AGM”) of the Company by way of virtual means by adopting electronic and teleconference mechanisms as per Article 7 (b) of the Articles of Association of the Company.

Accordingly, the Board of Directors of the Company will conduct the AGM in the following manner:

1. The 32nd AGM of the Company shall be convened on 25th June 2026 at No. 280, Dam Street, Colombo 12 at 10.30 am.
2. The AGM shall be held in accordance with Article 7 (b) of the Articles of Association of the Company, by means of audio / audio and visual communication by which all shareholders participating and constituting a quorum can simultaneously hear each other throughout the meeting.
3. Only the key officials who are required for the administration of formalities at the AGM will be physically present in the Board Room. All others, including shareholders will participate via an online meeting platform.
4. Adequate arrangements will be made for the shareholders who wish to participate in the AGM via an online meeting platform, with log-in information being forwarded to shareholders well in advance of the meeting. To enable such facilities, shareholders who wish to participate in the meeting are required to forward their details to the Company as specified in the attached specimen marked “A”.
5. Shareholders who participate in the meeting online will be given the opportunity to raise their questions or comments on the matters listed on the agenda for the AGM.
6. Voting on the items on the agenda will be registered by using an online platform or a designated ancillary online application. All such procedures will be explained to shareholders prior to the commencement of the meeting.
7. The Notice of Meeting for the 32nd AGM of the Company will be published in newspapers/e-newspapers in Sinhala, English and Tamil languages. The Notice of Meeting, Form of Proxy and other related documents will also be made available on the Company’s official website ([www.malwattevalley.com](http://www.malwattevalley.com)) and on the Colombo Stock Exchange (CSE) web site ([www.cse.lk](http://www.cse.lk)).
8. Shareholders are also reminded that they have the right to appoint an individual/a member of the Board to act as their proxy if they wish to. The shareholders who wish to submit their proxies, must duly complete and forward the same to the Company, via either of the modes specified below, on or before 10.30 a.m on 24th June 2026.  
E-mail - [kanthi@malwatte.lk](mailto:kanthi@malwatte.lk)  
By post / By hand - No. 280, Dam Street, Colombo 12.
9. Shareholders who are unable to participate at the virtual meeting via the designated online meeting platform are invited to forward their suggestions, questions and concerns (if any) relating to items on the agenda, to the Company in the manner specified under item 09 of this Notice. The Board will ensure that they are discussed and addressed at the AGM, if relevant.
10. All documents relating to the AGM must be forwarded to [kanthi@malwatte.lk](mailto:kanthi@malwatte.lk) or handed over to the Registered Office of the Company at No. 280, Dam Street, Colombo 12 on or before 10.30 am on 24th June 2026 to ensure that they will reach the Company Secretaries on time.

For any queries regarding this Supplementary Notice, please contact us on 0094 11 2333431 / 0094 11 2399090 during normal office hours. The Board wishes to thank the shareholders of the Company for their unwavering cooperation.

**BY ORDER OF THE BOARD**  
**Secretarius (Private) Limited**

**Secretaries**  
**Colombo**  
**29th May 2026**

**MALWATTE VALLEY PLANTATIONS PLC- PQ 111**

**REGISTRATION OF SHAREHOLDER DETAILS FOR ONLINE MEETING  
32ND ANNUAL GENERAL MEETING**

To:  
 Secretarius (Private) Limited  
 Company Secretaries  
 Malwatte Valley Plantations PLC  
 No. 40, Galle Face Court 2  
 Colombo 02.

1. Full Name of the Shareholder : .....

2. Shareholder's Address : .....

3. Shareholder's NIC No. / Passport No. / Co. Reg No.: .....

4. Shareholder's Contact No. : (Residence) ..... (Mobile).....

5. Name of the Proxy Holder : .....

6. Proxy holder's NIC No. / Passport No. / Co. Reg No.: .....

7. Proxy holder's Contact No. : (Residence) ..... (Mobile) .....

8. Shareholder's/ Proxy holder's E-mail : .....

9. Participation in the AGM Via an online platform: YES /NO

10.Name of Joint holder/s (If any): (i) .....  
 (ii) .....

11.National Identity card number/s of Joint holder/s: (i) .....  
 (ii) .....

.....  
 Shareholder's signature & Date      1st Joint holder's signature & Date      2nd Joint holder's signature & Date

Note:

- 1) Shareholders are requested to provide their email address in the space provided in order to forward the web link / user name / password / necessary instruction, if they wish to attend the Meeting through an online platform.
- 2) In the case of a Company/Corporation, the Shareholder details form must be under its Common Seal which should be affixed and attested in the manner prescribed by its Articles of Association.
- 3) In the case of a Power of Attorney, the Shareholder Details Form signed by the Power of Attorney must be deposited at the Registered Office of the Company for registration.

# FORM OF PROXY

\*I/We .....  
of.....

being \* a shareholder(s) of Malwatte Valley Plantations PLC hereby appoint:

(1).....  
of.....

or failing him/her

Mr. Frits Bogtstra or failing him

Mr. Lucas Bogtstra or failing him

Mr. S. D. Samaradiwakara or failing him

Mr. K. G. M. Piyaratne or failing him

Mr. G. Chamindra De Silva or failing him

Mr. G. Z Ajit Chitty or failing him

Mr. W A De Silva of failing him

Mr. D S Seneviratne

as \*my/our Proxy to represent me/us and \*to speak/ to vote on \*my/our behalf at the THIRTY SECOND (32ND) ANNUAL GENERAL MEETING of the Company to be held on 25th June 2026, at 10.30 a.m. and at every poll which may be taken in consequence of the aforesaid meeting and at any adjournment thereof:

\*I/we indicate \*my/our vote on the resolutions below as follows:

	FOR	AGAINST
1. To re-appoint Mr G Chamindra De Silva, Non- Executive Non Independent Director who is over seventy years of age as a director of the Company	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-appoint Mr. Frits Bogtstra, Executive Director who is over seventy years of age as a director of the Company	<input type="checkbox"/>	<input type="checkbox"/>
3. To declare a final dividend of Rs.0.12 per share for the year ended 31st December 2025 as recommended by the Directors	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-appoint M/s. Ernst and Young, Chartered Accountants, as Auditors of the Company, and to authorize the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
5. To authorize the Directors to determine Donations for the year 2026 and up to the date of the next Annual General Meeting.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this .....day of .....Two Thousand and Twenty-Six.

.....  
\*Signature/s

Note: 1. \* Please delete the inappropriate words.

2. Instructions as to completion appear on the reverse.

3. If you wish your proxy to speak at the meeting you should interpolate the words “to speak and” at the asterisk immediately before the words “to vote”

### **Instructions as to Completion**

1. To be valid this Form of Proxy should be deposited at the Registered Office of the Company at No. 280, Dam Street, Colombo 12, not less than Twenty-Four (24) hours before the time fixed for the Meeting.
2. In perfecting the Form of Proxy, ensure that all details are legible.
3. If you wish to appoint a person other than the Chairman (or failing him, any one of the Directors) as your Proxy, please insert the relevant details at (1) overleaf and initial against this entry.
4. Please indicate with an "X" in the space provided how your Proxy is to vote on each resolution. If no indication is given, the Proxy in his discretion will vote, as he thinks fit.
5. In the case of a Company/Corporation, the Proxy must be under its Common Seal which should be affixed and attested in the manner prescribed by its Articles of Association.
6. In the case of a proxy signed by an Attorney, the Power of Attorney must be deposited at the Registered Office for Registration, if such Power of Attorney has not already been registered with the Company.



