Melstacorp
RESPONSIBLE DIVERSITY

STABILITY

MELSTACORP PLC | ANNUAL REPORT 2024/25

Melstacorp
RESPONSIBLE DIVERSITY

HONOURING THE LEGACY OF DESHAMANYA D.H.S. JAYAWARDENA

In solemn tribute to the late Deshamanya D.H.S. Jayawardena, we honour an extraordinary leader whose visionary spirit and transformative impact continue to resonate across Sri Lanka's corporate landscape. As Chairman of Melstacorp PLC, Mr. Jayawardena exemplified exceptional business acumen, unwavering dedication, and bold leadership-driving the Group to unprecedented heights and cementing its position among the most diversified and respected conglomerates in the country.

Appointed Chairman of the DCSL Group in 2006, following nearly two decades as its Managing Director, Mr. Jayawardena was the architect behind the bold and strategic consolidation of the Group's operations under one ambitious holding entity-Melstacorp PLC. Today, Melstacorp stands as one of the ten largest listed Companies on the Colombo Stock Exchange, with a portfolio spanning beverages, financial services, plantations, hospitality, energy, IT, and logistics. His leadership continues to be reflected through the success of listed subsidiaries such as Distilleries Company of Sri Lanka PLC, Aitken Spence PLC, and Browns Beach Hotels PLC, among others.

Mr. Jayawardena's approach to leadership was deeply personal and principled. He instilled a culture of accountability and tenacity-encouraging his teams to follow through, pay attention to detail, and never take anything for granted. His belief in disciplined, strategic investment ensured strong, sustainable returns for shareholders, and established Melstacorp as a benchmark for corporate excellence.

Beyond the boardroom, Mr. Jayawardena was also a compassionate humanitarian. Notably, under his direction, Melstacorp donated Rs. 25 million worth of medical equipment to establish a real-time PCR laboratory at the Infectious Disease Hospital, Angoda-demonstrating his unwavering commitment to national service during the COVID-19 pandemic.

Deshamanya D.H.S. Jayawardena's legacy is defined by resilience, innovation, and a profound sense of duty. His far-reaching contributions to Sri Lanka's economic progress will continue to inspire generations of leaders. As we move forward, we remain deeply grateful for his enduring vision and remain steadfast in our commitment to honour his remarkable legacy through continued excellence and service to the nation.

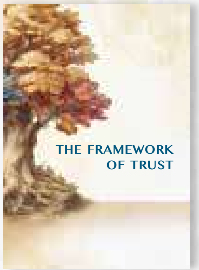
STABILITY

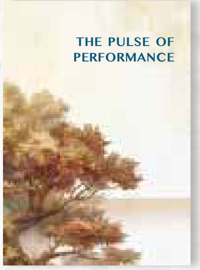
In a year marked by change, what set us apart was not how fast we moved, but how firmly we stood. At Melstacorp, we believe stability is the strength to navigate complexity with clarity, discipline, and purpose.

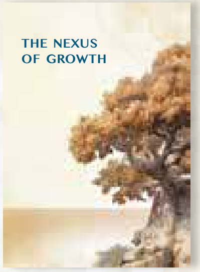
Our strong performance and sustained profitability are not merely signs of resilience; they reflect a deeper foundation built on sound governance, prudent risk management, and an unwavering commitment to long-term value creation. Every decision we made upheld the principles that continue to define us: performance with responsibility, agility with discipline, and ambition with accountability.

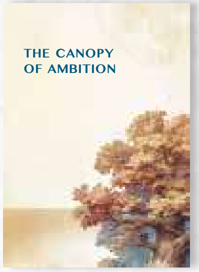
As we look to the future, we are well-positioned to deliver consistent value to all our stakeholders-leading with enduring strength and the stability that has defined our presence and supported our journey for decades.

Contents


THE FRAMEWORK OF TRUST


THE PULSE OF PERFORMANCE


THE NEXUS OF GROWTH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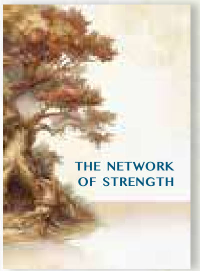
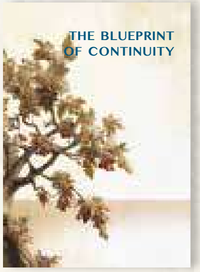

THE NETWORK OF STRENGTH


THE BLUEPRINT OF CONTINUITY

About Melstacorp PLC

> Melstacorp PLC, one of Sri Lanka's largest listed Companies, is a highly diversified conglomerate with a significant presence across multiple sectors, including Beverages, Tourism, Maritime, Freight & Logistics, Strategic Investments, Financial Services, Plantations and Services."

The Melstacorp Group includes eight listed Companies within its portfolio:

Distilleries Company of Sri Lanka PLC, Aitken Spence PLC, Aitken Spence Hotels Holdings PLC, Balangoda Plantations PLC, Madulsima Plantations PLC, Elpitiya Plantations PLC, Aitken Spence Plantation Managements PLC, Browns Beach Hotels PLC.

Vision

Pursue excellence.
Make a difference.

Mission

Resilient

We pride ourselves on our ability to adapt quickly, act decisively and maintain operations even in the most difficult times.

Reliable

Consistent quality, absolute integrity, and unfailing dependability are at the core of our businesses.

Responsible

Our responsibility goes beyond financial success. It includes being one with nature, uplifting the lives of our citizens and looking after the best interests of our stakeholders.

Financial Highlights

Rs.271,714Mn
Total Value Added by the Group

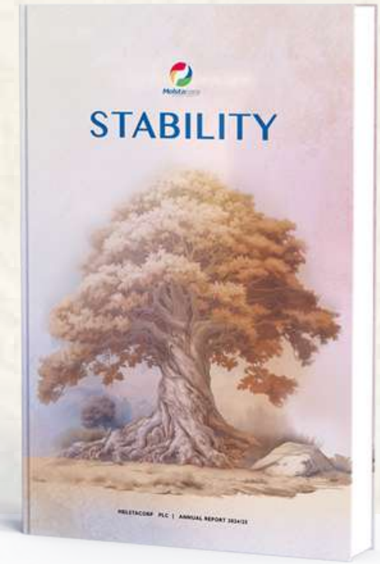
Rs.14.67
Earnings Per Share

11.41%
Return on Equity

		Group		
		2024/25	2023/24	YoY (%)
Financial Performance				
From Continuing Operations				
Group Revenue	Rs. Mn	**260,931**	233,979	11.52
Profit from Operations	Rs. Mn	**44,677**	41,448	7.79
Net Finance Expense	Rs. Mn	**(5,821)**	(10,103)	(42.38)
Share of Profit from Equity Accounted Investees	Rs. Mn	**1,418**	985	43.96
Profit Before Tax	Rs. Mn	**40,275**	32,329	24.58
Profit After Tax of continuing operations	Rs. Mn	**22,229**	15,525	43.18
From Discontinued Operations				
Profit After Tax	Rs. Mn	**42**	(2,807)	(101.50)
Profit After Tax for the year	Rs. Mn	**22,271**	12,718	75.11
Financial Position				
Non-Current Assets	Rs. Mn	**266,321**	259,655	2.57
Current Assets	Rs. Mn	**109,244**	100,364	8.85
Total Assets	Rs. Mn	**376,488**	360,189	4.53
Total Equity	Rs. Mn	**195,181**	175,314	11.33
Non-Current Liabilities	Rs. Mn	**81,399**	86,319	(5.70)
Current Liabilities	Rs. Mn	**99,907**	98,556	1.37
Total Liabilities	Rs. Mn	**181,306**	184,875	(1.93)
Key Ratios				
ROE	%	**11.41**	7.25	57.29
Interest Cover	Times	**5.56**	3.51	58.46
Dividend Cover	Times	**2.004**	0.996	101.27
Dividend Pay Out Ratio	%	**49.90**	100.44	(50.32)
Current Ratio	Times	**1.09**	1.02	7.38
Debt Equity Ratio	%	**34.59**	45.78	(24.43)
Share Information				
Market Capitalisation as at 31st March	Bn	**148.01**	102.55	44.32
Market Price as at 31st March	Rs.	**127.00**	88	44.32
Earnings Per Share	Rs.	**14.67**	8.23	78.15
Dividends Per Share	Rs.	**7.32**	8.27	(11.49)
Net Asset Value per Share	Rs.	**113.51**	98.97	14.68
Price Earnings Ratio	%	**8.66**	10.69	(18.99)
Manufactured Capital				
PPE as at 31st March	Rs. Mn	**148,041**	153,107	(3.31)
Investments during the year	Rs. Mn	**4,274**	5,877	(27.28)
Depreciation	Rs. Mn	**8,523**	6,787	25.58

About the Report

> This is the second integrated annual report of Melstacorp PLC, providing a comprehensive overview of our performance for the financial year ending 31 March 2025. It demonstrates how the Group delivered value to our stakeholders by implementing our meticulously planned business strategy while navigating political, social, and economic challenges."



SCOPE AND BOUNDARY

This report covers the financial year ended 31 March 2025, building upon the report for the year ended 31 March 2024, which is our most recent report preceding the publication of this report. It provides essential financial and non-financial information necessary for evaluating the performance of Melstacorp PLC (the parent) and its operating entities across 7 sectors, collectively referred to as "the Group". Relevant comparative data is included. Reporting boundaries for both financial and non-financial aspects have been applied consistently throughout the Group.

REPORTING FRAMEWORKS AND PRINCIPLES

Financial Reporting

- Companies Act No.7 of 2007
- Listing Rules of the Colombo Stock Exchange
- Sri Lanka Accounting & Audit Standards Act No.15 of 1995
- Sri Lanka Accounting Standards (SLFRs/LKASs)
- Inland Revenue Act No. 24 of 2017 and the amendments thereto

Corporate Governance

- Code of Best Practices on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka
- Listing Rules of the Colombo Stock Exchange
- Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021 and the amendments thereto

Integrated Reporting

- International <IR> Framework

CONNECTIVITY OF INFORMATION

The connectivity of information has been improved by the use of the following icons throughout the report.

Capitals

Financial Capital (FC)

Human Capital (HC)

Intellectual Capital (IC)

Manufactured Capital

Social & Relationship Capital (SRC)

Natural Capital (NC)

CONNECTIVITY OF INFORMATION CONTD..

Stakeholders

- Customers
- Employees
- Business Partners
- Government and Regulators
- Community
- Investors

Sectors

- Beverages
- Tourism
- Maritime, Freight & Logistics
- Plantations
- Financial Services
- Strategic Investments
- Services

Strategic pillars

- Innovation & Digital Transformation
- Operational Excellence and Synergy
- Strategic Investments and Portfolio Optimisation
- Talent Development and Leadership
- Global Expansion and Market Penetration
- Sustainability and Social Responsibility

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements regarding the Group's future potential and value creation. These statements are based on our current expectations, beliefs, and assumptions, derived from internal and external information. However, such statements are inherently uncertain and subject to risks, future events, outcomes, and impacts beyond our control. These factors, including the fluid nature of markets and volatility of key economic indicators, could cause actual results to differ materially from those projected and affect the process of value creation. Users should not place undue reliance on these statements. We encourage you to consider these uncertainties and form your own judgments based on the latest available information. The Board and report preparers disclaim any liability whatsoever for these forward-looking statements, given the inherent uncertainties.

ASSURANCE

Assurance on Financial Statements has been provided by Messrs KPMG, Chartered Accountants and their report is set out on pages 161 to 167.

RESTATEMENTS AND COMPARABILITY OF INFORMATION

There were no significant changes requiring restatements of financial or sustainability information during the reporting period.

STATEMENT BY THE BOARD

The Management of Melstacorp PLC has prepared, reviewed, and approved the contents of the Annual Report for the year ended 31 March 2025.

The Board acknowledges its responsibility to ensure the integrity of the Annual Report and to ensure that it provides a balanced view of its performance addressing all material issues that may have an impact on the Group's capacity to create value over the short term. The acknowledgment of the Board's responsibility for the Annual Report and its content are given in the Annual Report of the Board of Directors on page 62.

The report was approved by the Board of Directors on 25th August 2025.

Signed on behalf of the Board

D. Hasitha S. Jayawardena
Chairman

25th August 2025

Our Businesses

BEVERAGES

THE ORIGINAL DCSL ESTD 1913

DCSL BREWERIES

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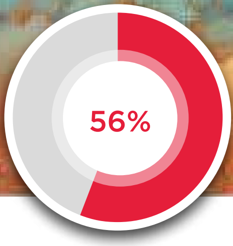
Contribution to Group Revenue



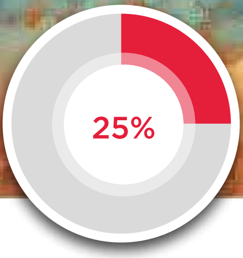
TOURISM

Aitken Spence Hotels

HERITANCE NEGOMBO

turyaa

Contribution to Group Revenue



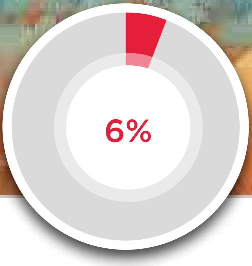
MARITIME, FREIGHT & LOGISTICS

Aitken Spence

MelstaLogistics

FormulaWorld

Contribution to Group Revenue



PLANTATIONS

Madulsima PLANTATIONS PLC A MEMBER OF MELSTACORP

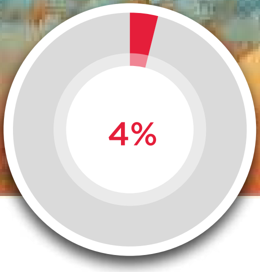
Balangoda PLANTATIONS PLC A MEMBER OF MELSTACORP

ep elpitiya Elpitiya Plantations

HARROW CEYLON CHOICE

BERRY MUCH KEEPING IT REAL

Contribution to Group Revenue



FINANCIAL SERVICES

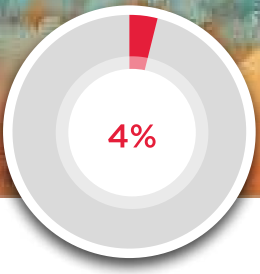
Service, redefined. Continental Insurance

Service, redefined. Continental Insurance Life

MMBL Money Master

Aitken Spence Insurance

Contribution to Group Revenue



STRATEGIC INVESTMENTS

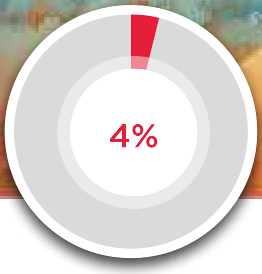
Aitken Spence International

Aitken Spence Printing

Aitken Spence Power

BOGO POWER

Contribution to Group Revenue



SERVICES

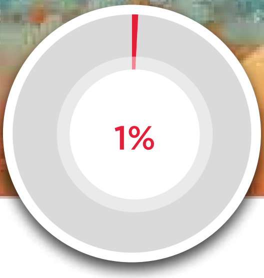
Melsta Hospitals Ragama

BELLVANTAGE aspirations delivered

Melstatechnologies

Aitken Spence Elevators

Contribution to Group Revenue



Chairman’s Message

“We honour the extraordinary life, visionary leadership, and enduring legacy of the late Deshamanya Harry Jayawardena, Founding Chairman of Melstacorp PLC. The core values he embedded within the Group, long-term thinking, accountability, and excellence without compromise, will continue to guide us as we move forward.”

Dear Shareholder,

> Group Revenue recorded healthy growth, increasing by 11.52% year-on-year (YoY) to Rs. 260.93 billion in FY2024/25, up from Rs. 233.98 billion in the previous year.

HONOURING LEGACY, FORGING OUR FUTURE

This year signifies a poignant chapter in the distinguished history of Melstacorp PLC, marked by the passing of our late Chairman, visionary entrepreneur Deshamanya Harry Jayawardena. Under his exemplary stewardship, as Non-Executive Chairman, the Group not only flourished but set enduring standards of excellence that continue to define us. As I assume the mantle of Chairman, I do so with a profound sense of humility and honour, conscious of the solemn duty of integrity and leadership with which I have been entrusted.

Deshamanya Jayawardena's legacy, as the Founding Chairman of Melstacorp, is truly unparalleled. His remarkable foresight and unwavering commitment to sustainable growth transformed the Group into one of Sri Lanka's most respected and diversified conglomerates. Having previously served as a Non-Independent Non-Executive Director of the Company, I am immensely proud to take the helm of the exceptional organisation which he envisioned and built with such conviction and purpose.

I step into this role with a steadfast commitment to preserve, build upon, and innovate within the strong principles and strategic clarity that defined his tenure. We stand upon a solid foundation, equipped with a robust asset base and a renewed sense of purpose, ready to steer Melstacorp to ever greater heights, inspired and elevated by his extraordinary example.

A YEAR OF STRATEGIC REALIGNMENT

The past year was marked by a course of strategic repositioning, acknowledging our enduring values, while focusing on building long-term resilience, purposefully shaping a future defined by foresight and sustainable value creation. A defining moment in this journey was, of course, the transition in leadership following the passing of our Founding Chairman; a generational shift which has renewed the Group's commitment to robust governance, further strengthening our organisational stability and driving operational excellence across every part of our business.

This marked evolution was underpinned by the calculated curating of our business portfolio. We took decisive action to cease operations in certain underperforming subsidiaries, specifically Lanka Bell, Texpro Industries and Melsta Laboratories. Simultaneously, we successfully divested our interest in Melsta GAMA (Pvt) Ltd. These carefully considered decisions were necessary to refining our strategic focus on sectors that will deliver sustainable, long-term value and which hold the strongest potential for future growth. Through disciplined repositioning, we have not only reinforced our commitment to maintaining stability but strengthened our readiness and capability to scale new heights in the years ahead.

REVIEW OF GROUP PERFORMANCE

Despite a challenging external operating environment, Melstacorp PLC concluded the financial year, ending 31st March 2025 with a robust and encouraging performance.

Rs.14.67
Earnings Per Share

11.41%
Return on Equity

These results are a testament to the Group's inherent resilience, agility, and ability to identify and pursue opportunities, even amidst significant macroeconomic, regulatory, and operational pressures.

Group Revenue recorded healthy growth, increasing by 11.52% year-on-year (YoY) to Rs. 260.93 billion in FY2024/25, up from Rs. 233.98 billion in the previous year. This expansion was largely driven by the continued strength of our core Beverage, Tourism, Maritime & Freight Logistics and Plantation sectors complemented by recovering contributions from Strategic Investment and Services. The growth reflects not just volume recovery in certain areas but also the effectiveness of our pricing strategies, product innovations, and strategic efforts to expand our local and global presence.

Chairman's Message

> For the year 2024/25, your Board of Directors declared three interim dividends totalling Rs. 7.32 per share.

The Group's Profit After Tax (PAT) recorded a significant surge, increasing by 75.11% to Rs. 22.27 billion, compared to Rs. 12.72 billion in FY2023/24. Profit attributable to equity holders of the parent company reached Rs. 17.09 billion. This strong improvement is a result of disciplined capital deployment and a leaner cost base, achieved through strategic divestments, enhanced operational leverage in key subsidiaries, lower finance costs during the year, and improved exchange rate stability.

Our flagship Beverage sector, led by Distilleries Company of Sri Lanka PLC (DCSL), continued to be the largest contributor, generating Rs. 145 billion in revenue and Rs. 27.7 billion in segment profit before tax in FY2024/25. Navigating persistent challenges from rising excise duties, which impacted retail prices and consumer demand, the segment demonstrated remarkable resilience, supported by strong brand loyalty, extensive distribution networks, and production efficiencies. Strategic pricing adjustments and rigorous operational cost optimisation were critical to sustaining margins in a high-tax environment.

The Plantation sector also recorded a substantial improvement in segment profit. This positive trajectory was driven by favourable commodity prices, particularly in tea and rubber, bolstered by enhanced agricultural practices and effective cost rationalisation. Our ongoing investment in mechanisation and replanting programmes is strategically positioning the segment for sustainable returns in the medium term.

Our Tourism segment experienced a robust and welcome recovery, benefiting significantly from increased international tourist arrivals and improved occupancy rates, across our portfolio, within Aitken Spence Hotels. The segment successfully reporting a strong Rs. 4.8 billion in segment profit before tax, making a meaningful contribution to overall Group profitability. Strategic cost controls and the robust performance of our overseas hotel properties further boosted this outcome.

The Maritime, Freight & Logistics segment also delivered a positive performance. Leveraging Aitken Spence PLC's expertise in port management, cargo handling, and freight forwarding, the segment capitalised on the recovery in global trade routes and increased supply chain consolidation among clients.

Our Financial Services sector, comprised of Continental Insurance, Aitken Spence Insurance sector, and MMBL Money Transfer, continued to provide steady and reliable contributions. Continental Insurance maintained its focus on strong underwriting discipline and customer acquisition momentum.

STRENGTHENING OUR FINANCIAL POSITION

The Group maintained a solid and healthy financial position, concluding the year with total assets of Rs. 376.5 billion as of 31st March 2025, a growth from Rs. 360.2 billion recorded the previous year. This financial strength is a testament to our prudent management and disciplined approach. Our Net Asset Value per share increased to Rs. 113.51, up from Rs. 98.97, reflecting improved intrinsic value and financial health. The market price per share closed the year at Rs. 127/-, indicative of enhanced investor sentiment and growing confidence in the Group's strategic direction and future trajectory.

This financial strength was reaffirmed by Fitch Ratings, which maintained Melstacorp PLC's AAA (lka) national long-term rating-the highest rating awarded in Sri Lanka. This endorsement reflects the Group's strong balance sheet, resilient cash flows, and conservative leverage profile, reinforcing its ability to deliver long-term shareholder value while weathering macroeconomic volatility.

REWARDING OUR SHAREHOLDERS

The Board remains committed to rewarding our valued shareholders, balancing this with a prudent approach to capital deployment and targeted reinvestment necessary for future growth. For the year 2024/25, your Board of Directors declared three interim dividends totalling Rs. 7.32 per share. This decision reflects our confidence in the Group's liquidity position and earnings trajectory, even as we continue to navigate sector-specific headwinds and ongoing restructuring efforts.

ENHANCING OUR FOUNDATIONS

The year under review proved pivotal, combining notable financial performance with the evolution of our corporate governance framework. As we underwent a significant transition in leadership, we reaffirmed our resolute commitment to upholding the very highest standards of oversight and best practices.

Following my redesignation as Executive Chairman, on 6th February 2025, and in strict adherence to corporate governance principles, advocating for balanced Board leadership, the Board proactively appointed Mr. M.R. Mihular, an Independent Non-Executive Director, as the Senior Independent Director, effective from the same date. This appointment significantly enhances our commitment to governance transparency and provides shareholders with a designated, independent point of contact at the Board level, ensuring that robust checks and balances are embedded within the corporate structure.

We also took deliberate steps to further broaden diversity and strengthen the independence of our Board composition. Mr. L.H.A. Lakshman Silva and Mr. Ashoka Goonesekere were appointed as Independent Non-Executive Directors, with effect from 1st October 2024. Their extensive and valuable experience in banking and regulatory domains brings invaluable insights that will enrich the Group's strategic decision-making and governance processes.

We also wish to place on record our sincere and deep appreciation for the contributions of Dr. A.N. Balasuriya, who resigned as an Independent Non-Executive Director, with effect from 1st October 2024. Dr. Balasuriya's dedicated service and insightful contributions to our Board Sub Committees and broader Board deliberations were invaluable, and we thank him sincerely for his commitment to the Group over the years.

These strategic Board-level changes underscore our continued focus on maintaining a highly engaged, diverse, and independent Board, ensuring that we are well-equipped to undertake strategic decisions, while critically preserving strong accountability to all our stakeholders.

NAVIGATING A COMPLEX ENVIRONMENT

The financial year, ending 31st March 2025, unfolded against a backdrop of persistent global and local complexities, testing the resilience of businesses everywhere. Internationally, the economic landscape stands at a "critical juncture," as highlighted by the International Monetary Fund (IMF), grappling with structural challenges and geopolitical shifts. This situation has only been exacerbated by the imposition of sweeping reciprocal tariffs from the U.S., leaving global markets volatile, and compounding the risks for trade-dependent economies such as Sri Lanka, directly impacted by a 20% tariff on exports to the United States.

While a modest recovery was observed in 2024, global growth projections for 2025 and 2026 indicate moderation, influenced by constricted financial conditions and ongoing geopolitical tensions. Softening global trade and supply chain uncertainties presage further layers of complexity. For a diversified group like Melstacorp, these dynamics underscored the fundamental importance of portfolio diversity, prudent capital management, and disciplined execution.

Locally, Sri Lanka entered a phase of stabilisation; a welcome development after a period of marked upheavals and persistent challenges. The finalisation of the IMF programme brought increased macroeconomic discipline, contributing to easing inflation and an improved trade balance. However, consumer demand remained notably constrained by high taxation, cost-of-living pressures, and regulatory uncertainties, particularly impacting our vital Beverage sector. While interest rates began to trend downwards towards the end of the year, tight fiscal policies and reduced disposable incomes continued to present challenges across sectors. In this dynamic, shifting landscape, our ability to remain agile, responsive, and financially prudent proved critical to our strong performance.

CHARTING OUR PATH FORWARD

As Melstacorp steps confidently into a new era, our outlook for the year ahead is firmly anchored by cautious optimism and disciplined execution. While the macroeconomic landscape will inevitably continue to evolve, the strong strategic foundations laid in FY2024/25 provide the Group with the resilience and adaptability needed to unlock sustainable value in FY2025/26 and beyond.

We enter the new financial year with a strengthened balance sheet, enhanced organisational resilience, and a leaner, more focused business portfolio with a potential to expand into new ventures. The restructuring initiatives completed – including the winding down of non-core operations and targeted asset divestitures – went beyond prudent cost containment. These were deliberate, stability-driven decisions aimed at creating organisational agility, improving capital efficiency, and sharpening our ability to reinvest in growth platforms, aligned with long-term sectoral trends.

Chairman's Message

The external environment still demands vigilant risk management. While inflation has moderated and interest rates are gradually normalising, household consumption in Sri Lanka remains constrained. Our diversified portfolio, combined with deep cross-sector expertise and institutional knowledge, positions us uniquely to navigate these changes with confidence. We remain focused on effectively managing risks while capturing the unique opportunities presented by economic fluctuations, accelerating digital transformations, and evolving consumer needs.

INVESTING IN TOMORROW

A key pillar of our future strategy is the further embedding of sustainability practices (ESG) and technological innovations (Digital Transformation) into our value creation process. In the year ahead, we are committed to formalising Group-wide ESG targets, covering critical areas such as emissions reduction, energy efficiency, gender diversity, and positive community impact. Melstacorp is committed to aligning with global best practices in climate risk disclosures and sustainable finance, anticipating and responding to emerging investor and regulatory expectations.

In parallel, digital transformation will be significantly accelerated across all our sectors. Our key focus areas include enhancing enterprise automation, elevating customer experience through seamless digital channels, leveraging data analytics for smarter decision-making, and strengthening our cybersecurity resilience. We view digital evolution as a powerful multiplier – essential not only for driving operational efficiencies, but for building long-term resilience and fostering continuous innovations across the Group.

OUR PEOPLE: THE HEART OF MELSTACORP

Our people are, without question, our most valuable asset and are central to our success. In FY2025/26, we will emphasise leadership development, fostering talent mobility across sectors, and reinforcing a high-performance culture, rooted in collaboration and a common conviction of purpose. As we navigate a generational transition in leadership, it is vital that we build a future-ready organisation, united by shared values and an entrepreneurial spirit that empowers every employee to contribute and thrive.

A HEARTFELT THANK YOU

As I reflect upon the significance of this moment, it is only fitting that we honour the extraordinary life, visionary leadership, and enduring legacy of the late Deshamanya Harry Jayawardena, Founding Chairman of Melstacorp PLC. His contribution to this Group and, indeed, to Sri Lanka's evolving business landscape, was truly immeasurable. He was an entrepreneur of rare calibre, possessing not only the strategic foresight to build one of the country's most diversified and resilient conglomerates from the ground up, but the sheer courage and conviction to challenge established practices, embrace complexity, and act with decisive clarity. His leadership was deeply rooted in discipline, integrity, and a fierce belief in the power of enterprise to shape national progress and create better opportunities for society. He mentored generations of professionals and built enduring institutions that continue to thrive today. The core values he embedded within the Group, long-term thinking, accountability, and excellence without compromise, will continue to guide us as we move forward.

As I lead Melstacorp into an exciting new chapter, I am proudly aware that I do not embark upon this journey alone. Our collective strength lies in the considerable expertise, unwavering dedication, and profound resilience of our exceptional team, across the Group. I wish to extend my sincere gratitude to the Board of Directors for their unwavering guidance and invaluable counsel in a year marked by operational complexity and a transition in leadership. Their collective wisdom, diverse perspectives, and independent judgment have been vital in navigating critical decisions and shaping the Group's future.

To our Executive Directors, management teams, and leaders across the Group – thank you, sincerely, for your professionalism, and your unwavering commitment in exceeding standards and achieving the expected results. Your ability to adapt swiftly to changing circumstances, lead your teams with confidence and empathy, and consistently deliver value across such a diverse conglomerate is the bedrock of our success.

To the more than 28,000 remarkable individuals across the Melstacorp Group, I extend my deep, heartfelt appreciation. Your dedication and your genuine pride in what you do truly reflects the vibrant spirit of our organisation. In a year of both personal and corporate transition, your continued excellence, your belief in our shared purpose, and your collective efforts to delivering value to our customers and communities have made all the difference. You are the heartbeat of Melstacorp and I look forward to building a future together that is full of opportunity, empowerment, and shared prosperity.

To our valued shareholders, thank you for your continued trust and confidence in the direction we are charting. Your support and belief in our vision enable us to make bold, yet responsible decisions that enhance long-term value for the Group, while always remaining mindful of delivering consistent returns.

I also wish to acknowledge our vital business partners, customers, suppliers, regulators, and the communities we proudly serve. Your collaboration, engagement, and feedback enrich our perspective, broaden our impact, and ensure that we remain relevant and proactive in meeting the evolving needs of our stakeholders.

Finally, as I embrace this responsibility in a new era for Melstacorp, I am reminded that our purpose as a Group extends far beyond financial performance. It lies fundamentally in building a resilient, responsible, and inclusive future for all our stakeholders, rooted in shared value and sustainable business practices. It is a legacy of excellence that we will strive to carry forward, nurture, and empower for generations to come, with the vision of making Melstacorp one of the leading conglomerates in this part of the world.

D. Hasitha S. Jayawardena
Chairman

25th August 2025

Board of Directors

MR. D. HASITHA S. JAYAWARDENA
Chairman

MR. C. R. JANSZ
Deputy Chairman

MR. M. A. N. S. PERERA
Managing Director

MR. L. U. D. FERNANDO
Executive Director

MR. M. R. MIHULAR
Senior Independent Non-Executive Director

DR. RAVINDRA A. FERNANDO
Independent Non-Executive Director

MR. N. J. DE S. DEVA ADITYA
Non-Independent Non-Executive Director

CAPT. K. J. KAHANDA
Non-Independent Non-Executive Director

MS. D. S. T. JAYAWARDENA
Non-Independent Non-Executive Director

MR. ASHOKA GOONESEKERE
Independent Non-Executive Director

MR. L. H. A. LAKSHMAN SILVA
Independent Non-Executive Director

Board of Directors

MR. D. HASITHA S. JAYAWARDENA
Chairman

Consequent to the demise of Deshamanya D. H. S. Jayawardena, Mr. D. Hasitha S. Jayawardena was appointed as the Executive Chairman on 6th February 2025.

Mr. Jayawardena holds a Bachelor's Degree in Business Administration BBA (Hons) from the University of Kent in the United Kingdom.

He has also worked as an Intern at the Clinton Global Initiative Programme (CGI) in New York in 2007.

Mr. Jayawardena has over 12 years of experience in various diversified fields in the Group and is the Chairman & Managing Director of Stassen Group of Companies and the Chairman of DCSL Group. He is also a Director of Lanka Milk Foods Group, Zahra Exports (Pvt) Ltd, McSen Range (Pvt) Ltd and several other Companies.

MR. C. R. JANSZ
Deputy Chairman

Mr. Jansz holds a Diploma in Banking and Finance from London Metropolitan University, UK. He is a Chevening Scholar and an UN-ESCAP Certified Training Manager on Maritime Transport for Shippers.

Mr. Jansz specialises in the movement and finance of international trade.

He has been the Chairman of DFCC Bank PLC and Sri Lanka Shippers Council.

Mr. Jansz is the Chairman of Lanka Milk Foods Group, Melsta Hospitals Ragama (Pvt) Ltd, and the Deputy Chairman of Melstacorp Group. He is also a Director of Stassen Group, DCSL Group, Aitken Spence PLC and several other Companies.

MR M. A. N. S. PERERA
Managing Director

Mr. M A N Sampath Perera holds an MBA from the prestigious University of Cambridge and is a Fellow of the Institute of Chartered Accountants of Sri Lanka. He is also a Certified Management Accountant and has other qualifications and exposure to investment and financial strategy, risk management, and international tax planning.

Mr. Perera has over 20 years of investment and banking experience. He specialises in the areas of financial and investment strategy, risk management, and financial technology solutions. He has extensive experience in corporate restructuring, turnaround, and mergers & acquisitions.

During the last two decades, Mr. Perera worked in the investment banking, and fintech sectors in London. He started his UK chapter with PwC-London and was involved in several strategic projects with global top-tier banks including JP Morgan, ING, Bank of Montreal, National Australia Bank, and BNP Paribas. He was pivotal in setting up two London-based international investment banks and a FinTech banking institute. He served these institutions in various leadership capacities including Finance Director, Chief Financial Officer, Head of Strategy, and part-time Chief Risk Officer. Mr. Perera has led strategic and economic research initiatives at a corporate level. He has over 25 years of international experience spanning Europe, Asia, the Americas, the Middle East, and Southern Africa.

Mr. M.A.N.S. Perera is a Director of Distilleries Company of Sri Lanka PLC, DCSL Breweries Lanka Ltd, Madulsima Plantations PLC, Balangoda Plantations PLC, Melsta Health (Pvt) Ltd, Periceyl (Pvt) Ltd and several other Companies.

MR. N. J. DE S. DEVA ADITYA
Non-Independent Non-Executive Director

Mr. N. J. de Silva Deva Aditya is a Fellow of the Royal Society of Arts FRSA established 1754, a Research Fellow of Loughbourough University of Technology, a Graduate of the Royal Aeronautical Society, and a Member Institution of Mechanical Engineers. He also holds a Bachelor of Technology (Honours) from the University of Loughborough and is a Professor at the Beijing University.

The Honourable N. J. de Silva Deva Aditya (Nirj Deva) who is a Fellow of the Royal Society of Arts, Deputy Lieutenant for the Lord Lieutenantancy of Greater London representing HM King Charles III, Presidential Envoy of Sri Lanka to the EU and the Commonwealth of 56 Nations and Senior Advisor to the President of Sri Lanka, former Member of Parliament in the British House of Commons, and a Member of the European Parliament, joined the Board of Directors of Aitken Spence in September 2006.

He was the first Post War Asian-born Conservative Member of the British House of Commons and served in Government as the Parliamentary Private Secretary to the Scottish Office after which he was elected as the first Asian-born British Member of the European Parliament representing over 8 million British people in Berkshire, Hampshire, Buckinghamshire, Oxfordshire, Surrey, Sussex and Kent for 20 years.

He was the Vice President of the International Development Committee for 15 years, overseeing the annual Euro 25 billion European Budget. He was the Chairman of the EU Korean Peninsula Delegation working towards a lasting peace with North Korea, Chairman of the EU China, EU Bangladesh, EU Indonesia, EU Myanmar and EU India Friendship

Groups in the EU Parliament and was nominated by his political group ECR to be the President of the European Parliament and was the Chairman of the EU Delegation to the UN General Assembly. He is now the President of the Commonwealth Union; the largest cyber community encompassing the Commonwealth.

For his Tsunami Relief work he was made MEP of the Year by the European, a Chevalier of the Catholic Church, Vishwa Keerthi Sri Lanka Abhimani by the Buddhist Clergy of Sri Lanka, and Gaurav Bharat by India. He is the Publisher of the http://www.commonwealthunion.com the global media platform, the first Commonwealth wide news and TV media reaching out to 2.6 billion people and seen regularly by 18 million. He was appointed Presidential Envoy and Senior Advisor in August 2022.

Mr. N. J. de Silva Deva Aditya is a Director of Distilleries Company of Sri Lanka PLC, Browns Beach Hotels PLC, Aitken Spence PLC, Aitken Spence Hotel Holdings PLC and The Kingsbury PLC.

CAPT. K. J. KAHANDA

Non-Independent Non-Executive Director

Captain Kahanda joined Distilleries Company of Sri Lanka PLC in 1993 as Regional Manager (Central Region) and was appointed as a Director in December 2006, He was appointed as the Managing Director of Distilleries Company of Sri Lanka PLC in September 2022. Being a former officer of the Sri Lanka Army, he spearheaded the reorganisation of the operations of the Central Region since privatisation. He specialises in logistics, distribution and security matters, and is also a Director of G4S Security Services (Pvt) Ltd, Pelwatte Sugar Distilleries (Pvt) Ltd and, DCSL Breweries Lanka Limited.

MS. D.S.T. JAYAWARDENA

Non-Independent Non-Executive Director

Ms. Jayawardena is a graduate of St. James' & Lucie Clayton College and Keele University in the United Kingdom, Emeritus Institute of Management, Singapore – and an Associate Alumni of University of Cambridge (Judge Business School), United Kingdom.

Ms. Stasshani Jayawardena was appointed to the Board of Melstacorp PLC since 2022.

Ms. Jayawardena marks several milestones for Aitken Spence PLC Group as the first female Chairperson in its 156-year history with her appointment as Executive Chairperson in February 2025; and the youngest and first female board member of Aitken Spence PLC, Aitken Spence Hotel Holdings PLC, Browns Beach Hotels PLC in December 2013.

With a career spanning over 10 years at Aitken Spence, she wields a fresh perspective in management and leads strategic business units across the Group. She leads several key strategic teams as the Chairperson of Aitken Spence Hotel Managements (Pvt) Ltd., and as a member on the Board of Directors of Stassen Group, Lanka Milk Foods (CWE) PLC and Distilleries Company of Sri Lanka PLC.

Ms. Jayawardena was the youngest intern to work under US Senator Hillary Rodham Clinton and the former US President Bill Clinton in 2003; and was appointed as the Sri Lankan Ambassador for EY NextGen Club from 2017 to 2019. She is also a member of the PwC Next- and Now-Generation Advisory Council since 2020.

Ms. Stasshani Jayawardena was appointed to the Executive Board of The Hotel Association of Sri Lanka (THASL) and represents THASL at the Ceylon Chamber of Commerce Committee since 2019. She is an Executive Committee Member at the International Chamber of Commerce in Sri Lanka since 2020 and a Steering Committee Member of the Ceylon Chamber of Commerce Tourism. She served as the Chairperson of the Employers' Federation of Ceylon (EFC) Hotels and Tourism Employers Group for the financial year 2020/21. She was appointed to the Board of Directors of the Colombo International Arbitration Centre, Sri Lanka in January 2025.

Ms. Jayawardena represents the Company as the Ambassador from Aitken Spence PLC at the Target Gender Equality initiative of the UN Global Compact since 2020.

In recognition of her work and commitment to inspire, she was recognised at The Top 50 Professional & Career Women Awards in Sri Lanka with a Gold award in the Hotel & Hospitality Sector in 2017, and in 2020 by the Sri Lankan business magazine, Echelon, which listed her among the most innovative and influential young leaders who have succeeded in business and shaping the future of Sri Lanka.

Ms. Jayawardena became the award recipient of the Expatriate Contribution Award – Gold category by Women in Management Maldives. The Professional and Career Women Awards Maldives 2022 presented this award to Ms. Jayawardena for her exceptional contributions and achievements in the field of Hotel & Hospitality.

Ms. Jayawardena was an award recipient at the Global CEO Leadership Excellence Awards 2024 (which honoured 50 top-tier CEOs and their teams who met the challenges successfully in turbulent times) and was again recognised for Excellence in Corporate Leadership at the Global CEO Top Businesswomen Award 2025.

MR. L. U. D. FERNANDO
Non-Independent Executive Director

Mr. Fernando joined the Group in 1989 and was a Director of DCSL PLC from 2006-2008. He was also a director for Melstacorp PLC from 2010 to 2012. He was reappointed to the Board in September 2022. Mr. Fernando is a Fellow of the Chartered Institute of Management Accountants of the United Kingdom. He was awarded a Master's Degree in Business Administration from the Postgraduate Institute of Management, University of Sri Jayewardenepura, in 1992.

Mr. Fernando is a Non-Executive Director of Distilleries Company of Sri Lanka PLC, HNB Assurance PLC and also of HNB General Insurance Ltd. Previously he served as the Executive Director of Sri Lanka Insurance Corporation Limited from 2003 to 2009 and as a Non-Executive Director of HNB PLC from 2012 to 2022. He was a director of The Lanka Hospitals Corporation PLC from 2006-2009 and from 2015 to 2017. He is also a director of Distilleries Company of Sri Lanka PLC and other several Subsidiaries of Melstacorp PLC.

MR M. R. MIHULAR
Senior Independent Non-Executive Director

Mr. Mihular served as the Managing Partner of KPMG Sri Lanka & Maldives from April 1, 2012 to March 31, 2022 and was the Chairman of KPMG's Middle East & South Asia (MESA) Regional Cluster during the period 1st October 2018 to 30th September 2021. Mr Mihular previously served a term as the Chief Operating Officer of the MESA regional office. He also served on KPMG's Europe Middle East & Africa (EMA) Board and on the Global Council of KPMG International.

Mr. Mihular is a Past President and Fellow Member of the Institute of Chartered Accountants of Sri Lanka and is a Fellow Member of the Chartered Institute of Management Accountants (CIMA) – UK. He also served as the Chairman of the CIMA Sri Lanka. Mr Mihular has completed International Executive Education programmes at INSEAD, France, Harvard Business School and the London Business School, UK.

Mr. Mihular served as a Board Member of the International Accounting Standards Committee (IASC) from 1996 to 2000. Subsequently he served on the IASC's Standing Interpretations Committee and as a Member of the IFRS Advisory Council of the International Accounting Standards Board. He also served as a Member of the International Ethics Standards Board for Accountants (IESBA) from 2018 to 2021.

Mr. Mihular presently serves as Chairman of Watawala Plantations PLC and Bairaha Farms PLC and as an Independent Non-Executive Director of Sunshine Holdings PLC, Sunshine Teas (Pvt) Ltd, Aitken Spence PLC, Aitken Spence Hotel Holdings PLC, Browns Beach Hotels PLC, Lonach Dairy Ltd, Agility Innovation (Pvt) Ltd, DAMRO Holdings Ltd, LTL Holdings Ltd, Balangoda Plantations PLC and Madulsima Plantations PLC. He also serves as a Member of the Stakeholder Engagement Committee of the Central Bank of Sri Lanka.

DR R. A. FERNANDO
Independent Non-Executive Director

Dr. Ravi Fernando is an Alumni of the University of Cambridge having completed both a Post Graduate Certificate in Sustainable business in 2008 and Master of Studies in Sustainability Leadership in 2014. He has an MBA from the University of Colombo.

He received a Doctor of Business Administration Degree from the European Business School in 2016. He completed the Advanced Management Program at the INSEAD Business School (France) and is an Executive in Residence since 2010. He is a Member of the Board of Study at the Postgraduate Institute of Management (PIM) since March 2023 and is a Visiting Faculty member. In April 2020, Dr. Fernando created the '21st Century Board Leadership Model MasterClass'© for the Institute of Directors of Luxembourg.

In February 2023 he published '21st Century Leadership to Fight the Code Red for Business' (Archway Publishing USA). His career with Multinationals spanned 1981-2007 with Unilever, Reckitt Benckiser, Smithkline Beecham International covering Africa, Middle East and Asia. He was the first CEO of the Sri Lanka Institute of Nanotechnology (2008-2011) and Operations Director of the Malaysia Blue Ocean Strategy Institute (2011-2016). He was the first UN Global Compact Focal point 2007 and set up the UNGC Sri Lanka Network. He serves on the Boards of Global Strategic Corporate Sustainability Pvt. Ltd, Dilmah Ceylon Tea Company PLC, Distilleries Company of Sri Lanka PLC, Madulsima Plantations PLC, Aitken Spence PLC, Balangoda Plantations PLC, Aitken Spence Hotel Holdings PLC, Browns Beach Hotels PLC, Elpitiya Plantations PLC, UN Global Compact and Ceylon Graphene Technologies Ltd. In 2007 "Global Strategy Leadership award" was presented to him by Professor Renee Mauborgne of INSEAD at the World Strategy summit.

MR. A. GOONESEKERE
Independent Non-Executive Director

With a wealth of over 36 years of expertise in the banking industry, Mr. Ashoka Goonesekere brings a distinguished background in financial reporting, financial management, taxation, financial operations, and risk management. Holding an MBA from the University of Sri Jayewardenepura (PIM), he is a fellow member of both the Institute of Chartered Accountants of Sri Lanka and the Institute of Cost and Management Accountants of Sri Lanka.

Mr. Goonesekere has held pivotal roles in corporate management, serving as the Chief Financial Officer of Hatton National Bank PLC and as the Senior Vice President/Chief Financial Officer, as well as the Senior Vice President Integrated Risk Management/Chief Risk Officer at DFCC Bank PLC.

His extensive experience extends to board positions at Acuity Partners (Pvt) Ltd, Acuity Stock Brokers (Pvt) Ltd, Acuity Securities Ltd, and Sithma Development Ltd. Notably, he has contributed as a Board member to the Sri Lanka Accounting and Auditing Standards Monitoring Board, demonstrating his commitment to upholding industry standards. In addition to his Board responsibilities, Mr. Goonesekere has chaired and actively participated in various board sub-committees. Currently he is on the Board of HNB Assurance PLC as the Senior Independent Non-Executive Director, on the Board of Pan Asia Banking Corporation PLC as an Independent Non-Executive Director and on the Board of PMF Finance PLC & Distilleries Company of Sri Lanka PLC as an Independent Non-Executive Director.

MR. L. H. A. L. SILVA
Independent Non-Executive Director

Mr. Lakshman Silva started his professional career with the Department of Inland Revenue of Sri Lanka and joined the DFCC Banking Group in 1987. He was seconded to the service of DFCC Vardhana Bank in 2003 and functioned as the Chief Operating Officer until appointment as the Chief Executive Officer/ Executive Director in January 2010. He held the position of Deputy Chief Executive Officer/Director of DFCC Bank PLC from October 2015 and was appointed as the Chief Executive Officer/Director in August 2017.

Until his retirement in December 2021, he held the position of Chairman of DFCC Consulting (Pvt) Limited, Lanka Industrial Estates Limited and Synapsys Limited, subsidiary Companies of DFCC Bank PLC, and the Chairman of Lanka Financial Services Bureau Limited as well as Sri Lanka Banks' Association (Guarantee) Limited. Also, he held the position of Chairman / Director of Acuity Partners (Pvt) Limited, the joint venture company of DFCC Bank PLC, Lanka Ventures Limited and LVL Energy Fund PLC. He was also a director at Lanka Clear (Pvt) Ltd until 31/12/ 2021.

He was a member of the Board of Directors of the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP), and Board of Management of the Sri Lanka Sustainable Energy Authority. At present, he serves as Chairman and Independent Non-Executive Director at LankaPay (Pvt) Ltd, Independent Non-Executive Director at Seylan Bank PLC, Independent Non-Executive Director at Finetech Consultancy Pvt Ltd and Independent Non-Executive Director at HNB Assurance PLC whilst serving as Chairman & Director of Panasian Power PLC & it's subsidiary Companies. He also serves as a member of the Stakeholder Engagement Committee of Central Bank of Sri Lanka. He holds a B.com 2nd class upper degree (Sp.) from the University of Kelaniya and Master of Business Administration (MBA) from the Postgraduate Institute of Management of University of Sri Jayewardenepura. He is Senior Independent Non-Executive Director of Distilleries Company of Sri Lanka PLC.

Heads of Group Companies

MR M A N S PERERA
Managing Director

Melstacorp PLC

CAPT.K.J. KAHANDA
Managing Director

Distilleries Company of Sri Lanka PLC

MS. D.S.T. JAYAWARDENA
Chairperson

Aitken Spence PLC
Browns Beach Hotels PLC
Aitken Spence Hotel Holdings PLC

MS. FARZANA SULAIMAN
CEO - Contact Centre

Bellvantage (Pvt) Ltd.

MR. PALITHA RODRIGO
Managing Director

Melsta Technologies (Pvt) Ltd.

DR. K.T. IRAIVAN
Director/CEO

Melsta Health (Pvt) Ltd.
Melsta Hospitals Ragama (Pvt) Ltd.
Director- Melsta Laboratories (Pvt) Ltd.
Melsta Pharmaceuticals (Pvt) Ltd.

DR. PARAKRAMA DISSANAYAKE
Chairman

Elpitiya Plantations PLC
Aitken Spence Plantation Managements PLC

Deputy Chairman & Managing Director

Aitken Spence PLC

Managing Director

Aitken Spence Hotel Holdings PLC

MR. SENAKA AMARATHUNGA
Director/General Manager

Periceyl (Pvt) Ltd.

MR. CHAMINDA DE SILVA
Deputy Chairman

Continental Insurance Lanka Ltd.
Continental Insurance Life Lanka Ltd.

MR. DIMUTHU WEKUNAGODA
CEO

Balangoda Plantations PLC

MR. MOHAN FERNANDO
CEO

Madulsima Plantations PLC

THE FRAMEWORK OF TRUST

At Melstacorp, governance is the foundation of our corporate discipline. It defines how decisions are made, how responsibilities are distributed, and how transparency is maintained across all levels of the organisation.

Through a robust governance framework, we ensure that ethical conduct, regulatory compliance, and risk management are not just obligations-but integral to how we operate. This structure supports sustainable growth, fosters investor confidence, and strengthens accountability across every aspect of our business. In a complex and ever-changing environment, good governance is what keeps us grounded, resilient, and forward-focused.

The bark is far more than a tree's outer covering-it is a vital line of defence essential to the tree's survival. Acting as the first barrier against pests, disease, extreme weather, and physical harm, it safeguards the tree's internal systems. Its condition often serves as a clear indicator of overall health, making it a critical focus for assessment and long-term care.

Corporate Governance

Corporate governance is constantly evolving, driven by significant environmental and societal shifts impacting business operations. These changes range from legal, political, and technological to subtle but profound influences on value chains, supply networks, and the crucial social license to operate. To build corporate resilience, it is vital for Companies to actively monitor this dynamic environment, understand stakeholder concerns, and identify potential vulnerabilities. Recognising this, the Melstacorp Board is enhancing its governance, reporting, and risk management frameworks. This expanded scope facilitates robust oversight of key areas critical to the Group's performance, growth, and resilience. A sound corporate governance framework is fundamental, enabling the Melstacorp PLC Board to effectively steer the Group towards its strategic objectives and oversee the operations of its 153 diverse Companies. Underpinning this is a comprehensive policy framework that clearly articulates the Group's values, reinforces regulatory compliance and best practices, and embeds the corporate ethos.

STAKEHOLDER ENGAGEMENT PROCESS

The main stages of this process are outlined below:

Shareholders

Annual General Meeting on 19th September 2024

Third interim dividend for Y/E 2023/24 of Rs. 2.00 per share in 13th June 2024

First interim dividend for Y/E 2024/25 of Rs. 3.00 per share in 18th November 2024

Second interim dividend for Y/E 2024/25 of Rs. 2.60 per share in 18th February 2025

Leadership Appointments

Appointment of Mr. D. Hasitha S. Jayawardena as Executive Chairman on 6th February 2025

Mr.M. R. Mihular Re-designated as Senior Independent Director with effect from 6th February 2025

New Director Appointments

Appointment of Mr. L. H. A. Lakshman Silva on 1st October 2024

Appointment of Mr. Ashoka Goonesekra on 1st October 2024

Key Changes to the Board

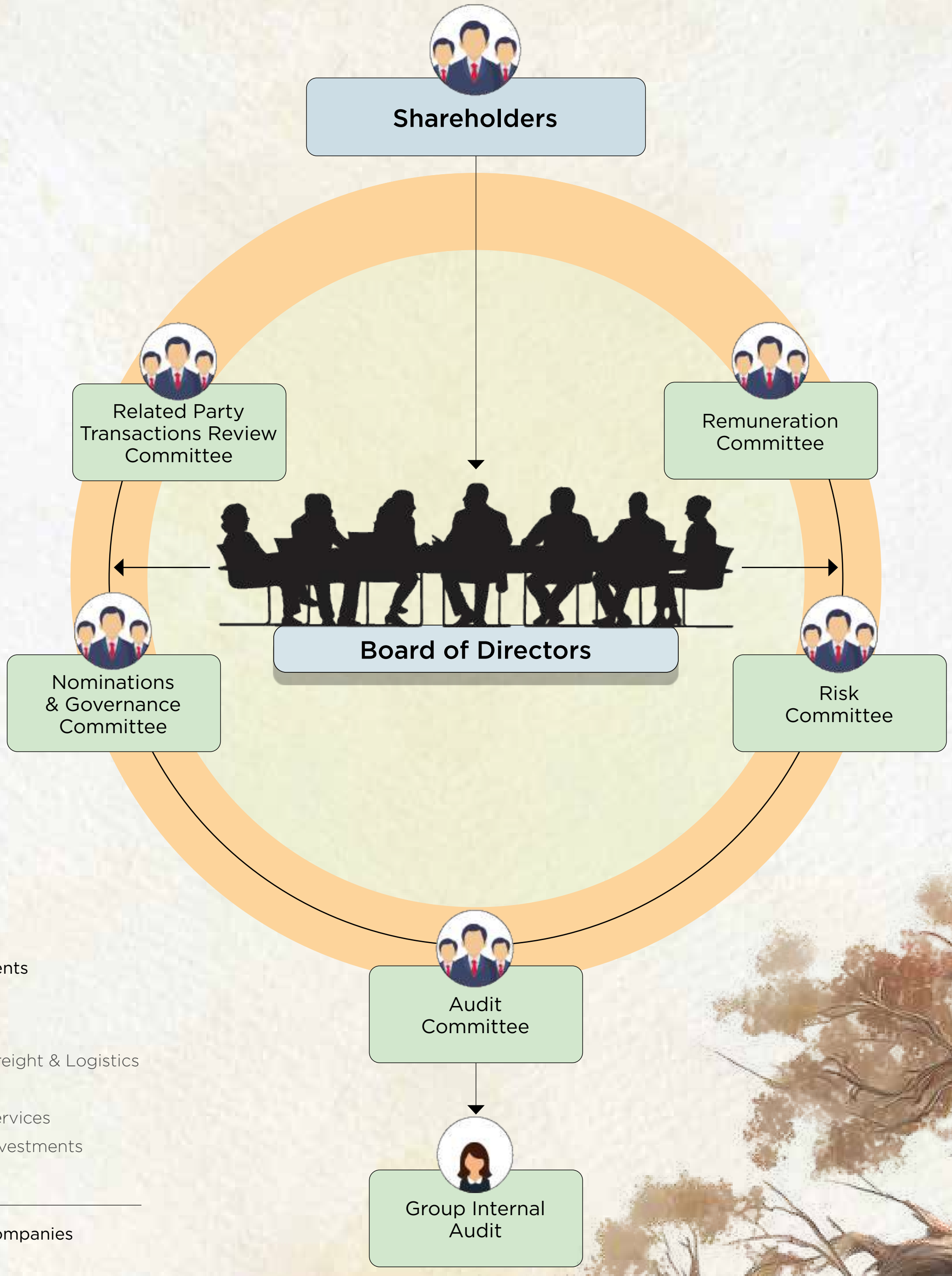
Demise of late chairman Mr. D.H.S.Jayawardena on 3rd February 2025

Mr. N. J. de S. Deva Aditya Previously an Independent Non-Executive Director, was redesignated as a Non-Independent Non-Executive Director effective 1st January 2025

Dr. A. N. Balasuriya

Resigned with effect from 1st October 2024

GOVERNANCE STRUCTURE



Business Segments

1) Beverages
2) Tourism
3) Maritime, Freight & Logistics
4) Plantations
5) Financial Services
6) Strategic Investments
7) Services

Public Listed Companies

1) DCSL PLC
2) Aitken Spence PLC
3) Aitken Spence Hotels Holdings PLC
4) Balangoda Plantations PLC
5) Madulsima Plantations PLC
6) Elpitiya Plantations PLC
7) Aitken Spence Plantation Management PLC
8) Browns Beach Hotels PLC

COMPOSITION

The structure of the Board and its sub-committees is vital in setting the overall governance tone for the entire Group. Detailed profiles of the Board members are available on pages 16 to 21, and their respective roles are outlined below.

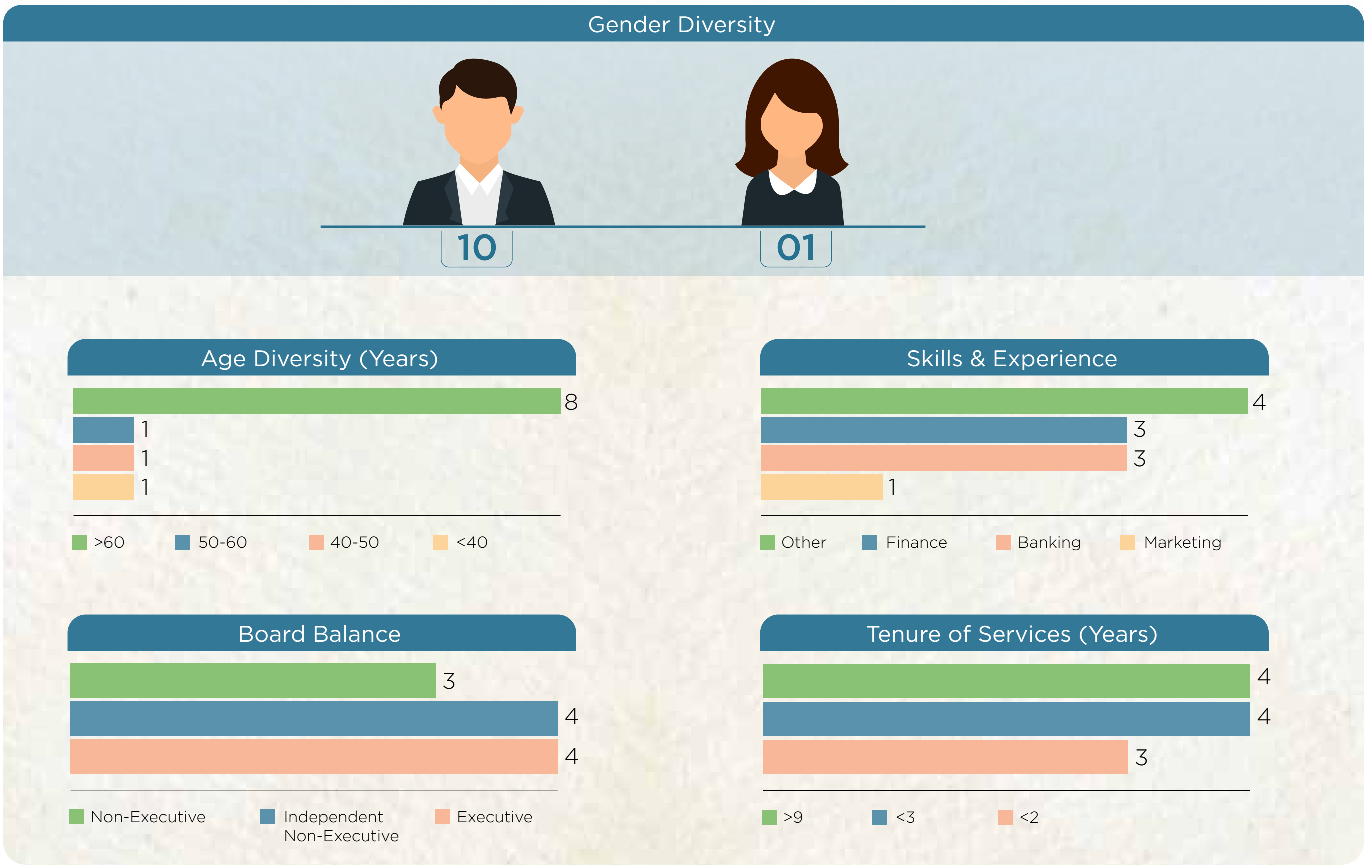
Board of Directors	Directorship Status	Attendance at Meetings					
		Board Meetings	Audit Committee Meetings	Related Party Transaction Review Committee	Nomination and Governance Committee	Remuneration Committee Meetings	Risk Committee
Mr. D. Hasitha S. Jayawardena *- Appointed as Executive Chairman on 6th February 2025*	Non-Independent Executive Director (Chairman)	2/2	2/3	2/3		1/2	
Mr. C.R. Jansz	Non-Independent Executive Director (Deputy Chairman)	2/2					
Mr. M.A.N.S. Perera	Non-Independent Executive Director	2/2					
Mr. N.J.de S. Deva Adittya *- Previously an Independent Non-Executive Director, was redesignated as a Non-Independent Non-Executive Director effective from 1st January 2025*	1/1 Non-Independent Non-Executive Director	1/2	2/2			2/2	*
Capt. K. J. Kahanda (Retd.)	Non-Independent Non-Executive Director	2/2					
Ms. D.S.T. Jayawardena	Non-Independent Non-Executive Director	2/2	1/1	1/1	*		*
Mr. L.U.D. Fernando	Non-Independent Executive Director	2/2					
Mr. M.R. Mihular *- Re designated as Senior Independent Director with effect from 6th February 2025*	Senior Independent Director	2/2	4/4	4/4	*		*
Dr. R. A. Fernando	Independent Non-Executive Director	2/2	2/2	4/4	*		*
Mr. Ashoka Goonesekere *- Appointed on 1st October 2024*	Independent Non-Executive Director	1/1					
Mr. L. H. A. Lakshman Silva *- Appointed on 1st October 2024*	Independent Non-Executive Director	1/1					
Deshamanya D.H.S.Jayawardena *- Demised on 3rd February 2025*	Non-Independent Non-Executive Director (Chairman)	2/2					
Dr. A. N. Balasuriya *- Resigned with effect from 1st October 2024*	Independent Non-Executive Director	1/1	2/2	2/2		2/2	

* The Committee had deliberations online and has transacted business through Circular Resolutions.

The Board comprises eleven Directors, including four Independent Non-Executive Directors, three Non-Independent Non-Executive Directors, and four Non-Independent Executive Directors. The Chairman is an Executive Director. Directors' independence has been determined in accordance with Listing Rule Section 9 of the Colombo Stock Exchange.

BOARD DIVERSITY

(Number of Directors)



BOARD SUB-COMMITTEES

To support the effective discharge of its responsibilities, the Board of Directors of Melstacorp PLC has established five Board Sub-Committees, each with clearly defined mandates aligned to regulatory requirements and best governance practices. These Board Sub-Committees provide focused oversight and expert guidance on key areas such as Audit, Risk, Remuneration, Related Party Transactions Review, Nominations, and Governance. Operating under approved Terms of Reference, the Sub-Committees enhance Board effectiveness by facilitating in-depth analysis and recommendations on specialised matters.

While four of the five Board Sub-Committees are mandatory governance requirements under the Listing Rules of the Colombo Stock Exchange, the Risk Committee was formed voluntarily to ensure the positioning of a robust risk management framework which aligns with Melstacorp PLC's strategic objectives.

Committee	Composition	Areas of Oversight
Audit Committee	Mr. M. R. Mihular - Chairman Ms. D. S. T. Jayawardena Dr. R. A. Fernando	**External Audit:** Oversight of the external audit process, including the assessment of auditor independence, audit scope, performance, and the approval of remuneration and non-audit services **Internal Audit:** Approval of the internal audit plan, review of audit findings, evaluation of the internal audit function's effectiveness, and ensuring adequate resourcing and independence. **Financial Reporting:** Review of quarterly and annual Financial Statements, with a focus on compliance with Sri Lanka Accounting Standards, accuracy of disclosures, and significant accounting judgments. **Internal Controls and Risk Management:** Assessment of the adequacy and effectiveness of internal controls, oversight of risk management frameworks, and monitoring of internal control deficiencies. **Regulatory Compliance and Ethics:** Oversight of compliance with applicable legal and regulatory requirements, including the Code of Conduct, whistleblower mechanisms, fraud detection, and prevention systems.
Nominations & Governance Committee	Dr. R. A. Fernando- Chairman Mr. M. R. Mihular Ms. D. S. T. Jayawardena Mr. L. H. A. Lakshman Silva	**Board Appointments and Re-appointments:** Evaluation and recommendation of appointments, re-appointments,, and succession planning for Directors and Key Management Personnel, ensuring a balance of skills, experience, and diversity. **Board Structure and Composition:** Review of the size, structure, and composition of the Board and its committees to ensure effectiveness in fulfilling strategic and oversight responsibilities. **Board and CEO Evaluation:** Oversight of the performance evaluation process for the Board, its committees, individual Directors, and the CEO, to ensure accountability and alignment with the Group's objectives. **Corporate Governance Framework:** Review and update of the Group's governance framework and policies, ensuring alignment with the CSE Listing Rules, SEC Act, and CA Sri Lanka's Code of Best Practice. **Director Independence and Conflicts of Interest:** Monitoring the independence status of Directors and ensuring appointments are free from conflicts of interest.

Committee	Composition	Areas of Oversight
Remuneration Committee	Dr. R. A. Fernando- Chairman Mr. M. R. Mihular Ms. D. S. T. Jayawardena	**Remuneration Policy Development:** Oversight and periodic review of the Group's remuneration policy covering the CEO, Executive Directors, Non-Executive Directors, and Senior Management. **Compensation Frameworks and Incentives:** Design and recommendation of compensation packages, equity incentives, and terminal benefits aligned with performance and market benchmarks. **Performance Evaluation:** Review of CEO and Senior Management performance, including alignment with development plans and succession strategies. **Service Contracts and Termination Provisions:** Evaluation of employment terms, including service contracts and exit arrangements for Key Management Personnel. **Market Benchmarking:** Periodic assessment of remuneration levels against peer Companies and industry standards to ensure competitiveness and relevance. **Stakeholder Communication:** Ensuring transparent disclosure of remuneration policy and Committee activities in the Annual Report and shareholder communications.
Related Party Transaction Review Committee	Mr. M. R. Mihular - Chairman Ms. D. S. T. Jayawardena Dr. R. A. Fernando	**Review and Approval of Related Party Transactions –** Prior review and assessment of all recurrent and non-recurrent related party transactions, including material changes, to ensure fairness and regulatory compliance. **Governance and Compliance –** Ensuring adherence to the CSE Listing Rules, LKAS 24, and the ICASL Code of Best Practice on Corporate Governance, with due consideration of economic and commercial substance over legal form. **Policy, Process, and Documentation –** Oversight of policies and internal controls for identifying, recording, reporting, and managing related party transactions, including establishing thresholds for board and shareholder approvals. **Independent Evaluation and Conflicts Management –** Evaluation of transactions free of conflict of interest, with provisions for independent professional advice and exclusion of interested Directors from deliberations. **Quarterly Monitoring and Reporting –** Regular meetings to review disclosures, declarations, and changes in related party information; oversight of immediate and annual disclosures to the Colombo Stock Exchange. **Disclosure and Transparency –** Review and recommendation of related party transaction disclosures in the Annual Report, and assurance of compliance with mandatory disclosure thresholds and formats.

Committee	Composition	Areas of Oversight
Risk Committee	Mr. M. R. Mihular – Chairman Mr. N. J. de S. Deva Aditya Ms. D. S. T. Jayawardena Dr. R. A. Fernando Mr. L. H. A. Lakshman Silva	Enterprise-wide Risk Management Framework (ERMF) Oversight of the Group's risk appetite, risk tolerance, and ERMF integration into strategic planning, including annual evaluation of its adequacy and effectiveness. Risk Identification and Assessment Supervision of identification, assessment, prioritisation, and ongoing review of significant risks across financial, operational, strategic, compliance, environmental, social, and reputational dimensions. Risk Monitoring and Control Monitoring of the Group's risk profile and tolerance levels; evaluation of risk control measures and mitigation strategies; and allocation of resources to manage emerging and significant risks. Compliance and Regulatory Oversight Oversight of compliance with legal and regulatory requirements, insurance coverage adequacy, and the Group's response to regulatory audits and inquiries involving high-risk matters. Internal Audit, Investigations, and External Audit Coordination Monitoring of high-risk issues raised through audits and investigations, ensuring strategic risks are addressed; providing feedback to improve audit scope and focus. Crisis Management, Business Continuity, and ESG Risks Oversight of crisis management and business continuity planning, including testing and simulations; integration of environmental, social, and governance (ESG) risks into the overall risk framework.

APPOINTMENTS, RE-ELECTION & RETIREMENT

At the Annual General Meeting, Shareholders may vote on the re-election of Directors who retire by rotation or were appointed to fill casual vacancies.

The Nomination & Governance Committee assists the Board by reviewing its structure and composition and by making recommendations on new Board appointments. This process ensures the Board possesses the necessary knowledge, skills, and experience and is sufficiently diverse to provide varied perspectives within the boardroom. Based on the Committee's recommendations, the Board proposes suitable candidates for shareholder appointment or re-election at the Annual General Meeting.

The Board may appoint Directors to fill any casual vacancy that arises during the year. Directors appointed in this manner hold office until the next Annual General Meeting and may seek re-election by the shareholders at that meeting, thereby ensuring shareholder participation in Director elections in line with the Articles of Association. Appointments are immediately communicated to the CSE and selected newspapers, including: a brief resume of the Director; areas of expertise; names of Companies in which the Director holds directorships or memberships in Board Committees; shareholdings in the Group; and confirmation of whether the Director can be considered 'Independent'.

In accordance with the Articles of Association, one-third of the Directors, excluding the Chairman and Managing Director, retires by rotation annually at the Annual General Meeting. The Directors selected for retirement are those who have served the longest since their most recent election or appointment.

Director resignations must be submitted in writing. Upon acceptance by the Board, the resignation is immediately communicated to the CSE, along with details of any shareholding in the Group.

GOVERNANCE FRAMEWORK

The basis for the Group's policy framework is summarised below.

Mandatory Compliance
• Companies Act No.7 of 2007 • Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 • Articles of Association • Listing Rules of the Colombo Stock Exchange (CSE) • Central Depository System (CDS) Rules • Securities & Exchange Commission of Sri Lanka (SEC) Act No. 19 of 2021 • Group Code of Ethics & Professional Conduct • Inland Revenue Act No. 24 of 2017 • Foreign Exchange Act No. 12 of 2017

The Board is assisted by the Nominations and Governance Committee and the Company Secretaries in ensuring full compliance with CSE Listing Rule 9 by the specified dates. The Company maintains zero tolerance for any form of bribery and corruption, viewing potential instances as a threat to its integrity and business reputation.

Structure and Diversity of the Board

As of 31st March 2025, the Board of Melstacorp PLC comprised 11 members, including 4 Executive Directors, 3 Non-Independent Non-Executive Directors, and 4 Independent Non-Executive Directors. The current composition reflects compliance with the Listing Rules of the Colombo Stock Exchange, the Company's Articles of Association, and the Code of Best Practice on Corporate Governance of 2017 issued by the Institute of Chartered Accountants of Sri Lanka.

This composition supports a well-balanced governance environment, enabling effective decision-making while safeguarding against any concentration of power. The Board periodically assesses its structure to ensure it remains appropriate, with adjustments made as necessary in response to new appointments, resignations, retirements, or re-appointments.

Board of Directors	The Board of Directors of Melstacorp PLC holds overall responsibility for providing strategic direction, overseeing the performance of the Group, and ensuring sound corporate governance practices are upheld. The Board is accountable for safeguarding shareholder interests, promoting long-term value creation, and ensuring that the Group operates within an effective risk management and internal control framework. In fulfilling its role, the Board sets the tone at the top, monitors compliance with legal and regulatory requirements, and oversees the implementation of sustainability and ESG priorities aligned with the Group's strategic objectives.
Role of the Chairman	As the Executive Chairman of Melstacorp PLC, he plays a pivotal role in leading the Board by facilitating effective governance and ensuring the Board's decisions align with the Group's strategic vision. Combining executive leadership with his Board responsibilities, the Chairman provides clear guidance and direction to both the Board and Senior Management, fostering a culture of accountability and transparency. He is instrumental in setting the agenda for Board meetings, promoting constructive dialogue among Directors, and acting as the primary link between the Board and Executive Management to drive sustainable growth and value creation.

Role of the Managing Director	The Managing Director of Melstacorp PLC, as an Executive Director, is responsible for the day-to-day management and operational leadership of the Group. He implements the strategies and policies approved by the Board, ensuring that business objectives are met efficiently and effectively. The MD provides strong leadership to the Management Team, drives performance across all business units, and ensures alignment with the Group's vision and values. As a key link between the Board and Management, the MD regularly reports on operational matters, risks, and opportunities, enabling informed decision-making at the Board level.
Role of the Senior Independent Director	The Senior Independent Director serves as an impartial point of contact for shareholders and Board members, providing a vital channel for open communication independent of the Executive Chairman and Management. This role supports effective governance by facilitating constructive dialogue, addressing any concerns that may arise, and helping to resolve potential conflicts within the Board. The Senior Independent Director also leads the evaluation of the Chairman's performance and acts as a trusted advisor to ensure that the Board functions with transparency, accountability, and balanced oversight.
Company Secretary	The Company Secretary plays a crucial role in ensuring the effective functioning of the Board and compliance with statutory and regulatory requirements. Acting as a key advisor to the Board and its committees, the Company Secretary facilitates the smooth organisation of meetings, timely dissemination of information, and accurate documentation of decisions. Additionally, the Company Secretary supports good corporate governance by monitoring adherence to the Company's Articles, the Listing Rules of the Colombo Stock Exchange, and applicable laws, thereby promoting transparency and accountability throughout the Group.

BOARD PRIORITIES IN 2024/25

Strategic Direction and Long-Term Value Creation

- Overseeing the formulation and execution of the Group's long-term strategy to drive sustainable growth.

Financial Oversight and Performance Monitoring

- Ensuring financial discipline and the achievement of targeted financial performance across subsidiaries.

Risk Management and Internal Controls

- Strengthening enterprise risk management frameworks and ensuring robust internal controls are in place.

Corporate Governance and Compliance

- Upholding high standards of governance and monitoring adherence to statutory and voluntary codes.

Succession Planning and Leadership Development

- Ensuring leadership continuity and talent development at both Board and Senior Management levels.

Stakeholder Engagement and Transparency

- Promoting transparent communication with shareholders, employees, regulators, and other key stakeholders.

Board Effectiveness and Continuous Improvement

- Enhancing Board performance through periodic evaluations, training, and governance process improvements

BOARD MEETINGS AND OVERSIGHT

The Board of Directors of Melstacorp PLC met at regular intervals during the year to provide strategic direction, oversee corporate performance, and ensure good governance across the Group. Meetings were conducted with a structured agenda, enabling effective deliberation and timely decision-making on key business matters. The Board maintained high standards of accountability and transparency, with all Directors actively participating and contributing their expertise to uphold the interests of shareholders and stakeholders alike.

EMPOWERING THE BOARD THROUGH LEARNING

Melstacorp PLC acknowledges the importance of ongoing learning and development for its Directors to ensure effective oversight and informed decision-making. Newly appointed Directors are provided with comprehensive induction support to familiarise them with the Group's operations, governance practices, and strategic priorities. In addition, all Board members are encouraged to participate in training sessions, industry forums, and governance-related programmes to remain updated on regulatory, sectoral, and business trends. The management facilitates this process by ensuring timely access to relevant information and arranging site visits or operational briefings as necessary, enabling Directors to deepen their understanding of the Group's business environment.

ACCOUNTABILITY & AUDIT

The Audit Committee assists the Board in overseeing the Group's financial reporting and the external audit. Meeting quarterly, the Committee reviews key financial reports, internal audit findings, and risk management reports. It is also responsible for assessing the adequacy of internal controls. Further details on the Committee's activities are provided in the Audit Committee Report on pages 53-55.

INVESTOR RELATIONS

Shareholder communications are managed by Company Secretaries - Corporate Services (Private) Limited. The Annual General Meeting (AGM) serves as the primary platform for engagement, offering shareholders the opportunity to address the Board directly. Shareholders may also submit questions, comments, or suggestions to the Board through the Company Secretaries at any time. Significant issues and concerns raised by shareholders are referred to the Board, along with Management's views. Company Secretaries respond to routine shareholder queries.

The Board approves quarterly Financial Statements for timely dissemination to shareholders via the CSE. All other price-sensitive information, such as major acquisitions, disposals, and director's share dealings, is also promptly notified to the CSE.

IT GOVERNANCE

Melstacorp invests in technology and digital transformation to support its growth, operational efficiencies, and in some segments, enhance customer interfaces. Consequently, safeguarding the Group's IT investments and information assets, ensuring system functionality, and preserving the integrity of operational processes are critical. Furthermore, the Personal Data Protection Act No.9 of 2022, rolled out in FY 2023/24, necessitates compliance.

The Chief Information Officer (CIO), who reports to the Managing Director, is responsible for safeguarding IT systems and information assets. This safeguarding is achieved through a layered security architecture, including firewalls, cyber risk awareness programs, and regular threat monitoring and assessment.

DISCLOSURE IN TERMS OF RULE 9.10.4(E) OF THE LISTING RULES ON CORPORATE GOVERNANCE ISSUED BY THE COLOMBO STOCK EXCHANGE: COMPANIES IN WHICH THE DIRECTORS OF MELSTACORP PLC SERVE AS DIRECTORS

Mr. D. Hasitha S Jayawardena

CHAIRMAN
- Distilleries Company of Sri Lanka PLC
- Balangoda Plantations PLC
- Madulsima Plantations PLC
- Stassen Exports (Pvt) Ltd.
- Milford Exports (Ceylon) (Pvt) Ltd.
- Stassen Natural Foods (Pvt) Ltd.
- Stassen Foods (Pvt) Ltd.
- Ceylon Garden Coir (Pvt) Ltd.
- C B D Exports (Pvt) Ltd.

Mr. C. R. Jansz

CHAIRMAN
- Lanka Milk Foods (CWE) PLC
- Ambewela Livestock Company Limited
- Ambewela Products (Pvt) Ltd.
- Lanka Dairies (Pvt) Ltd.
- Pattipola Livestock Company Limited
- United Dairies Lanka (Pvt) Ltd.
- Melsta Hospitals Ragama (Pvt) Ltd.
- Melsta Hospitals Colombo North (Pvt) Ltd.

Mr. D. Hasitha S Jayawardena

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

- Lanka Milk Foods (CWE) PLC

DIRECTOR

- Milford Holdings (Pvt) Ltd.
- Periceyl (Pvt) Ltd.
- Lanka Dairies (Pvt) Ltd.
- Ambewela Livestock Company Limited
- Pattipola Livestock Company Limited
- Ambewela Products (Pvt) Ltd.
- United Dairies Lanka (Pvt) Ltd.
- Zahra Exports (Pvt) Ltd.
- Mcsen Range (Pvt) Ltd.
- Melsta Health (Pvt) Limited
- Melsta Hospitals Ragama (Pvt) Ltd.
- Melsta Hospitals Colombo North (Pvt) Ltd.
- DCSL Brewery (Pvt) Ltd.
- DSCL Breweries Lanka Limited
- Melsta House (Pvt) Ltd.
- DCSL Group Marketing (Pvt) Ltd.

Mr. C. R. Jansz

EXECUTIVE DIRECTOR

- Distilleries Company of Sri Lanka PLC
- Lanka Power Projects (Pvt) Ltd.
- Milford Holdings (Pvt) Ltd.

DIRECTOR

- Aitken Spence PLC
- Balangoda Plantations PLC
- Madulsima Plantations PLC
- Periceyl (Pvt) Ltd.
- Indo Lanka Exports (Pvt) Ltd.
- Stassen Exports (Pvt) Ltd.
- Milford Exports (Ceylon) (Pvt) Ltd.
- C B D Exports (Pvt) Ltd.
- Ceylon Garden Coir (Pvt) Ltd.
- Stassen Foods (Pvt) Ltd.
- Stassen Natural Foods (Pvt) Ltd.
- DCSL Brewery (Pvt) Ltd.
- Melsta Health (Pvt) Ltd.
- Bogo Power (Pvt) Ltd.
- DCSL Breweries Lanka Limited
- Lanka Bell Limited

Mr. M. A. N. S. Perera

EXECUTIVE DIRECTOR

- Distilleries Company of Sri Lanka PLC
- Balangoda Plantations PLC
- Madulsima Plantations PLC

DIRECTOR

- Periceyl (Pvt) Ltd.
- DCSL Breweries Lanka Limited
- Melsta Health (Pvt) Ltd.
- Lanka Bell Limited
- Melsta Logistics (Pvt) Ltd.
- Melsta Tower ((Pvt) Ltd.
- Bellvantage (Pvt) Ltd.
- Melsta Pharmaceuticals (Pvt) Ltd.
- Melsta Labs (Pvt) Ltd.
- Melsta Healthcare Colombo (Pvt) Ltd.
- Formula World (Pvt) Ltd.
- Melsta Hospitals Ragama (Pvt) Ltd.
- Bellactive (Pvt) Ltd.
- Bell Solutions (Pvt) Ltd.
- Melsta House (Pvt) Ltd.
- Bogo Power (Pvt) Ltd.

Mr. N. J. De S. Deva Aditya

NON-EXECUTIVE DIRECTOR

- Aitken Spence PLC
- Aitken Spence Hotel Holdings PLC
- Browns Beach Hotels PLC
- Distilleries Company of Sri Lanka PLC
- The Kingsbury PLC

DIRECTOR

- Commonwealth Union Holdings Ltd.

CAPT. K. J. Kahanda (Retd.)

MANAGING DIRECTOR
- Distilleries Company of Sri Lanka PLC

DIRECTOR
- Melsta Properties (Pvt) Ltd.
- Pelwatte Sugar Industries PLC
- DCSL Breweries Lanka Limited
- DCSL Group Marketing (Pvt) Ltd.
- Milford Holdings (Pvt) Ltd.
- Melsta Brands (Pvt) Ltd.
- DCSL Brewery (Pvt) Ltd.

Ms. D. S. T. Jayawardena

EXECUTIVE CHAIRPERSON
- Aitken Spence PLC
- Aitken Spence Hotel Holdings PLC
- Aitken Spence Exports (Pvt) Ltd.
- Aitken Spence Hotel Managements (Pvt) Ltd.
- Aitken Spence Hotels Limited
- Aitken Spence Resources (Pvt) Ltd.
- Amethyst Leisure Limited
- Browns Beach Hotels PLC
- Heritance (Pvt) Ltd.
- Hethersett Hotels Limited
- Jetan Travel Services Company (Pvt) Ltd.
- Kandalama Hotels (Pvt) Ltd.
- Meeraladuwa (Pvt) Ltd.
- Neptune Ayurvedic Village (Pvt) Ltd.
- Nilaveli Holidays (Pvt) Ltd.
- Nilaveli Resorts (Pvt) Ltd.
- Paradise Resort Pasikudah (Pvt) Ltd.
- Turyaa (Pvt) Ltd.
- Unique Resorts (Pvt) Ltd.

DEPUTY CHAIRPERSON
- Lanka Milk Foods (CWE) PLC
- Lanka Dairies Limited
- Ambewela Products (Pvt) Ltd.
- Ambewela Livestock Company Limited
- Pattipola Livestock Company Limited
- United Dairies Lanka (Pvt) Ltd.

NON-EXECUTIVE DIRECTOR
- Distilleries Company of Sri Lanka PLC

DIRECTOR
- Stassen Exports (Pvt) Ltd.
- Stassen Natural Foods (Pvt) Ltd.
- Stassen Foods (Pvt) Ltd.
- Milford Exports (Ceylon) (Pvt) Ltd.
- CBD Exports (Pvt) Ltd.
- Ceylon Garden Coir (Pvt) Ltd.
- DCSL Breweries Lanka Limited
- DCSL Group Marketing (Pvt) Ltd.
- Ace Apparels (Pvt) Ltd.
- Ace Global Management Services (Pvt) Ltd.
- Ace Power Embilipitiya (Pvt) Ltd.
- Ace Resorts (Pvt) Ltd.
- Ahungalla Resorts Limited
- Aitken Spence (Garments) Limited
- Aitken Spence Apparels (Pvt) Ltd.
- Aitken Spence Aviation (Pvt) Ltd.
- Aitken Spence Corporate Services (Pvt) Ltd.
- Aitken Spence Group Limited
- Aitken Spence Hotel Managements Asia (Pvt) Ltd.
- Aitken Spence Hotels International (Pvt) Ltd.
- Aitken Spence International Pte. Ltd.
- Aitken Spence Ports International (Middle East) FZCO
- Aitken Spence Resorts (Middle East) LLC
- Aitken Spence Travels Myanmar Ltd.
- Cowrie Investment (Pvt) Ltd.
- Negombo Beach Resorts (Pvt) Ltd.
- Port City BPO (Pvt) Ltd.
- Royal Spence Aviation (Pvt) Ltd.
- Sagasolar Power (Pvt) Ltd.
- Western Power Company (Pvt) Ltd.

Mr. L. U. D. Fernando

DIRECTOR
- Distilleries Company of Sri Lanka PLC
- HNB Assurance PLC
- HNB General Insurance Limited
- DCSL Breweries Lanka Limited
- Melsta Logistics (Pvt) Ltd.
- Melsta Green (Pvt) Ltd.
- Melsta Tower (Pvt) Ltd.
- Bellvantage (Pvt) Ltd.
- Melsta Pharmaceuticals (Pvt) Ltd.
- Melsta Healthcare Colombo (Pvt) Ltd.
- Melsta Laboratories (Pvt) Ltd.
- Southern Green Agro (Pvt) Ltd.
- DCSL Brewery (Pvt) Ltd.
- Melsta House (Pvt) Ltd.
- DCSL Group Marketing (Pvt) Ltd.
- Texpro Industries Limited
- Bell Solutions (Pvt) Ltd.

Mr. M. R. Mihular

CHAIRMAN
- Watawala Plantation PLC
- Bairaha Farms PLC

INDEPENDENT NON-EXECUTIVE DIRECTOR
- Sunshine Holdings PLC
- Aitken Spence PLC
- Aitken Spence Hotel Holdings PLC
- Browns Beach Hotels PLC
- Balangoda Plantations PLC
- Madulsima Plantations PLC
- Agility Innovation (Pvt) Ltd.
- Damro Holdings Ltd.
- LTL Holdings Ltd.
- Sunshine Teas (Pvt) Ltd.
- Lonach Dairy Ltd.

Dr. R. A. Fernando

INDEPENDENT NON-EXECUTIVE DIRECTOR
- Aitken Spence PLC
- Aitken Spence Hotel Holdings PLC
- Distilleries Company of Sri Lanka PLC
- Dilmah Ceylon Tea Company PLC
- Madulsima Plantations PLC
- Balangoda Plantations PLC
- Elpitiya Plantations PLC
- Browns Beach Hotels PLC

HONORARY INDEPENDENT DIRECTOR
- Ceylon Graphene Technologies Ltd.
- Ceylon Asset Management Ltd.
- Global Strategic Corporate Sustainability (Pvt) Ltd.

Mr. A. Goonasekere

INDEPENDENT NON-EXECUTIVE DIRECTOR
- Distilleries Company of Sri Lanka PLC
- HNB Assurance PLC
- Pan Asia Banking Corporation PLC
- PMF Finance PLC

Mr. L. H. A. L. Silva

CHAIRMAN
- LankaPay (Pvt) Ltd.
- Panasian Power PLC

INDEPENDENT NON-EXECUTIVE DIRECTOR
- Distilleries Company of Sri Lanka PLC
- Seylan Bank PLC
- Finetech Consultancy (Pvt) Ltd.
- HNB Assurance PLC

DIRECTOR
- R-E-D Capital Asia (Pvt) Ltd.

COMPLIANCE WITH THE COMPANIES ACT NO. 7 OF 2007

Section	Requirement	Disclosure Reference for Compliance	Compliance status
168 (1)(a)	Any change during the accounting period in the nature of business of the Company or any of its subsidiaries and the classes of business in which the Company has an interest	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (b)	Financial Statements of the Company and the Group for the accounting period completed and signed	Refer Financial Statements and Annual Report of the Board of Directors of this Annual	Compliant
168 (1) (c)	Auditors Report on Financial Statements of the Company and the Group	Refer Financial Statements of this Annual Report	Compliant
168 (1) (d)	Change of accounting policies during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (e)	Particulars of entries in the interest register made during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (f)	Remuneration and other benefits paid to the Directors during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (g)	Total amount of donations made by the Company and the Group during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (h)	Directorate of the Company and the Group as at the end of accounting period along with the changes occurred during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (i)	Amounts payable to the Auditors as audit fees and fees payable for other related services provided by them	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (j)	Relationship or interest of the Auditors with the Company or any of its subsidiaries	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (k)	Annual Report of the Board of Directors signed on behalf of the Board	Refer Annual Report of the Board of Directors of this Annual Report	Compliant

COMPLIANCE WITH THE CONTINUING LISTING REQUIREMENTS - SECTION 7.6 ON THE CONTENT OF ANNUAL REPORT ISSUED BY THE COLOMBO STOCK EXCHANGE

CSE Rule	Requirement	Disclosure Reference for Compliance	Compliance status
7.6 (i)	Names of Directors of the entity	Refer Corporate Information of this Annual Report	Compliant
7.6 (ii)	Principal activities of the entity and its subsidiaries during the year under review	Refer Annual Report of the Board of Directors	Compliant
7.6 (iii)	20 largest holders of voting and non-voting shares and the percentage of shares	Refer Shareholder Information of the Annual Report	Compliant
7.6 (iv)	The float adjusted market capitalisation, Public Holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement	Refer Shareholder Information of this Annual Report	Compliant
7.6 (v)	Directors and CEO's holding in shares of the entity at the beginning and end of reporting year	Refer Shareholder Information of this Annual Report	Compliant

CSE Rule	Requirement	Disclosure Reference for Compliance	Compliance status
7.6 (vi)	Information pertaining to material foreseeable risk factors	Refer Enterprise Risk Management of this Annual Report	Compliant
7.6 (vii)	Details of material issues pertaining to employees and industrial relations	Refer Annual Report of the Board of Directors this Annual Report	Compliant
7.6 (viii)	Extents, locations, valuations and the number of buildings of the entity's land holdings and investment properties	Refer Note 15.2 and 17.1 to the Financial Statements of this Annual Report	Compliant
7.6 (ix)	Number of shares representing the stated capital	Refer Annual Report of the Board of Directors this Annual Report	Compliant
7.6 (x)	Distribution schedule of the number of holders and the percentage of their total holding	Refer Shareholder Information of this Annual Report	Compliant
7.6 (xi)	Ratios and market price information	Refer Shareholder Information of this Annual Report	Compliant
7.6 (xii)	Significant changes in the entity's or its subsidiaries fixed assets and the market value of land	Refer Note 15 and 17 to the Financial Statements of this Annual Report	Compliant
7.6 (xiii)	Funds, (if any) raised either through a public issue, rights issue and private placement	The Company had no public issue, rights issue or private placement during the year under review	N/A
7.6 (xiv)	Employee share option/purchase schemes	As of date, the Company has no share option/ purchase schemes made available to its Directors or employees	N/A
7.6 (xv)	Corporate Governance Disclosures	Refer Corporate Governance Report of this Annual Report	Compliant
7.6 (xvi)	Related Party Transactions	Refer Note 36.2 to the Financial Statements	Compliant

SECTION 9 – CORPORATE GOVERNANCE

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

CSE Rule	Requirement	Effective Date	How We Comply
9.1 Corporate Governance Rules			
9.1.1 9.1.3	Statement confirming the extent of compliance with the Corporate Governance Rules	01 October 2023	The extent of compliance with Section 9 of the Listing Rules of the Colombo Stock Exchange on Corporate Governance Rules is tabulated in the table given below. Also refer 'Annual Report of the Board of Directors' of this Annual Report

CSE Rule	Requirement	Effective Date	How We Comply
9.2 Policies			
9.2.1	Listed Company 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 Company on its website; a) Policy on the matters relating to the Board of Directors b) Policy on Board Committees c) Policy on Corporate Governance, Nominations and Re-election d) Policy on Remuneration e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities f) Policy on Risk management and Internal controls g) Policy on Relations with Shareholders and Investors h) Policy on Environmental, Social and Governance Sustainability i) Policy on Control and Management of Company Assets and Shareholder Investments j) Policy on Corporate Disclosures k) Policy on Whistleblowing l) Policy on Anti-Bribery and Corruption	01 October 2024	Compliant
9.2.2	Any waivers from compliance with the Internal Code of Business Conduct and Ethics or exemptions granted	01 October 2024	N/A
9.2.3	i List of policies in place as per Rule 9.2.1, with reference to website ii Any changes to policies adopted	01 October 2024	Refer 'How We Comply' under Rule 9.2.1 above
9.2.4	Listed Company shall make available all such policies to shareholders upon a written request being made for any such Policy	01 October 2024	Refer 'How We Comply' under Rule 9.2.1 above
9.3 Board Committees			
9.3.1	Listed Company 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	01 October 2023	Compliant
9.3.2	Listed Company shall comply with the composition, responsibilities and disclosures required in respect of the above-Board committees as set out in these Rules	01 October 2023	Refer 'How we Comply' under Rules 9.11, 9.12, 9.13 and 9.14 below

Corporate Governance

CSE Rule	Requirement	Effective Date	How We Comply
9.3.3	The Chairperson of the Board of Directors of the Company shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above	01 October 2024	Compliant
9.4 Principles of Democracy in Shareholder Dealings			
9.4.1	Listed Company shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Company. The Company shall provide copies of the same at the request of the Exchange and/or the Securities and Exchange Commission (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	01 October 2023	The Company Secretaries maintain records of all resolutions of General Meetings and information related thereto
9.4.2	a) Listed Company should have a policy on effective communication and relations with shareholders and investors b) Listed Company should disclose the contact person for such communication c) The policy on relations with shareholders and investors on the process to make all Directors aware of major issues and concerns of shareholders (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 Exchange.	01 October 2024	Compliant
9.5 Policy on matters relating to the Board of Directors			
9.5.1	Listed Company shall establish and maintain a formal policy governing matters relating to the Board of Directors and such policy shall include the matters listed under this Rule	01 October 2024	Compliant
9.5.2	Confirmation on compliance with the requirements of the Policy on matters relating to the Board of Directors. If non-Compliant reasons for the same with proposed remedial action	01 October 2024	Compliant
9.6 Chairperson and CEO			
9.6.1	The Chairperson of every Listed Company 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 below	01 October 2023	Compliant

CSE Rule	Requirement	Effective Date	How We Comply
9.6.2	Where the Chairperson of a Listed Company is an Executive Director and/or the positions of the Chairperson and CEO are held by the same individual, such Entity shall make a Market Announcement within a period of one (1) month from the date of implementation of these Rules or an Immediate Market Announcement if such date of appointment and/or combination of the said roles falls subsequent to the implementation of these Rules	01 October 2023	Compliant
9.6.3	Report of Senior Independent Director demonstrating the effectiveness of duties	01 October 2023	Refer Report of Senior Independent Director of this Annual Report
9.6.4	Rationale for appointing Senior Independent Director	01 October 2023	Refer Report of Senior Independent Director of this Annual Report
9.7 Fitness of Directors and CEOs			
9.7.1	Listed Company shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of the Listing Rules. In evaluating fitness and propriety of the persons referred to in these Rules, the Company shall utilise the 'Fit and Proper Assessment Criteria' set out in Rule 9.7.3 of the Listing Rules	01 October 2023	The Company Secretaries obtain annual declarations from the Directors of the Company to ensure that they are at all times be fit and proper persons as specified in the criteria given in Rule 9.7.3 of the Listing Rules of the CSE
9.7.2	Listed Company shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' meeting or appointments are made	01 October 2023	Compliant
9.7.3	A Director or the CEO of a Listed Company shall not be considered as 'fit and proper' if he or she does not meet with the fit and proper assessment criteria specified under "Honesty, Integrity and Reputation", "Competence and Capability" and "Financial Soundness" as set out in Rule 9.7.3 (a), (b) and (c) respectively	01 April 2024	Refer 'How We Comply' under Rule 9.7.1 above
9.7.4	Listed Company shall obtain declarations from its Directors and CEO on an annual basis confirming that each of them has continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation	01 October 2023	Annual declarations from Directors confirming that each of them has continuously satisfied the fit and proper assessment criteria set out in the CSE revised Listing Rules were obtained as of 31st March 2025
9.7.5	(a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria (b) Any non-compliance/s and remedial action taken	01 October 2023	Compliant Refer the 'Annual Report of the Board of Directors' of this Annual Report N/A

CSE Rule	Requirement	Effective Date	How We Comply
9.8 Board Composition			
9.8.1	The Board of Directors of a Listed Company shall, at a minimum, consist of five (05) Directors	01 October 2024	Compliant
9.8.2	Minimum Number of Independent Directors: (a) The Board of Directors of a Listed Company shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Company at any given time, whichever is higher (b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change	01 October 2024	Compliant
9.8.3	A Director shall not be considered independent if he/she does not meet the criteria for determining independence as set out in Rule 9.8.3 of the Listing Rules	Criteria 9.8.3 (i) to (viii) - 01 October 2023 Criteria 9.8.3 (ix) - 01 January 2025	Compliant in terms of Rule 9.1.4(3)
9.8.5	a) Each Independent Director to submit a signed and dated declaration annually of his or her “independence” or “non-independence” against the criteria specified in Rule 9.8.3 of the Listing Rules and in the format in Appendix 9A of the said Rules (b) Make an annual determination as to the “independence” or “non-independence” of each Independent Director based on the Directors’ declaration and other information available to it and shall set out the names of Directors determined to be ‘independent’ in the Annual Report (c) If the Board of Directors determines that the independence of an Independent Director has been impaired against any of the criteria set out in Rule 9.8.3, it shall make an immediate Market Announcement thereof	01 October 2023	The Independent Directors submit signed declarations annually with regard to their independence/ non-independence against the specified criteria stipulated under Rule 9.8.3 of the Listing Rules of the CSE.
9.9 Alternate Directors			
9.9	If a Listed Company provides for the appointment of Alternate Directors, it shall be required to comply with the requirements set out in Rule 9.9 of the Listing Rules and such requirements shall also be incorporated into the Articles of Association of the Company	01 January 2024	Compliant

CSE Rule	Requirement	Effective Date	How We Comply
9.10 Disclosures Relating to Directors			
9.10.1	Listed Company shall disclose its policy on the maximum number of directorships it's 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 Company shall provide an explanation for such non-compliance in the manner specified in Rule 9.5.2 of the Listing Rules	01 October 2024	Compliant
9.10.2	Listed Company shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following: a brief resume of such Director; his/her capacity of directorship; and, Statement by the Company indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Company	01 October 2023	Compliant
9.10.3	Listed Entities shall make an immediate Market Announcement regarding any changes to the composition of the Board of Directors or Board Committees referred to in Rule 9.3 above, containing, at minimum, the details of changes, including the capacity of directorship, with the effective date thereof	01st October 2023	Would comply when the need arises
9.10.4	Directors details a) name, qualifications and brief profile b) nature of his/her expertise in relevant functional areas c) whether either the Director or Close Family Members have any material business relationships with other Directors d) whether Executive, Non-Executive and/or independent Director e) total number and names of Companies in Sri Lanka in which the Director concerned serves as a Director and/or KMP stating whether listed or unlisted, whether functions as executive or non-executive (If the directorships are within the Group names need not be disclosed) f) number of Board meetings attended g) names of Board Committees in which the Director serves as Chairperson or a member h) Attendance of board committee meetings i) Terms of Reference and powers of Senior Independent Directors	01 October 2023	a) , b) and d) - Refer Pages 16 to 21 for Directors' profiles of this Annual Report c) - Based on the individual declarations obtained from the Directors, it was evident that none of the Directors or their close family members have material business relationships with other Directors of the Company. e) - Refer 'Corporate Governance Report' of this Annual Report f) and g) - Refer 'Composition' and 'Details of Directors' Attendance at Board Meetings held during the financial year 2024/2025' in the Corporate Governance Report of this Annual Report h) - Refer Committee Reports of this Annual Report i) Refer ' Report of Senior Independent Director of this Annual Report

CSE Rule	Requirement	Effective Date	How We Comply
9.11 Nominations and Governance Committee			
9.11.1	Listed Company shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of the Listing Rules	01 October 2024	Compliant
9.11.2	Listed Company shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee	01 October 2024	Compliant
9.11.3	The Nominations and Governance Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	01 October 2024	Compliant
9.11.4	(1) The members of the Nominations and Governance Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Company, out of which a minimum of two (02) members shall be Independent Directors of the Company (b) not comprise of Executive Directors of the Listed Company. (2) An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors (3) The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Company	01 October 2024	Compliant
9.11.5	The functions of the Nominations and Governance Committee	01 October 2024	Compliant

CSE Rule	Requirement	Effective Date	How We Comply
9.11.6	The Annual Report of a Listed Company shall contain a report of the Nominations and Governance Committee signed by its Chairperson Nominations and Governance Committee Report shall include the following: (a) Names of chairperson and members with nature of directorship (b) Date of appointment to the committee (c) Availability of documented policy and processes when nominating Directors (d) Requirement of re-election at regular intervals at least once in 3 years (e) Board diversity (f) Effective implementation of policies and processes relating to appointment and reappointment of Directors (g) Details of directors re-appointed Board Committees served Date of first appointment Date of last re-appointment Directorships or Chairpersonships and other principal commitments, present and held over the preceding three years Any relationships – close family member, more 10% shareholding (h) Performance of periodic evaluation of board (i) Process adopted to inform independent directors of major issues. (j) Induction / orientation programs for new directors on corporate governance, Listing Rules, securities market regulations or negative statement (k) Annual update for all directors on corporate governance, Listing Rules, securities market regulations or negative statement (l) Compliance with independence criteria (m) Statement on compliance with corporate governance rules, if non- compliant reasons and remedial actions	01 October 2024	Refer Nominations and Governance Committee Report
9.12 Remuneration Committee			
9.12.2	Listed Company shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of the Listing Rules	01 October 2023	Compliant Refer 'Remuneration Committee Report' of this Annual Report
9.12.3	The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/ her own remuneration	01 October 2023	Compliant

CSE Rule	Requirement	Effective Date	How We Comply
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired	01 October 2023	Refer 'How We Comply' under Rule 9.2.1 above
9.12.5	Remuneration Committee shall have a written term of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	01 October 2023	Compliant Refer 'Remuneration Committee Report' of this Annual Report
9.12.6	(1) The members of the Remuneration Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Company, out of which a minimum of two (02) members shall be Independent Directors of the Company (b) not comprise of Executive Directors of the Listed Company (3) An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors	01 October 2024 01 October 2023	Compliant Refer 'Composition of the Committee' in the Remuneration Committee Report of this Annual Report
9.12.7	The functions of the Remuneration Committee	01 October 2023	Compliant Refer 'Remuneration Committee Report' of this Annual Report
9.12.8	Remuneration Committee Report shall contain the following: (a) Names of chairperson and members with nature of directorship (b) A statement regarding the Remuneration Policy (c) The aggregate remuneration of the Executive and Non-Executive Directors	01 October 2023	Compliant a) and b)- Refer 'Remuneration Committee Report' of this Annual Report c) Refer to Note 09 in the Financial Statements of this Annual Report
9.13 Audit Committee			
9.13.1	Where Listed Company does not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Company shall additionally perform the Risk Functions set out in Rule 9.13 of the Listing Rules	01 October 2023	Compliant
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties	01 October 2023	Compliant

CSE Rule	Requirement	Effective Date	How We Comply
9.13.3	(1) The members of the Audit Committee shall; (a) comprise of a minimum of three (03) directors of the Listed Company, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors. (b) not comprise of Executive Directors of the Listed Company. (2) The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors. (3) The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market. (5) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors. (6) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of a Listed Company shall attend the Audit Committee meetings by invitation. (7) The Chairperson of the Audit Committee shall be a Member of a recognised professional accounting body	01 October 2024	Compliant Refer 'Audit Committee Report' of this Annual Report
9.13.4	The functions of the Audit Committee	01 October 2024	Compliant
9.13.5	Disclosures in the Annual Report (1) Listed Company shall prepare an Audit Committee Report which shall be included in the Annual Report (2) The Audit Committee Report shall contain disclosures set out in Rule 9.13.5 (2)	01 October 2024	Compliant
9.14 Related Party Transactions Review Committee			
9.14.1	Listed Company shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of the Listing Rules.	01 October 2023	Compliant Refer 'Related Party Transactions Review Committee Report' of this Annual Report
9.14.2	(1) The Related Party Transactions Review Committee shall comprise of a minimum of three (03) Directors of a Listed Company, out of which two (02) members shall be Independent Directors of the Company. It may also include Executive Directors, at the option of the Company. An Independent Director shall be appointed as the Chairperson of the Committee	01 April 2024	Compliant Refer 'Related Party Transactions Review Committee Report' of this Annual Report
9.14.3	The functions of the Related Party Transactions Review Committee	01 October 2023	Compliant Refer 'Related Party Transactions Review Committee Report' of this Annual Report

CSE Rule	Requirement	Effective Date	How We Comply
9.14.4	1) The Related Party Transactions Review Committee shall meet at least once a calendar quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors. 2) The members of the Related Party Transactions Review Committee should ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed Related Party Transactions and where necessary, should obtain appropriate professional and expert advice from an appropriately qualified person. 3) Where necessary, the Committee shall request the Board of Directors to approve the Related Party Transactions which are under review by the Committee. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction. 4) If a Director of a Listed Company has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not: (a) be present while the matter is being considered at the meeting; and, (b) vote on the matter	01 October 2023	Compliant Refer 'Related Party Transactions Review Committee Report' of this Annual Report N/A
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	01 October 2023	Compliant Refer 'Related Party Transactions Review Committee Report' of this Annual Report
9.14.6	Listed Company shall obtain Shareholder approval for the Related Party Transactions set out in Rule 9.14.6 of the Listing Rules	01 October 2023	Compliant
9.14.7	Listed Company shall make an immediate Market Announcement to the Exchange for the Related Party Transactions as set out in Rule 9.14.7 (a) and (b)	01 October 2023	There were no Related Party Transactions during the year which required an immediate Market Announcement The Company would comply with this Rule when a need arise
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)	01 October 2023	Compliant
9.14.8 (2)	Recurrent Related Party Transactions exceeding 10% of the gross revenue/income (in the specified format)	01 October 2023	Compliant

CSE Rule	Requirement	Effective Date	How We Comply
9.14.8 (3)	Related Party Transactions Review Committee Report Names of the Directors comprising the Committee Statement that committee has reviewed RPTs and communicated comments/observations to the Board Policies and procedures adopted by the Committee	01 October 2023	Compliant Refer 'Related Party Transactions Review Committee Report' of this Annual Report
9.14.8 (4)	Affirmative declaration by the Board of Directors on compliance with RPT Rules or negative statement to that effect	01 October 2023	Compliant Refer 'Annual Report of the Board of Directors' of this Annual Report
9.14.9	Acquisition and disposal of assets from/to Related Parties Except for transactions set out in Rule 9.14.10, Listed Company shall ensure that neither the Company nor any of its subsidiaries, acquires a substantial asset from, or disposes of a substantial asset to, any Related Party of the Company without obtaining the approval of the shareholders of the Company by way of a Special Resolution	01 October 2023	N/A The Company has not acquired or disposed of any assets from/ to Related Parties during the year under review The Company would comply with this Rule should a need arise
9.16 Additional Disclosures			
	Additional disclosures by Board of Directors Declaration on the following: All material interests in contracts and have refrained from voting on matters in which they were materially interested Reviewed of the internal controls covering financial, operational and compliance controls and risk management and obtained reasonable assurance of their effectiveness and successful adherence and, if unable to make any of these declarations an explanation on why it is unable to do so; Made themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions; Disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations	01 October 2023	Compliant Refer 'Annual Report of the Board of Director' of this Annual Report

Report of the Senior Independent Director

In compliance with Rule 9. 6. 3 of the Listing Rules of the Colombo Stock Exchange, the Board of Directors of the Company designated me as the Senior Independent Director(SID) of the Company with effect from 06th February 2025, following the appointment of Mr. D. Hasitha S. Jayawardena as the Executive Chairman of the Company. The Board has a strong representation of Independent Directors that helps to maintain objectivity of the Board which is vital for sound corporate governance. The objective of the appointment of a Senior Independent Director is to ensure the greater independent element in proceedings of the Board and in all deliberations by the Board either at Board meetings or in resolutions circulated amongst the Board. The SID provides guidance to the Chairman on matters of governance of the Company and the role of the SID also provides emphasis to transparency on matters relating to governance and calls for a review of the effectiveness of the Board. The SID makes himself available to any Director or any employee to have confidential discussions on the affairs of the Company should the need arise.

The change in the office of Chairman, which necessitated my appointment as Senior Independent Director (SID), took place towards the latter part of the financial year. As a result, the meeting of Non-Executive Directors without the presence of Executive Directors, as required under Rule 9.6.3 (b) of the Listing Rules of the Colombo Stock Exchange, could not be convened during FY 2024/25. The Board is committed to full compliance with this requirement, and steps have been taken to ensure that such meetings will be held with the Non-Executive Directors during the current financial year.

However, it should be noted that even though the Non-Executive Directors did not have separate meetings as envisaged by Rule 9.6.3 (b), I have observed that the Non-Executive Directors, who form the majority of the Board of Directors, have continued to exert a constructive and positive influence on all deliberations and decision-making.

M R Mihular
Senior Independent Director
Colombo

25th August 2025

Audit Committee Report

AUDIT COMMITTEE REPORT

The Audit Committee is responsible for assisting the Board in its oversight of the integrity of the Group's financial reporting, internal control systems, internal and external audit functions, and compliance with legal and regulatory requirements.

Composition up to 30.09.2024	Composition from 01.10.2024 to 06.02.2025	Composition from 07.02.2025
○ Mr. M. R. Mihular - Chairman	○ Mr. M. R. Mihular - Chairman	○ Mr. M. R. Mihular - Chairman
○ Dr. A. N. Balasuriya	○ Dr. R. A. Fernando	○ Dr. R. A. Fernando
○ Mr. N. J. de S. Deva Aditya	● Mr. D. Hasitha S. Jayawardena	● Ms. D.S.T.Jayawardena
● Mr. D. Hasitha S. Jayawardena		

○ Independent Non-Executive ● Non-Independent Non-Executive

COMMITTEE MEETINGS

The Audit Committee functioned throughout the financial year and held four meetings in semi virtual mode. Managing Director, Group Financial Controller attended the meetings by invitation. Additionally, Senior Officers of the Group, as well as the partner from Messrs. KPMG, Chartered Accountants, responsible for the Group's external audit, attended the meetings when necessary. The attendance at the Audit Committee meetings during the year under review is in page 28 of the Corporate Governance Report.

RESPONSIBILITIES OF THE COMMITTEE

- Ensuring the integrity and accuracy of Financial Statements by reviewing significant accounting policies, complex transactions, and management judgments. The Committee ensures that quarterly and Annual Financial Statements comply with Sri Lanka Accounting Standards, the Companies Act, SEC regulations, and other applicable requirements.
- Overseeing the internal audit function, including approval of the audit charter, annual plans, and resources. The Committee assesses the effectiveness of internal controls and risk management processes, reviews significant findings, and ensures management implements timely corrective actions.
- Evaluating the independence, objectivity, and performance of external auditors, recommending appointments or removals, recommending remuneration, and monitoring coordination with internal audit. The Committee reviews policies on non-audit services to safeguard auditor independence.
- Reviewing the Company's risk management framework and internal controls to ensure significant risks and deficiencies are identified and addressed. The Committee monitors compliance with laws, regulations, and the Company's code of conduct, including procedures for whistleblowing, fraud detection, and reporting non-compliance.
- Keeping the Board regularly informed of Committee activities, maintaining open communication with auditors, and preparing the Audit Committee Report for inclusion in the Annual Report, summarising how responsibilities were discharged and assurances received from management and auditors.
- Undertaking additional duties as assigned by the Board, including special investigations, reviewing internal controls to prevent the leakage of material information, evaluating its own performance, and annually reviewing and updating its Terms of Reference to ensure alignment with governance best practices and regulatory requirements.

ACTIVITIES DURING THE FINANCIAL YEAR 2024/2025

Financial Reporting and Financial Control

- Reviewed the Group's quarterly and Annual Financial Statements, focusing on the following aspects:

  - Adequacy of disclosures.
  - Consistency and appropriateness of the accounting policies adopted.
  - Major judgemental areas to ensure compliance with the Companies Act No. 7 of 2007.
  - Adherence to applicable Sri Lanka Accounting Standards and other Accounting Standards in jurisdictions where each subsidiary operates, as well as compliance with the Listing Rules of the Colombo Stock Exchange.
  - Compliance with the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.
  - Meeting requirements of other regulatory bodies applicable to the Group.
  - Discussion with management on future accounting developments likely to affect the Financial Statements.

- Reviewed the budgets and strategic plans of the Group.
- Reviewed the integrity of the Group's published financial information, including all significant financial judgments and estimates made by management.

External Audit

- Reviewed and monitored the relationship with the External Auditors, including overseeing their appointment, independence, remuneration, tenure, rotation of the engagement partner, and engagement for non-audit services.
- Assessed the effectiveness and progress of the External Auditors and the overall audit process.
- Discussed the Audited Financial Statements with the External Auditors, ensuring they were prepared in conformity with Sri Lanka Accounting Standards and other applicable regulatory requirements.
- Reviewed and discussed the Management Letter and directed Management to take appropriate follow-up actions on the matters highlighted therein.

Internal Audit

- Reviewed and approved the annual audit plan, considering its depth and coverage.
- Assessed the operation and effectiveness of the Group Internal Audit function in terms of independence, competency, effectiveness, and adequacy of resources.
- Ensured ongoing coordination between the Group Internal Audit Department and the External Auditors.
- Reviewed and discussed audit reports submitted by the Internal Audit department, including management responses, covering financial and operational audits, information security, and risk assessments conducted in accordance with the approved annual audit plan.

Reporting

- The Chairman of the Audit Committee reports to the Board at each meeting on the Committee's activities. Minutes of the Committee meetings are also tabled at the Board meetings.
- The Annual Report includes the Audit Committee Report.
- The Chairman of the Audit Committee attends the Annual General Meeting.
- The Committee has obtained assurances from the Managing Director, Group Financial Controller, and other Senior Management personnel that the financial records have been properly maintained and that the Financial Statements present a true and fair view of the Group's operations and financial position.

CONDUCT, ETHICS AND GOOD GOVERNANCE

The Audit and Risk Committee remains committed to ensuring that the Group upholds the highest ethical standards in all business dealings. The Group has established an Internal Code of Business Conduct and robust policies, including the Whistleblowing Policy and the Anti-Bribery & Anti-Corruption Policy, which require all staff members to act ethically, transparently, and accountably, and to report any suspected wrongdoing or improprieties through the appropriate channels.

RE-APPOINTMENT OF EXTERNAL AUDITORS – MESSRS. KPMG, CHARTERED ACCOUNTANTS

The Committee reviewed all transactions with the External Auditors and ensured that no significant or material transactions existed between the External Auditors and any of the Companies within the Group. Furthermore, the Committee confirmed that the External Auditors do not hold any shares in the Group.

The Committee also obtained written assurance from the External Auditors, confirming that they have remained independent throughout the conduct of the audit engagement in accordance with all relevant professional and regulatory requirements.

Having considered the absence of significant transactions between the External Auditors and the Group Companies, the lack of shareholding by the External Auditors, and the periodic rotation of the Audit Partner, the Committee noted that Messrs. KPMG, Chartered Accountants, are independent and eligible for re-appointment as the External Auditors of the Group.

Although the External Auditor has been engaged since the inception of the Company, the Audit Partner overseeing the Company's audit has been in place for less than one year.

In light of the above, the Committee recommends to the Board that Messrs. KPMG, Chartered Accountants, be re-appointed as the External Auditors of the Group for the current financial year, subject to the approval of shareholders at the forthcoming Annual General Meeting.

THE YEAR AHEAD

Looking forward to the financial year 2025/2026, the Committee's key priorities will include overseeing the Group's internal control processes, continuing to monitor the impacts of sustainability and climate change, and adopting a proactive approach to anticipate and prepare for any legislative or regulatory changes.

M. R. Mihular
Chairman
Audit Committee

Colombo
25th August 2025

Remuneration Committee Report

The Remuneration Committee is established to assist the Board in overseeing the remuneration of the Company's Directors, senior executives, and Key Management Personnel. The Committee is empowered by the Board to recommend remuneration policies, frameworks, and practices that are aligned with the Company's strategic objectives, regulatory requirements, and best practice standards.

COMPOSITION OF THE COMMITTEE

Composition up to 30.09.2024	Composition from 01.10.2024 to 06.02.2025	Composition from 07.02.2025
🔴 Dr. A. N. Balasuriya - Chairman	🔴 Dr. R. A. Fernando - Chairman	🔴 Dr. R. A. Fernando - Chairman
🔴 Mr. N. J. de S. Deva Aditya	🔴 Mr. M. R. Mihular	🔴 Mr. M. R. Mihular
🔵 Mr. D. Hasitha S. Jayawardena	🔵 Mr. D. Hasitha S. Jayawardena	🔵 Ms. D.S.T.Jayawardena

🔴 Independent Non-Executive 🔵 Non-Independent Non-Executive

COMMITTEE MEETINGS

The Committee had deliberations online and has transacted business through Circular Resolutions.

INDEPENDENCE OF THE COMMITTEE

At the end of the financial year, the Committee comprised two Independent Non-Executive Directors and one Non-Independent Non-Executive Director. All members are independent of management and free from business, personal, or other relationships that could impair their objectivity. Members do not participate in decisions regarding their own remuneration. The Committee meets the independence requirements set out in Section 9.12 of the Colombo Stock Exchange Listing Rules.

THE REMUNERATION POLICY

The Group adopts a formal and transparent process in determining remuneration packages for individual Directors, Key Management Personnel (KMPs), and Executives. The Committee recognises the importance of designing remuneration structures that effectively motivate, attract, and retain Directors, KMPs, and Executives, while taking into consideration the employment conditions within the Group and prevailing industry standards. The Group's remuneration policy, which was reviewed by the Committee, remained unchanged during the year under review.

RESPONSIBILITIES OF THE COMMITTEE

The Remuneration Committee assists the Board in fulfilling its responsibilities relating to the remuneration of the Chairman, Executive Directors, Non-Executive Directors, and Key Management Personnel (KMP).In executing its mandate, the Committee is responsible for:

- Developing, recommending, and overseeing the Company's remuneration policy, ensuring it supports the Group's strategic objectives, promotes sustainable long-term value creation, and aligns the interests of Directors, senior executives, and shareholders.
- Reviewing and recommending remuneration packages for the Chairman, Executive Directors, and KMP, ensuring fairness, competitiveness, performance-linkage, and alignment with market benchmarks and governance requirements.
- Reviewing and recommending incentive structures, including performance bonuses, equity-based awards, pension rights, and other long-term incentive plans, to ensure that rewards align with sustained performance and prudent risk management.
- Reviewing the performance of the CEO and Executive Directors in consultation with the Board, and monitoring Senior Management evaluation processes to ensure consistency, fairness, and transparency.
- Overseeing Senior Management succession planning and development programs, and monitoring policies that support the retention of high-calibre talent across the Group.
- Reviewing and recommending terms of service contracts for Executive Directors and KMP, including provisions for early termination, ensuring alignment with governance principles and shareholder interests.

- Periodically reviewing remuneration levels against comparable Companies and industry benchmarks, at least once every three years or sooner if market conditions warrant.
- Making recommendations to the Board on the remuneration of Non-Executive Directors, which is ultimately determined by the Board collectively.

KEY FUNCTIONS OF THE COMMITTEE

The Remuneration Committee assists the Board in ensuring that the Company's remuneration framework is fair, competitive, and aligned with strategic objectives. The Committee's key functions include:

- Guiding the Company's overall compensation approach in line with strategy and shareholder interests.
- Recommending remuneration packages for the Chairman, Executive Directors, and Key Management Personnel.
- Evaluating incentive plans, including bonuses, equity awards, and long-term reward schemes.
- Overseeing performance appraisal processes for leadership and linking outcomes to rewards.
- Supporting succession planning, talent development, and retention strategies for key roles.
- Monitoring market trends, reviewing contracts, and ensuring transparent disclosure of remuneration policies and outcomes.

AGGREGATE REMUNERATION OF THE EXECUTIVE AND NON-EXECUTIVE DIRECTORS

Aggregate remuneration paid to the Executive Directors and Non-Executive Directors for the financial year 2024/2025 has been disclosed under Note 11 on page 212 of the Annual Report.

Dr. R. A. Fernando
Chairman
Remuneration Committee

Colombo
25th August 2025

Related Party Transactions Review Committee

The role of the Related Party Transactions Review(RPTR) Committee is to advise the Board on transactions with related parties, as defined by Sri Lanka Accounting Standard LKAS 24 and the Listing Rules of the Colombo Stock Exchange. In line with Rule 9.14 of the updated CSE Listing Rules, the Committee ensures that the Company conducts all related party transactions with due regard to the collective interests of its shareholders.

COMPOSITION OF THE COMMITTEE

Composition up to 30.09.2024	Composition from 01.10.2024 to 06.02.2025	Composition from 07.02.2025
○ Mr. M. R. Mihular - Chairman	○ Mr. M. R. Mihular - Chairman	○ Mr. M. R. Mihular - Chairman
○ Dr. A. N. Balasuriya	○ Dr. R. A. Fernando	○ Dr. R. A. Fernando
● Mr. D. Hasitha S. Jayawardena	● Mr. D. Hasitha S. Jayawardena	● Ms. D.S.T.Jayawardena

○ Independent Non-Executive ● Non-Independent Non-Executive

COMMITTEE MEETINGS

The Related Party Transactions Review Committee functioned throughout the financial year and held four meetings in semi virtual mode. The attendance at the Committee meetings during the year under review is in page 28 of the Corporate Governance Report.

RESPONSIBILITIES OF THE COMMITTEE

The Committee's primary focus is to review all proposed Related Party Transactions before their execution or completion, in accordance with the procedures set out in Rule 9.14 of the Colombo Stock Exchange Listing Rules. The key responsibilities of the Committee include:

- Evaluate all proposed Related Party Transactions on a quarterly basis and recommend to management and the Board the appropriate course of action to ensure compliance with the Listing Rules of the Colombo Stock Exchange.
- Review any post-quarter confirmations on Related Party Transactions.
- Assess the thresholds for Related Party Transactions that require either shareholders' approval or immediate market disclosure, as applicable.
- Review and determine the criteria for identifying Key Management Personnel.
- Regularly report to the Board on the Committee's activities and findings.

ACTIVITIES DURING THE FINANCIAL YEAR 2024/2025

Policies and Procedures

- Quarterly disclosures of any proposed Related Party Transactions, as well as confirmations of post-quarter transactions, were obtained from all Group Companies. All such disclosures were tabled at each Related Party Transactions Review Committee meeting.
- Non-recurrent Related Party Transactions with an aggregate value exceeding the lower of 10% of the Group's equity or 5% of its total assets, based on the previous year's audited Financial Statements, were communicated to the Committee through the respective Group Company Secretaries.
- Recurrent Related Party Transactions exceeding 10% of the Group's gross revenue, as per the previous year's audited Financial Statements, were similarly communicated to the Committee via Group Company Secretaries.

Review of Related Party Transactions

- The Committee reviewed all proposed transactions and post-quarter confirmations. The Committee's activities were communicated to the Board by tabling the minutes of each Related Party Transactions Review Committee meeting.

- Thresholds for Related Party Transactions requiring either shareholders' approval or immediate market disclosure were reviewed based on the Financial Statements for the year ended 31st March 2025.
- The Committee confirmed that no events occurred that required disclosure under Sections 9.14.7(1) and 9.14.8(1) of the Colombo Stock Exchange Listing Rules.

DECLARATION BY THE BOARD

The Annual Report of the Board of Directors embodies a declaration confirming the compliance with the requirements stipulated in Section 9.14.8(4) of the Listing Rules of the Colombo Stock Exchange.

M. R. Mihular
Chairman
Related Party Transactions Review
Committee

Colombo
25th August 2025

Nominations and Governance Committee Report

The Nominations Committee of the Company was renamed as the Nominations and Governance in compliance with Rule 9.11.1 of the Listing Rules of the Colombo Stock Exchange.

COMPOSITION OF THE COMMITTEE

Composition up to 30.09.2024	Composition from 01.10.2024 to 31.12.2024	Composition from 01.01.2025
🔴 Mr. N. de S. Deva Aditya - Chairman	🔴 Dr. R. A. Fernando - Chairman	🔴 Dr. R. A. Fernando - Chairman
🟠 Mr. C.R. Jansz	🔴 Mr. M. R. Mihular	🔴 Mr. M. R. Mihular
🔵 Mr. D. Hasitha S. Jayawardena	🔵 Ms. D.S.T.Jayawardena	🔵 Ms. D.S.T.Jayawardena
		🔴 Mr. L. A. H. Lakshman Silva

🔴 Independent Non-Executive 🔵 Non-Independent Non-Executive 🟠 Executive

COMMITTEE MEETINGS

The Committee had deliberations online and has transacted business through Circular Resolutions.

RESPONSIBILITIES OF THE COMMITTEE

The Terms of Reference of the Committee sets out its authority, composition, scope, and responsibilities, taking into consideration the Corporate Governance requirements under the Listing Rules of the Colombo Stock Exchange.

The Committee is responsible for:

- Evaluating the structure, size, and composition of the Board of Melstacorp PLC and its key subsidiaries to ensure Boards remain balanced, effective, and diverse, and recommending suitable candidates for appointment with the requisite knowledge, experience, integrity, and entrepreneurial skills.
- Reviewing policies on the appointment, re-appointment, re-election, and retirement of Directors across the Group, and ensuring succession planning for the Board and Key Management Personnel to maintain leadership continuity and safeguard long-term sustainability.
- Overseeing the annual evaluation of the Board, its Committees, and individual Directors to ensure responsibilities are effectively discharged and governance standards are consistently upheld.
- Periodically reviewing the governance framework, policies, and practices to ensure alignment with regulatory requirements, CSE Listing Rules, the SEC Act, and global best practices, and recommending improvements where required.
- Promoting diversity in skills, experience, age, and gender within the Board to enhance decision-making, governance, and stakeholder confidence.
- Ensuring appropriate disclosure of Committee responsibilities, activities, and outcomes in the Annual Report to reinforce accountability and transparency.

KEY FUNCTIONS OF THE COMMITTEE

The Committee ensures that all recommendations are objective, transparent, and aligned with the long-term interests of the Company and its stakeholders. It supports the Board in maintaining the highest standards of governance by overseeing nominations, succession planning, and corporate governance practices. During the financial year 2024/25, the Committee carried out the following key functions:

- Evaluated and recommended the appointment, re-appointment, and re-election of Directors to the Board and its Committees, considering performance, contribution, and external commitments.
- Maintained a formal and transparent procedure for the selection and appointment of Directors, based on professional qualifications, skills, experience, and strategic needs of the Group.
- Facilitated the periodic evaluation of the performance of the Board, its Committees, and the CEO to ensure responsibilities are effectively discharged.
- Reviewed and developed succession plans for the Board and Key Management Personnel to ensure continuity of leadership and effective governance.

- Assessed the structure, size, and composition of the Board and Committees, ensuring a balance of skills, knowledge, experience, and diversity in line with the Group's strategic direction.
- Reviewed and recommended updates to the corporate governance framework, policies, and practices, ensuring compliance with the Colombo Stock Exchange Listing Rules, SEC Act, and evolving best practices.
- Monitored management reports on compliance with governance requirements and ensured corrective actions were implemented where necessary.
- Facilitated induction programs for newly appointed Directors and provided annual updates for existing Directors on governance, regulatory, and legal developments,

INDEPENDENCE OF DIRECTORS

The Committee evaluated the independence of the current Board of Directors based on the declarations submitted by the respective Directors in accordance with the requirements of the revised Listing Rules of the Colombo Stock Exchange. The Committee determined that four out of eleven Directors were Independent as per the criteria set out on the Listing Rules of the Colombo Stock Exchange.

RE-APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Articles of Association of the Company require that Directors, other than the Chairman, Chief Executive, Managing or Joint Managing Director, retire by rotation and, being eligible, submit themselves for re-election at the Annual General Meeting. Accordingly, Capt. K. J. Kahanda, has offered himself for re-election.

Mr. C. R. Jansz and Mr. N. de S. Deva Aditya, who retire from the Board at the conclusion of the forthcoming Annual General Meeting in terms of Section 210 and 211 of the Companies Act No. 7 of 2007, have offered themselves for re-appointment. The said Directors were last re-appointed at the Annual General Meeting held on 19th September 2024.

Further, in terms of Article 93 of the Articles of Association, Mr. L. H. A. Lakshman Silva and Mr. Ashoka Goonesekere, who were appointed to the Board on 01st October 2024, retire and offer themselves for re-election at the forthcoming Annual General Meeting.

None of the Directors who are being proposed for appointment or re-election, nor their family members, have any relationship with the other Directors of the Company or with shareholders holding more than 10% of the shares of the Company.

Having given due consideration to each Director's performance and contribution, the Board recommends that the said Directors are eligible for re-appointment and re-election, as the case may be.

The members of the Nominations and Governance Committee did not participate in the decisions relating to their own reappointments. For further information on the aforementioned Directors please refer the Annual Report of the Board of Directors on pages 62 to 66 and the Corporate Governance report on pages 26 to 51.

Dr. R. A. Fernando
Chairman
Nominations and Governance
Committee

Colombo
25th August 2025

Annual Report of the Board of Directors

GENERAL

The Board of Directors of Melstacorp PLC has the pleasure of presenting the Annual Report and the Audited Financial Statements of the Company and its Group for the financial year ended 31st March 2025. The details set out herein provide the pertinent information requested under Section 168 of the Companies Act No. 07 of 2007, the Colombo Stock Exchange Listing Rules and the recommended best practices on Corporate Governance, 2017 as amended in 2023 and issued by the Institute of Chartered Accountants of Sri Lanka and the best accounting practices.

PRINCIPAL BUSINESS ACTIVITIES

The principal activity of Melstacorp PLC is to invest and manage a portfolio of diverse businesses. Further, the company leases out its properties to external parties and its subsidiaries during the year, there were no significant changes in the principal activities of the Company and the Group. The activities of the Group are categorised into seven main sectors namely Beverages, Tourism, Maritime, Freight & Logistics, Strategic Investments, Plantation, Services and Financial Services. Companies within each sector and their principal activities are on Note 20.4, 21.1 and 21.2 in the Financial Statements presented in the Annual Report.

DISCONTINUED OPERATIONS

During the financial year 2024/25, the Company discontinued its investments in Lanka Bell Group, Melsta Laboratories (Pvt) Ltd, and Texpro Industries (Pvt) Ltd. In line with SLFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, the results of these entities have been classified and presented as discontinued operations in the Statement of Profit or Loss, with prior year comparatives re-presented accordingly. Further details are disclosed in Note 44 to the Financial Statements

REVIEW OF BUSINESS

A review of operational and financial performance, strategy of the Group and the future outlook of the Company and the Group are described in greater detail in the Chairman's Message, and the Performance Review Section of this Annual Report. These reports together with the Audited Financial Statements of the Company and the Group reflect the respective state of affairs of the Company and the Group.

AMOUNTS DUE FROM SECRETARY TO THE TREASURY OF SRI LANKA INSURANCE CORPORATION LTD (SLIC)

We still await the payment of profit earned during Group's tenure at the helm of SLIC. Although the decision of the Supreme Court was delivered in 2009, the Group is yet to receive these funds. The Group has initiated legal action to recover the dues. Detailed Note is given in Note 39 to the Financial Statements.

Pelwatte Sugar Industries PLC(PSIP)

The Revival of Underperforming Enterprises or Underutilised Assets Act No. 43 of 2011 been repealed by the Parliament. However, the provisions in the repealing act do not indicate the property will be returned to the PSIP or not. We have sought legal opinion on this. The Company has not changed its position advocated since the occurrence of this incident of being the legal owner of the property and as such, we have communicated our views to the Treasury. However, as a precautionary measure, the Company has also lodged an official claim with the Compensation Tribunal, appointed by the State. Since our Group is deprived of participating in controlling the financial, operating policies and other relevant activities, the Financial Statements of PSIP have been deconsolidated from the group Financial Statements. We hope some clarity regarding this untoward situation would be forthcoming within the new financial year. Further details are given in Note 40 to the Financial Statements.

ACCOUNTING POLICIES AND CHANGES DURING THE YEAR

The Company and the Group prepared the Financial Statements in accordance with the Sri Lanka Accounting Standards (SLFRSs/ LKASs). There were no changes to the accounting policies used by the Company and the Group during the year. Accounting policies adopted in the preparation of the Financial Statements of the Company the Group are given on pages 178 to 201.

REVENUE

The gross revenue generated by the Company during the year amounted to Rs. 182.4 million (2023/24 – Rs. 259.4 million). The Group revenue was Rs. 233,978 million (2023/24 – Rs. 235,686 million). An analysis of gross revenue based on the revenue stream are disclosed in Note 6 to the Financial Statements.

PROFITS AND APPROPRIATIONS

The profit after tax of the Company was Rs. 11,332 million (2023/24 – Rs. 14,064 million). The Group reported a profit after tax of Rs. 22,271 million (2023/24 – Rs. 12,718 million). The Board of Directors of the Company declared three interim dividends totalling Rs. 7.32 per share for the year ending 31st March 2025. (2023/24 - Rs. 8.27 per share). The Directors were satisfied that the Company would meet the solvency test requirement under Section 56 (2) of the Companies Act No. 7 of 2007 immediately after the payment the dividends.

DONATIONS

Total donation made by the Company during the year amounting to Rs. 16.1 million (2023/24 – Rs. 14.4 million) and while the donations made by the other Group entities during the year amounted to Rs. 0.9 million (2023/24 – Rs. 1.3 million).

FINANCIAL STATEMENTS

The Financial Statements of the Company and the Group for the year ended 31st March 2025 approved by the Board of Directors on 25th August 2025 are given on pages 168 to 334.

AUDIT REPORT

The Auditor's Report on the Financial Statements of the Company and the Group is given on page 161 to 167.

INVESTMENTS

Total investments of the Company amounted to Rs. 116,119 million (2023/24 – Rs. 106,326 million). The details of the investments are given in Notes 20, 21 and 23 to the Financial Statements.

PROPERTY, PLANT AND EQUIPMENT

The net book value of property, plant and equipment of the Company and the Group as at 31st March 2025 was Rs. 10.9 million (2023/24 – Rs. 9 million) and Rs. 148,050 million (2023/24 – Rs. 153,657 million). Total capital expenditure during the year for acquisition of property, plant and equipment by the Company and the Group amounted to Rs. 5.2 million (2023/24 – Rs. 1.8 million) and Rs. 4,274 million (2023/24 – Rs. 5,877 million). The details of property, plant and equipment are given in Note 15 to the Financial Statements.

MARKET VALUE OF FREEHOLD LANDS AND BUILDINGS

All freehold lands and buildings of the Company were revalued by a professionally qualified independent valuer as at 31st March 2025 and brought into the Financial Statements. Information in respect of extent, location, valuation of land and building held by the Company are detailed in Note 15.2 and 17.1 to the Financial Statements.

STATED CAPITAL AND RESERVES

The Stated Capital of the Company as at 31st March 2025 was Rs. 70,000 million consisting of 1,165,397,072 voting ordinary shares. The total Company Reserves as at 31st March 2025 amounted to Rs. 47,013 million (2023/24 – Rs. 36,767 million) comprising of Capital Reserves of Rs. 19,209 million (2023/24 – Rs. 19,209 million) and Revenue Reserves & Retained Earnings of Rs. 27,804 million (2023/24 - Rs. 17,558 million). The total Group Reserves as at 31 March 2025 amounted to Rs. 62,279 million, (2023/24 - Rs. 45,343 million) comprising Capital Reserves of Rs. 38,328 million (2023/24 - Rs. 38,322 million), Revenue Reserves and Retained Earnings of Rs. 23,951 million (2023/24 - Rs. 7,021 million) the movement of which is disclosed in the Statement of Changes in Equity.

INTERNAL CONTROLS AND RISK MANAGEMENT

The Directors acknowledge their responsibility for the Companies system of internal control. The systems are designed to provide reasonable assurance that the assets of the Group are safeguarded and to ensure that proper accounting records are maintained. The Board, having reviewed the system of internal control is satisfied with the systems and measures in effect at the date of signing this report. Through the Enterprise Risk Management process of the Group, risks faced by the Group identified, evaluated and mitigation strategies adapted by the Group. The Group's Enterprise Risk Management Report is presented on pages 79 to 84 of this Report. Further details on Financial Risk Management are provided in Note 47 to the Financial Statements, on pages 318 to 333.

CAPITAL AND OTHER COMMITMENTS

Contingent liabilities and capital commitments are disclosed in Notes 41 & 42 to the Financial Statements of the Company.

EVENTS AFTER THE REPORTING PERIOD

There were no material events or circumstances that have arisen since the reporting date that would require adjustment, other than the information disclosed in Note 45 to the Financial Statements.

GOING CONCERN

The Directors, after considering the financial position, operating conditions, regulatory and other factors including matters addressed in the Corporate Governance Code, have a reasonable expectation that the Company and the Group have adequate resources to continue in operation for the foreseeable future. Therefore, the going concern basis has been adopted in the preparation of the Financial Statements. Basis of conclusion on the going concern for the Company and Group is further described in Note 2.8 to the Financial Statement.

EMPLOYMENT

The number of persons employed by the Company and the Group as at 31st March 2025 was 42 (2023/24 – 43) and 28,407 (2023/24 – 25,674) respectively. Details of the Group's human resource initiatives are detailed in the Human Capital section of the Capital Management Review section of the Annual Report. There have been no material issues pertaining to employees and industrial relations of the Company and the Group.

BOARD OF DIRECTORS

The names of the Directors who held office during the Financial Year 2024/2025 are given below. The brief profiles of the Board of Directors are given on pages 16 to 21 of this Annual Report.

Annual Report of the Board of Directors

Executive Directors

Mr. D. Hasitha S. Jayawardena – Chairman (Re -designated as an Executive Director and Appointed as the Chairperson w.e.f. 06.02.2025)

Mr. C.R. Jansz - Deputy Chairman

Mr. M. A. N. S Perera – Managing Director

Mr. L.U.D. Fernando

Non-Independent Non-Executive Directors

Deshamanya D.H.S. Jayawardena (Deceased on 03.02.2025)

Mr. N.J. de S. Deva Aditya (Re-designated w.e.f. 01.01 2025)

Capt. K. J. Kahanda (Retd.)

Ms. D. S. T. Jayawardena

Independent Non-Executive Directors

Dr. A. N. Balasuriya (Resigned w.e.f 01.10.2024)

Mr. M. R. Mihular (Re-designated as Senior Independent Director w.e.f 06.02.2025

Dr. R. A. Fernando

Mr. L. H. A.L. Silva (Appointed w.e.f. 01.10.2024)

Mr. A. Goonesekere (Appointed w.e.f. 01.10.2024)

All of the above Directors held office during the entire year, with the exceptions of Deshamanya D.H.S. Jayawardena, Mr. A Goonesekere and Mr. L.H.A.L Silva, Dr. A. N. Balasuriya. With profound sadness, the Board reports the demise of Deshamanya D.H.S. Jayawardena on 03rd February 2025.

Mr. D. Hasitha S. Jayawardena being appointed as the Chairman of the Company, in Executive Director capacity with effect from 06th February 2025.

Dr. A. N. Balasuriya who served as Directors resigned from the Board with effect from 30th September 2024.

Mr. A. Goonesekere who was appointed as an Independent Non-Executive Director of the Company w.e.f. 01st October 2024.

Mr. L. H. A. L. Silva who was appointed as an Independent Non-Executive Director of the Company w.e.f. 01st October 2024.

Mr. N. de S. Deva Aditya was an Independent Director until being Re-designated as Non-Independent Non-Executive Director with effect from 01st January 2025.

In keeping with the Rule 9.6.3 of the listing rules of the CSE. Mr. M. R. Mihular was re-designated as the Senior Independent Director w.e.f 06.02.2025.

The basis on which Directors are classified as Independent Non-Executive Directors is discussed on page 44 of the Corporate Governance Report. All the Directors have continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the year under review and as at the date of such confirmation

BOARD COMMITTEES

The Board has appointed five Sub- Committees i.e., the Audit Committee, the Remuneration Committee, Nominations and Governance Committee, Related Party Transactions Review Committee and Risk Committee. The composition of the Committees is as follows,

Audit Committee

The Audit Committee of the company comprises two independent Non-Executive Directors and one Non-Independent Non- Executive Director as follows:

Mr. M. R. Mihular - Chairman

Dr. R. A. Fernando

Ms.D.S.T.Jayawardena

Remuneration Committee

The Remuneration Committee of the company comprises Two independent Non-Executive Directors and one Non-Independent Non-Executive Director as follows:

Dr. R. A. Fernando – Chairman

Mr. M. R. Mihular

Ms.D.S.T.Jayawardena

Nominations and Governance Committee

Nominations and Governance Committee comprises three independent Non-Executive Directors and one Non- independent Non-Executive Director as follows:

Dr. R. A. Fernando – Chairman

Mr. M. R. Mihular

Mr. L. A. H. Lakshman Silva

Ms.D.S.T.Jayawardena

Related Party Transactions Review Committee

The Remuneration Committee of the Company comprises two independent Non-Executive Directors and one Non- independent Non-Executive Director as follows:

Mr. M. R. Mihular - Chairman

Dr. R. A. Fernando

Ms.D.S.T.Jayawardena

Risk Committee

The Risk Committee of the company comprises four independent Non-Executive Directors and one Non-independent Non- Executive Director as follows:

Mr. M. R. Mihular – Chairman

Mr. N. de S. Deva Aditya

Dr. R. A. Fernando

Mr. L. A. H. Lakshman Silva

Ms.D.S.T.Jayawardena

RE-APPOINTMENT & RE-ELECTION OF DIRECTORS

In term of Section 211 of the Companies Act No.07 of 2007 an ordinary Resolution will be put before the shareholders for the re-appointment of Mr. C. R. Jansz and Mr. N. de S. Deva Aditya who are over 70 years of age, notwithstanding the age limit of 70 years stipulated by section 210 of the Companies Act.

Capt. K. J. Kahanda retire by rotation and being eligible offer himself for re-election at the Annual General Meeting in terms of Article 86 of the Articles of Association, as a Director of the company.

Mr. L. H. A. Lakshman Silva and Mr. Ashoka Goonesekere who was appointed on 01st October 2024 will come up for re-election by the shareholders at the Annual General Meeting in term of Article 93 of the Articles of Association, as a Director of the company.

DIRECTORS' SHAREHOLDINGS

The shareholdings of Directors of the Company as defined under the Colombo Stock Exchange Rules are as follows.

As at 31 March	2025	2024
D. H. S. Jayawardena (Deceased on 03/02/2025)	Nil	13,014,200
D. Hasitha S. Jayawardena	20,545,532	7,531,332
C. R. Jansz	Nil	Nil
M. A. N. S. Perera	Nil	Nil
N. de S. Deva Aditya	Nil	Nil
Capt. K. J. Kahanda (Retd.)	Nil	Nil
Dr. A. N. Balasuriya	Nil	Nil
Ms. D. S. T. Jayawardena	38,600	38,600
L. U. D. Fernando	Nil	Nil
M. R. Mihular	Nil	Nil
Dr. R.A. Fernando	Nil	N/A
Mr. A. Goonesekere (Appointed w.e.f. 01.10.2024)	Nil	N/A
Mr. L. H. A. Lakshman Silva (Appointed w.e.f. 01.10.2024)	8,000	N/A

INTEREST REGISTER

An Interest Register is maintained by the Company as per the Companies Act No. 7 of 2007. Any interest in transactions disclosed to the Board by a Director in accordance with Sections 192 and 200 of the Companies Act No.7 of 2007 are duly recorded in the Interest Register.

DIRECTORS' REMUNERATION

The Directors' remuneration and fees in respect of the Company and the Group for the Financial Year ended 31st March 2025 are disclosed in Note 11 to the Financial Statements.

RELATED PARTY TRANSACTIONS

Related Party Transactions of the Company are disclosed in Note 36.2 to the Financial Statements. These are Recurrent and Non- Recurrent Related Party Transactions, which required disclosures in the Annual Report in accordance with the Sri Lanka Accounting Standard No. 24 – Related Party Disclosures. The Recurrent Related Party Transactions which in aggregate value exceeded 10% of the consolidated revenue of the Group as per the Audited Financial Statements as at 31st March, are disclosed in Note 36.2.4 to the Financial Statements, complying with 9.14.8 (2) of the Listing Rules of the Colombo Stock Exchange. There were no Non-Recurrent Related Party Transactions which in aggregate value exceeding lower of 10% of the equity or 5% of the total assets of the Company as per the Audited Financial Statements as at 31st March 2025, which required additional disclosures in the Annual Report under Rule 9.14.8 (1) of the Listing Rules of the Colombo Stock Exchange.

SUBSIDIARY BOARD OF DIRECTORS

The names of the Directors of the subsidiaries and joint ventures who held office as at 31st March 2025 and Directors who ceased to hold office during the accounting period are indicated on pages 340 to 347 this Annual Report.

CORPORATE GOVERNANCE

The Company complies with the Corporate Governance Rules contained in Section 9 of the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance 2017, as amended in 2023, issued by the Institute of Chartered Accountants of Sri Lanka. The measures taken and the extent to which the Company has complied with the said Sections are given on pages 39 to 51 of the Corporate Governance Report of this Annual Report.

Annual Report of the Board of Directors

SHARE INFORMATION

Information relating to Earnings, Dividends, Net Assets and Market Value per Share is given on page 4. The shareholding details of the Company are given on pages 338 to 339 of the Annual Report.

INTEGRATED ANNUAL REPORT

The Board of Directors acknowledges its responsibility to ensure the integrity of the Annual Report, ensuring it offers a comprehensive and impartial representation of the Group's performance, while addressing all material factors that may influence its ability to generate value.

SUSTAINABILITY PRINCIPLES

The Company carries out its business adherence to the best sustainable practices and has not engaged in any activity that was detrimental to the environment and has been in due compliance with all applicable laws and regulations of the country to the best of its ability.

STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief, are satisfied that all statutory obligations due to the Government and its employees have been duly paid or adequately provided for in the Financial Statements as confirmed by the Statement of Directors' Responsibility.

AUDITORS

Messrs. KPMG, Chartered Accountants are deemed reappointed, in terms of Section 158 of the Companies Act No. 07 of 2007, as Auditors of the Company for the year ending 31st March 2025. A resolution to authorise the Directors to determine their remuneration will be proposed at the Annual General Meeting The audit fees payable for the year to the Company Auditors Messrs. KPMG, Chartered Accountants was Rs. 1.33 million (2023/2024 – Rs. 1.12 million). Messrs. KPMG, Chartered Accountants, the Auditors of the Company are also the Auditors of certain subsidiaries, joint ventures and associate companies of the Group. The amount payable by the Group to Messrs. KPMG, Chartered Accountants as audit fees was Rs. 64.5 million (2023/2024 – Rs.58.6 million) while a further sum of Rs. 20.3 million (2023/2024 – Rs. 20.4 million) was payable for permitted non-audit related services. In addition to the above Rs. 18.4 million (2023/2024 – Rs. 22.6 million) was payable to other auditors for carrying out audits of the subsidiaries conducted by them. The amount payable to such other auditors for permitted non-audit related services was Rs. 26.5 million (2023/2024 – Rs. 17.7 million). As far as the Directors are aware, the Auditors neither have any other relationship with the Company nor any of its subsidiaries, joint ventures and equity accounted investees that would have an impact on their independence.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held as a virtual meeting at the 'Mini Auditorium' of the Distilleries Company of Sri Lanka PLC No 110, Norris Canal Road, Colombo 10, Sri Lanka on 17th September 2025 at 11.00 a.m. The Notice of Meeting appears on page 348 & 349 of the Annual Report.
For and on behalf of the Board of Directors,

D. Hasitha S. Jayawardena
Chairman

M. A. N. S. Perera
Managing Director

Corporate Services (Private) Limited
Company Secretary

25th August 2025

THE CANOPY OF AMBITION

At Melstacorp, strategy is the guiding force behind our progress. It defines our long-term vision, shapes our response to emerging trends, and charts a clear course for sustainable value creation. Our strategic approach focuses on identifying growth opportunities, adapting to evolving markets, and aligning our resources to meet stakeholder expectations. It is through this forward-looking lens that we position the Group to thrive-building resilience, agility, and competitive strength for the future.

The crown of a tree is where growth reaches its full expression-spreading outward to capture light, energy, and opportunity. It represents the tree's ambition and vitality, enabling the process of photosynthesis that sustains the entire system. A healthy crown signals upward momentum and balance, making it a symbol of how strong foundations and thoughtful structure support long-term, sustainable growth.

Our Value Creation Model

OUR INPUTS

Financial Capital

- Equity Rs. 195 Bn.
- Total assets Rs. 376 Bn.
- Total net debts Rs. 68 Bn.

Human Capital

- 28,407 Employees across 7 sectors
- Ongoing learning and Development
- Employee well-being
- Skills
- Value and industry insights
- Strong leadership team

Manufactured Capital

- Rs. 148 Bn. PPE spanning 12 countries and 7 diverse business segments
- Rs. 4.3 Bn. of capital Investments

Intellectual Capital

- Systems and processes
- Brand reputation
- Knowledge-based assets
- Best practices
- Certifications
- Processes and standards
- Organisational capital

Social & Relationship Capital

- Partnerships with customers, suppliers, other value chain partners and industry stakeholders Relationships with communities and civil Society Rs. 16.9 Mn. CSR investment & donations

Natural Capital

- Energy consumption
- Water consumption
- Sustainable use of resources
- Waste management

OUR CORE FUNCTIONS AND ENABLERS

OUR VISION

Pursue Excellence. Make a Difference

Driven by Diversified Businesses & Strategic Investments

- Beverages
- Tourism
- Maritime, Freight & Logistics
- Plantations

- Services
- Financial Services
- Strategic investment

Enabled by

- Financial Management
- Talent Management
- IT Governance
- Legal and Corporate Services

Strong Governance and Ethics → Risk Management → Focus on Sustainability

OUR OUTPUTS

Tourism	Revenue - **Rs. 65 Bn** PBT - **Rs. 4,846 Mn**
Beverages	Revenue - **Rs. 145.2 Bn** PBT - **Rs. 27,720 Mn**
Maritime, Freight & Logistics	Revenue - **Rs. 16.9 Bn** PBT - **Rs. 4,596 Mn**
Plantations	Revenue - **Rs. 9.5 Bn** PBT - **Rs. 2,308 Mn**
Financial Services	Revenue - **Rs. 10.2 Bn** PBT - **Rs. 565 Mn**
Strategic Investment	Revenue - **Rs. 10.8 Bn** PBT - **Rs. (401) Mn**
Services	Revenue - **Rs. 3.3 Bn** PBT - **Rs. 641 Mn**

OUTCOMES	STRATEGIC PILLARS	STAKEHOLDERS
Financial Capital		
• Rs. 22.3 Bn. Profit After Tax • Rs. 113.51 Net Assets Value Per Share • Share Price up by 44% YoY • Return on Equity 11.41%	Strategic Investments and Portfolio Optimisation	Investors Government & Regulators
Human Capital		
• A team of highly engaged and motivated employees • 311,815.70 training hours • Invested in Training 86.71 Mn	Talent Development and Leadership	Employees
Manufacture Capital		
• Portfolio of luxury hotels and advanced manufacturing plants, ranging from thermal and hydropower facilities to ultra-modern collision repair centres, well-equipped hospitals, state-of-the-art warehouses, and solar farms	Global Expansion and Market Penetration	Business Partners
Intellectual Capital		
• Renowned brands • Tacit knowledge • Efficient processes	Innovation and Digital Transformation	Government & Regulators Employees
Social & Relationship Capital		
• Strong business relationships • Loyal customer base	Operational Excellence and Synergy Sustainability and Social Responsibility	Customers Business Partners Community
Natural Capital		
• Environmental sustainability • Generation of clean energy	Sustainability and Social Responsibility	Government and Regulators, Community and Environment

Stakeholder Engagement

At Melstacorp PLC, stakeholder engagement is deeply embedded within our governance and strategic planning processes. Recognising our diverse stakeholders as crucial contributors to sustainable value creation, particularly in the current challenging operating environment, we prioritise consistent, transparent, and responsive engagement. Through ongoing dialogue, this strategic approach allows us to understand and address their evolving expectations. This vital interaction aligns our actions and builds trust, generates valuable insights, and cultivates mutually beneficial relationships. We prioritise these key stakeholders based on their vested interest and influence on our operations. An overview of the Group's stakeholder engagement activities for the year is provided below.

STAKEHOLDER ENGAGEMENT PROCESS

The main stages of this process are outlined below:

Identification & Mapping

Identify key stakeholder groups and assess their influence, interest, and potential impact on value creation.

Understanding Expectations

Gather insights through assessments, surveys, interviews, and ongoing dialogue, analysing trends and feedback.

Designing Engagement

Develop tailored strategies, selecting appropriate mechanisms and frequency based on stakeholder characteristics.

Monitoring & Reporting

Track feedback, effectiveness, and outcomes (e.g., using KPIs); Report progress through public channels.

Integration into Strategy

Feed stakeholder insights into strategic planning, operational decisions, risk assessments, and ESG targets; elevate critical concerns to leadership.

Engagement & Dialogue

Implement planned activities using multi-channel communication, ensuring inclusivity (e.g., trilingual, neutral facilitation).

Continuous Improvement

Periodically review and refine practices based on outcomes and evolving expectations; embed learnings into future actions.

Following are the details of the stakeholder engagement mechanisms used, the concerns raised, and our responses during 2024/25.

Customers and Buyers

Method of engagement	Link to Capitals	Our Commitment
• Customer service points • Marketing campaigns • Customer satisfaction surveys • Social Media		Provide reliable, sustainable, value-added product offerings coupled with an enhanced customer experience.

Key concerns raised	Grievance Handling Process
• Quality of product • Pricing • Innovation • Customer service standards	Handling of feedback and complaints is facilitated via front-line interaction, call centres, digital platforms, and clear escalation processes.

Business Partners

Method of engagement	Link to Capitals	Our Commitment
• Supplier forums • Business review meetings • Partnership agreements		Foster partnerships founded on ethics and transparency to ensure mutual benefit.

Key concerns raised	Grievance Handling Process
• Timely payments • Long-term business opportunities • Compliance	Managed through defined contractual terms, structured supplier feedback, and open dialogue with procurement teams.

Community/ Society/ Environment

Method of engagement	Link to Capitals	Our Commitment
• CSR programmes • Environmental monitoring • Public disclosures		Advance sustainable development, champion local empowerment, and reduce our ecological footprint.

Key concerns raised	Grievance Handling Process
• Local employment • Environmental impacts • Access to social investments	Providing site-level and group-level grievance mechanisms and facilitating direct engagement with community representatives.

Employees

Method of engagement	Link to Capitals	Our Commitment
• Townhalls • Performance reviews • Internal newsletters • HR surveys		Build a fair, safe, inclusive, and empowering workplace culture.

Key concerns raised	Grievance Handling Process
• Career growth • Remuneration • Work-life balance • Job security	Open-door policy and formal grievance channels managed by HR and internal ethics committees.

Stakeholder Engagement

Investors, shareholders, banks and financial institutions

Method of engagement	Link to Capitals	Our Commitment
• Annual General Meetings • Quarterly results • Analyst briefings • Corporate website • Stock exchange filings • Annual report		Uphold transparency, safeguard shareholder value, and ensure financial discipline.

Key concerns raised	Grievance Handling Process
• Return on investment • Capital discipline • Risk management • Strategic alignment	Grievance handling process supported by the company secretarial division.

Regulatory

Method of engagement	Link to Capitals	Our Commitment
• Regulatory filings • Compliance audits • Policy consultations		Maintain strict adherence to all applicable laws and uphold the highest ethical standards.

Key concerns raised	Grievance Handling Process
• Legal and regulatory compliance • Ethical conduct • Timely disclosures	Compliance in grievance handling is monitored through oversight from Group Legal and Compliance teams and company-specific liaison officers.

Community/ Society/ Environment

Method of engagement	Link to Capitals	Our Commitment
• Roundtable discussions • Environmental impact assessments • Media and advocacy engagement		Conduct roundtable discussions, undertake environmental impact assessments and engage with media and advocacy groups.

Key concerns raised	Grievance Handling Process
• Climate change • Waste management • Biodiversity • Transparency in environmental performance	Issues are escalated through Sustainability, CSR, and EHS (Environment, Health & Safety) units, informing a formal feedback review and continuous engagement cycle.

Our Strategy

DRIVING SUSTAINABLE VALUE THROUGH AGILE GROWTH

As a diversified conglomerate, we are redefining the future with a powerful blend of global reach and local impact. At the core of our strategy is the creation of sustainable, long-term value. We achieve this by accelerating transformation, strengthening our sectoral capabilities, and navigating change with agility and resilience. We are building a future-ready, digitally enabled, diversified, and purpose-driven Group. Strategic investments in high-potential sectors, informed by rigorous research and in-depth market analysis, are crucial to our growth. This precision-driven approach allows us to identify opportunities, manage risks effectively, and ensure our investments are visionary, sustainable, and aligned with corporate goals and national interests, ultimately delivering exceptional value to our stakeholders. Our strategy is structured around six core pillars, designed to meet evolving market dynamics and stakeholder expectations.

Our strategy is grounded in deep, insightful analysis, covering key areas such as:

- The External Environment (including PESTEL and Porter's Five Forces analysis)
- Our Internal Environment

Our Strategy

Innovation & Digital Transformation

Overview	Progress in FY 2024/25
Innovation is crucial for our long-term competitiveness. We are integrating digital tools, AI (artificial intelligence) technologies, and data-driven decision-making to enhance operational efficiency, elevate customer experience, and build future readiness across all business clusters.	• TOURISM: We have moved from traditional rate cards to AI-driven dynamic pricing, significantly optimising room revenue and enabling real-time market adaptability. Investments in direct hotel booking platforms have further boosted customer engagement and streamlined distribution costs. • MARITIME, FREIGHT & LOGISTICS:: The introduction of a digital trade facilitation platform and IoT-enabled container tracking systems has improved operational visibility and service transparency. • PLANTATIONS: While digital transformation is in its initial phase, focused investments in process automation and factory optimisation are already driving quality improvements and enhanced cost control, particularly across the Madulsima and Balangoda estates.

Operational Excellence and Synergy

Overview	Progress in FY 2024/25
Delivering value across our diversified portfolio is underpinned by a relentless focus on operational excellence. We achieve this through stringent process discipline, cost optimisation, and driving productivity gains. Our methods span targeted estate-level improvements, factory upgrades, efficient shared services, and leveraging powerful Group-wide synergies such as integrated procurement and resource pooling to maximise efficiency and profitability.	These focused efforts delivered tangible results in FY2024/25, contributing significantly to improved profitability: • BEVERAGES: We strategically absorbed part of the increased tax and excise burden to sustain demand, achieving volume-led market share growth. • PLANTATIONS: Initiatives including replanting, mechanised harvesting, and efficient resource utilisation drove a notable turnaround, with Madulsima achieving its highest profit in over two decades. Beyond specific sectors, we captured cross-cluster synergies via centralised procurement, cost rationalisation, and lean practices, notably enhancing logistics and hospitality operations, while consistent process improvements across all operations further reinforced Group-wide efficiency.

Strategic Investments and Portfolio Optimisation

Overview	Progress in FY 2024/25
To create sustainable, long-term value, our capital allocation is strategically directed towards scalable, resilient, and high-return ventures. This necessitates continuous portfolio optimisation: we strategically divest from underperforming and non-core assets to channel capital and management focus into our high-performing and growth-potential businesses.	The acquisition of Heineken Lanka is a direct outcome of this strategy, representing a milestone achievement in our journey to build a premium, diversified alcoholic beverage portfolio.

Sustainability and Social Responsibility

Overview	Progress in FY 2024/25
Our commitment extends beyond business performance; Melstacorp strives to be a net-positive contributor to society and the environment, fostering inclusive and responsible growth. Our robust sustainability agenda drives action across eco-friendly agriculture, renewable energy adoption, globally recognised certifications, and prioritises significant investments in community development, worker welfare, and education.	In 2024/25, this commitment translated into concrete progress across our operations: • ENVIRONMENTAL PROGRESS: In Hospitality, piloting green energy retrofits directly lowers our carbon footprint and generates long-term utility cost savings. Our Plantations have implemented advanced sustainable agricultural practices-such as organic fertilisation, intercropping, and soil conservation-while maintaining crucial Rainforest Alliance and HACCP certifications. • SOCIAL IMPACT: We continued to prioritise vital social responsibility programmes at the estate level, providing tangible support in housing, healthcare, and education, thereby enhancing overall worker well-being, and creating meaningful long-term shared value.

Our Strategy

Talent Development and Leadership

Overview	Progress in FY 2024/25
Our people are the engine driving Melstacorp transformation. We are committed to nurturing talent, fostering diversity, and promoting inclusive growth through strategic initiatives focused on leadership development, digital upskilling, and cross-sector mobility.	In FY2024/25, this commitment translated into tangible progress: • Launched new leadership development programmes in hospitality and logistics, enhancing data literacy and decision-making. • Expanded estate-level capacity-building with partners including the Tea Research Institute, to uplift agronomic expertise and productivity. • Prioritised diversity and inclusion across leadership pipelines via succession planning and increased cross-business mobility.

Global Expansion and Market Penetration

Overview	Progress in FY 2024/25
Geographic diversification serves as a crucial strategic lever, fundamental to mitigating risks and unlocking new growth opportunities for Melstacorp. We are executing this strategy by focusing on regional expansion, securing new port and logistics contracts in high-margin, resilient markets such as East Africa and the Middle East, thereby strengthening our position in vital trade flows.	This strategic focus is yielding tangible results: • We secured new port and logistics contracts in East Africa and the Middle East, strengthening our presence in vital trade corridors. • In the Tourism sector, we significantly enhanced our global market reach through targeted marketing campaigns and strategic sales partnerships in key source markets, including India, Eastern Europe, and the Middle East, aimed at driving occupancy and yield recovery.

Materiality

At Melstacorp PLC, our annual materiality assessment is a cornerstone of our strategy. It allows us to identify and prioritise the economic, environmental, social, and governance (EESG) issues that are most significant to our stakeholders and our ability to create long-term value.

Our process is guided by the principle of double materiality, assessing both the impact of external factors on our Group and our Group's impact on society and the environment.

In 2024/25, our assessment was shaped by macroeconomic volatility, evolving global sustainability disclosure standards, and shifting stakeholder expectations. Through comprehensive stakeholder engagement, leadership review, and risk analysis, we have identified the key topics that now inform our strategic priorities and reporting focus.

We will continue to assess our material topics annually. This discipline keeps our strategy focused on the most critical issues for our business and stakeholders, underpinning our commitment to continuous improvement and transparent reporting.

Identify

Scan global trends, stakeholder feedback, risks, and benchmarks.

Prioritise

Rank topics by impact on business value and stakeholder importance.

Validate

Secure approval from Senior Leadership and the Board.

Integrate

Embed priorities into strategy, risk management, and reporting

OUR 2024/25 MATERIAL PRIORITIES

1. Financial Resilience

   In a landscape of global uncertainty, maintaining robust liquidity and a stable investment portfolio is paramount. This focus ensures our ability to navigate economic shifts and sustain long-term shareholder value.

2. Sustainable Operations

   Environmental compliance, resource efficiency, and responsible sourcing are central to our license to operate and stakeholder trust. In response to heightened regulatory and community focus, we are increasing our emphasis on water stewardship, material circularity, and emissions management.

3. Digital Transformation & Innovation

   We have identified digital transformation as a key driver of future growth. This strategic focus enhances customer experience, drives operational efficiency, and future-proofs our business model through technology.

4. Our People & Culture

   Our people drive our success. Ensuring the health, safety, and continuous development of our employees is fundamental to our competitiveness, operational continuity, and our ability to attract and retain top talent.

5. Ethical Governance & Integrity

   An unwavering commitment to transparency, robust board oversight, and ethical conduct is the bedrock of investor confidence and public trust. Strong governance enables us to navigate complex regulatory landscapes and uphold our reputation.

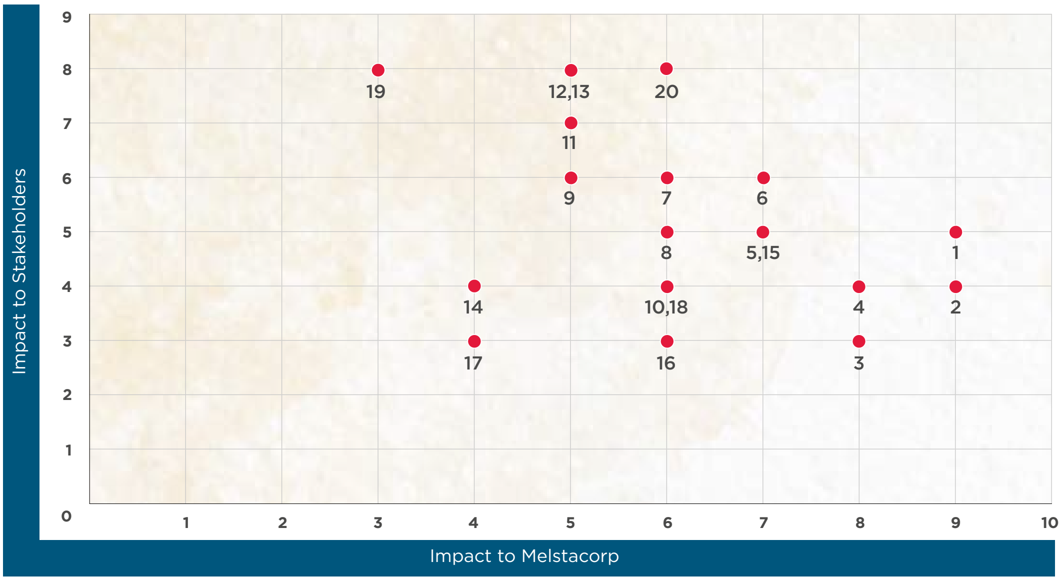
OUR MATERIAL TOPICS

Material Topic		Impact to Stakeholders	Impact to Melstacorp	Reference
Financial Performance and Resilience	1. Financial performance, stability and managing liquidity	5	9	Financial Capital
	2. Cost efficiency	4	9	Financial Capital
	3. Property and investment portfolio	3	8	Financial Capital
Macroeconomic and Risk Environment	4. Macro-economic conditions	4	8	Risk Management
	5. Risk management	5	7	Risk Management

Materiality

Material Topic		Impact to Stakeholders	Impact to Melstacorp	Reference
Customer and Market Relations	6. Customer satisfaction	6	7	Social and Relationship Capital
	7. Product and service innovation	6	6	Intellectual Capital
	8. Brand visibility and stakeholder trust	5	6	Intellectual Capital
Operational Excellence and Innovation	9. Service and operational excellence	6	5	Intellectual Capital
	10. Digital transformation and data resilience (New)	4	6	Intellectual Capital
Human Capital and Workplace	11. Talent management	7	5	Human Capital
	12. Health and safety	8	5	Human Capital
Governance and Ethical Conduct	13. Good governance	8	5	Corporate Governance
Sustainability and ESG Commitments	14. Product responsibility and sustainability	4	4	Social and Relationship Capital
	15. Responsible procurement	5	7	Social and Relationship Capital
	16. Carbon emissions and energy use	3	6	Natural Capital
	17. Ecosystem and water stewardship	3	4	Social and Relationship Capital
	18. Material efficiency and waste reduction	4	6	Social and Relationship Capital
	19. Local community engagement	8	3	Social and Relationship Capital
Stakeholder Relationships	20. Stakeholder and partner relationships	8	6	Stakeholder Engagement

MATERIALITY MATRIX



1. Financial performance, stability and managing liquidity
2. Cost efficiency
3. Property and investment portfolio
4. Macro-economic conditions
5. Risk management
6. Customer satisfaction
7. Product and service innovation
8. Brand visibility and stakeholder trust
9. Service and operational excellence
10. Digital transformation and data resilience (New)
11. Talent management
12. Health and safety
13. Good governance
14. Product responsibility and sustainability
15. Responsible procurement
16. Carbon emissions and energy use
17. Ecosystem and water stewardship
18. Material efficiency and waste reduction
19. Local community engagement
20. Stakeholder and partner relationships

Risk & Opportunities

In an increasingly turbulent global landscape, robust risk management is central to Melstacorp's strategy for generating sustainable value and preserving stakeholder trust. The year 2025 was marked by significant global fragmentation, geopolitical tensions, rapid technological change, and escalating environmental and social challenges.

In response, we have enhanced our Enterprise Risk Management (ERM) framework to be more anticipatory, integrated, and aligned with these global dynamics. Overseen by the Board, this systemic, forward-looking process is designed to identify emerging threats, evaluate their potential impact, and embed mitigation strategies across every layer of the organisation. This proactive approach ensures organisational resilience, supports effective resource allocation, and provides the foundation for our continued growth and profitability. This report details the Group's principal risks, opportunities, and a comprehensive overview of our risk management practices.

RISK GOVERNANCE

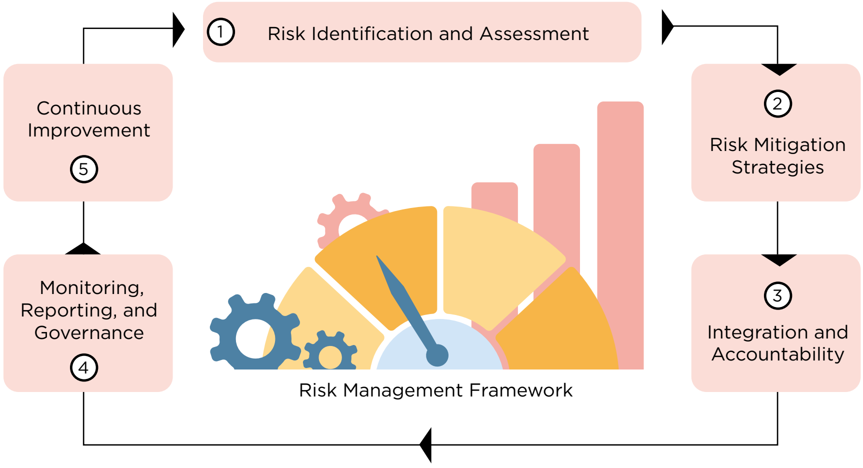
Ultimate responsibility for risk management rests with the Board of Directors, with risk oversight as a standing item on its agenda. The Board is supported by the Audit Committee and Risk Committee, which conducts detailed reviews of key risks and mitigation strategies. This governance is operationalised by the Internal Audit & Risk Management Division, which develops the Group's ERM framework and provides centralised guidance and consolidation across all sectors.

This framework empowers our sector management teams, who are accountable for identifying, assessing, and managing the specific operational, strategic, and financial risks relevant to their businesses. This decentralised but unified model ensures that responses are tailored and effective at the sector level, while remaining fully aligned with the Group's overall risk appetite and strategic objectives.

Our governance structure is underpinned by a culture of transparency and proactive engagement. This culture is reinforced through regular risk workshops, scenario simulations, and cross-functional forums, ensuring accountability and alignment on risk management across Melstacorp.

Risk Management Framework

Our Enterprise Risk Management (ERM) framework is a dynamic and adaptive model designed to ensure resilience in an interconnected and challenging business environment. It protects our company's value by proactively identifying, thoroughly assessing, and strategically mitigating key risks to our operations, financial performance, and reputation.



1. Risk Identification and Assessment

Our systematic approach to risk management begins with continuous identification. We utilise horizon scanning, stakeholder feedback, and global risk benchmarks to monitor a broad spectrum of risks, including strategic, operational, financial, compliance, ESG, and geopolitical domains. Each identified risk is then rigorously evaluated for its potential impact and likelihood, allowing us to categorise it as high, medium, or low priority. This structured assessment ensures we allocate resources effectively and address potential challenges proactively before they escalate.

2. Risk Mitigation Strategies

Based on our risk appetite, we design tailored strategies to avoid, transfer, reduce, or accept risk. These strategies are implemented through a range of actions-from operational improvements and enhanced financial controls to targeted strategic projects. By embedding risk management into our core decision-making processes, we ensure our actions align with our strategic objectives, empowering us to navigate uncertainty while seizing growth opportunities.

3. Integration and Accountability

Our ERM framework is integrated into the daily operations and strategic planning of the business. Accountability for risk management is embedded at every level of the organisation, fostering a strong, risk-aware culture. This ensures that risk considerations are a core component of every business decision, from strategy formulation to operational execution.

4. Monitoring, Reporting, and Governance

Continuous monitoring is essential to our framework. Through frequent risk assessments and internal audits, we test the effectiveness of our controls and identify emerging threats. Findings are reported to the Audit Committee and the Board, who provide oversight and strategic guidance. This clear reporting structure supports informed, timely decision-making at the highest levels of the organisation.

5. Continuous Improvement

Our ERM framework is dynamic. We regularly review and benchmark it against industry best practices to ensure it remains relevant and effective in a rapidly changing business landscape.

Principal Risk	Mitigation Plan	Sectors Affected	Risk Level 🟥 High 🟨 Moderate 🟩 Low
1. Geopolitical Fragmentation and Armed Conflict			
Melstacorp faces mounting operational and reputational risks as a resurgence of armed conflict, growing regional tensions, and new trade restrictions threaten to disrupt supply chains, create commodity price volatility, and restrict cross-border operations.	• Supply Chain Diversification to reduce single-source dependency. • Real-Time Geopolitical Monitoring to anticipate emerging threats. • Crisis Response Protocols to ensure swift and coordinated action. • Strategic Market Re-prioritisation to focus resources on stable regions.		🟡
Concentration Risk			
The high concentration of earnings from the beverages sector represents a key vulnerability for Melstacorp, exposing the company to adverse regulatory developments, fiscal policy shifts, and negative public sentiment.	• Our long-term growth strategy focuses on diversifying into more resilient sectors by reallocating capital from core operations		🟡

Principal Risk	Mitigation Plan	Sectors Affected	Risk Level 🟥 High 🟨 Moderate 🟩 Low
Climate Change and Environmental Stress			
A combination of environmental volatility, including severe droughts and floods, along with heightened regulatory pressures, is creating significant headwinds. These factors directly strain the operational efficiency while also dampening investor sentiment.	• Investing in resilient infrastructure to protect our operations from physical climate risks. • Committing to science-based targets for significant emission reductions across our value chain. • Funding and participating in conservation projects to protect critical ecosystems. • Aligning our climate-related financial disclosures with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).	🍷 ⛱	🟡
Misinformation and Societal Polarisation			
The erosion of public trust, fuelled by widespread misinformation, represents a critical reputational risk, especially in our sensitive business areas.	• Engaging in proactive brand stewardship to reinforce our values and correct inaccuracies. • Maintaining ready-to-deploy crisis communication plans for swift and transparent responses. • Deepening stakeholder engagement to build and maintain open lines of communication. • Leveraging advanced social listening tools to monitor public sentiment and identify emerging narratives in real-time.	🍷 ⛱ 🧮	🟡
Technology Risk and Cybersecurity			
The increasing adoption of AI technologies amplifies associated risks, including sophisticated cyber threats, data breaches, and complex compliance challenges.	• Implementing ISO-certified cybersecurity standards and establishing robust AI governance protocols. • Ensuring strict compliance with all data protection laws, including Sri Lanka's new Data Protection Act. • Empowering our employees through continuous training and awareness programs to make them our first line of defence.	🍷 ⛱ 🧮	🟡

Principal Risk	Mitigation Plan	Sectors Affected	Risk Level 🟥 High 🟨 Moderate 🟩 Low
People and Talent Risk			
Heightened workforce attrition and the migration of skilled professionals, compounded by inflation-driven dissatisfaction, are severely challenging our ability to attract, retain, and motivate top talent.	• Implementing strategic workforce planning to anticipate future skill gaps and secure our talent pipeline. • Introducing enhanced retention incentives to reward and secure our most critical professionals. • Driving a comprehensive culture transformation program aimed at boosting morale and employee engagement. • Strengthening our labour relations management to foster a stable and collaborative work environment.		🟡 ↓ 🔴
Market and Economic Risk			
The stability of supply and demand is facing significant headwinds from three key macroeconomic forces. Sharp fluctuations in currency values are creating unpredictable costs for imported materials on the supply side while simultaneously altering the purchasing power of consumers. Added to this, ongoing taxation reforms introduce uncertainty for both corporate investment and household disposable income. Compounding these issues, persistent inflation continues to erode profit margins and diminish consumer confidence, making it exceptionally difficult for businesses to forecast, plan, and maintain stable pricing.	• Implement a formal governance framework to proactively identify, monitor, and report on all financial risks, including liquidity, credit, and market exposures. • Utilise financial instruments (e.g., forwards, options) to protect profit margins and stabilise cash flows against adverse currency fluctuations. • Regularly perform stress tests and "what-if" analyses to understand the business's resilience to various economic shocks and inform strategic decision-making. • Allocate and preserve adequate capital reserves to absorb unexpected losses, ensure operational continuity during downturns, and maintain solvency.		🟡 ↓ 🔴

Principal Risk	Mitigation Plan	Sectors Affected	Risk Level 🟥 High 🟨 Moderate 🟩 Low
Regulatory and Compliance Risk			
Regulated businesses are grappling with increased complexity from two main sources: a sharp rise in ESG compliance requirements and a more perilous global tax environment. For Companies operating internationally, these challenges are compounded, leading directly to higher operational costs and a greater risk of financial penalties.	• Regularly perform comprehensive legal and compliance audits to identify potential risks and regulatory gaps before they become liabilities. • Implement a formal structure that embeds ESG accountability across all business units, ensuring policies are consistently applied and monitored. • Provide the Board with frequent, concise updates on the evolving regulatory landscape to facilitate informed oversight and strategic decision-making.		🟡 ↓ 🔴
Supply Chain Vulnerability			
Business continuity is at risk from two key vulnerabilities: an unstable global freight network and a heavy dependence on specific geographic regions for supplies. This dual threat means that a single, localised disruption can trigger severe, widespread failures in production and inventory, ultimately compromising the ability to serve customers.	• Cultivate a network of nearby suppliers to reduce transit times and insulate the business from global freight disruptions. • Hold sufficient buffer stock of critical components and finished goods to absorb short-term supply shocks and ensure operational continuity. • Establish partnerships with multiple, geographically dispersed vendors to eliminate single points of failure and enhance negotiating leverage.		🟡
Occupational Health & Safety			
Asset-intensive businesses are highly vulnerable to physical risks that threaten their core revenue-generating infrastructure. Because their plants and machinery are exposed to threats ranging from natural disasters to equipment failure, any disruption can lead to severe downtime, production loss, and financial instability, making risk management essential.	• Continuously compare our operational performance and safety metrics against industry leaders to identify gaps and adopt best practices. • Pursue relevant certifications (e.g., ISO standards) to externally validate our operational standards and demonstrate a commitment to safety and quality. • Establish a formal system for logging and analysing all physical incidents to identify root causes, track trends, and prevent recurrence. • Create clear, actionable protocols for responding to physical events (e.g., equipment failure, natural disasters) and conduct regular drills to ensure operational readiness.		🟡

Risk & Opportunities

TURNING RISK INTO STRATEGIC ADVANTAGE

At Melstacorp, we view risk not as a threat to be avoided, but as a catalyst for innovation and growth. By embedding risk intelligence directly into our strategic planning, we identify and pursue the opportunities that emerge from uncertainty.

Our key risk-driven initiatives in 2025 demonstrate this philosophy in action:

- Responding to operational pressures by expanding AI and automation to enhance efficiency and resilience.
- Addressing climate and sustainability demands by accelerating green investments across our logistics and plantation sectors.
- Answering shifting consumer behaviour with increased digital engagement in our insurance and tourism businesses.
- Countering market volatility by strategically reinvesting in scalable and resilient business models.

As we evolve our Enterprise Risk Management (ERM) framework, our goal is to foster agility and align our strategy with sustainable growth. In an era of global fragmentation, our integrated risk culture positions us not only to withstand uncertainty but to harness it for long-term value creation.

OPPORTUNITIES

While 2025 posed considerable external challenges, it also revealed a spectrum of strategic opportunities that Melstacorp is actively pursuing. Our Enterprise Risk Management (ERM) framework not only protects value but also uncovers new avenues for sustainable growth. By treating risk as a source of insight, we are better positioned to anticipate trends, pivot decisively, and invest with confidence.

Key opportunity areas include:

AI-Driven Operational Transformation: The acceleration of AI technologies presents opportunities for process automation, data-led decision-making, and improved customer engagement. Melstacorp is investing in smart operations to enhance productivity and scalability.

Green and Sustainable Transitions: Climate-related pressures have driven demand for responsible business practices. We are expanding our green logistics and sustainable agriculture platforms to meet emerging environmental and investor expectations.

Digital Business Models: Changing consumer behaviours open pathways for digital services across healthcare, insurance, and travel. Our ongoing digital transformation enables us to innovate service delivery and capture new customer segments.

Resilient Supply Chain Localisation: Global supply disruptions highlight the opportunity to localise key value chains, reducing exposure to external shocks while supporting domestic capability-building.

Diversification and Capital Reallocation: Regulatory and market volatility reaffirm the need to diversify income streams. We are reallocating capital to sectors with high growth potential-such as financial services, technology, and renewable energy-enhancing portfolio resilience.

People and Culture: The competition for talent presents an opportunity to redefine the workplace. Our investments in leadership development, hybrid work models, and culture transformation are creating a more agile, engaged, and future-ready workforce.

These opportunity areas are being embedded into our strategic planning processes and capital allocation frameworks. As we continue to evolve in a complex operating environment, our ability to translate risk insights into opportunity is a key differentiator for long-term value creation.

THE PULSE OF PERFORMANCE

At Melstacorp, performance is the clearest reflection of how our strategy translates into action. It measures the effectiveness of our operations, the agility of our responses, and the strength of our execution. Through transparent reporting and rigorous evaluation, we track progress, identify areas for improvement, and celebrate milestones. Our performance review offers a holistic view of the Group's operational health-demonstrating resilience, adaptability, and sustained value delivery across our businesses.

Leaves are the tree's source of energy-converting sunlight into nourishment and sustaining growth. Their condition serves as one of the clearest indicators of overall health, revealing how well the entire system is functioning. Strong, healthy leaves are a sign of a tree's ability to efficiently capture resources, adapt to its environment, and maintain vitality over time.

Beverages Sector

The Group's Beverage sector, comprising Distilleries Company of Sri Lanka PLC (DCSL), Periceyl (Pvt) Ltd, and DCSL Breweries Lanka Ltd(DBL), is a key driver of performance. Contributing 56% of the Group's turnover. At the forefront is DCSL, With an esteemed legacy, DCSL is renowned for producing the nation's premier arrack, catering to a diverse range of local and international clients. It serves as a major contributor to Group revenue, profitability, and government tax collection. Maintaining its leadership position in Sri Lanka's alcoholic beverages market, DCSL remains innovative, continuously adapting to shifting consumer preferences.

KEY ACHIEVEMENTS

- DCSL rated AAA(lka) by Fitch Ratings Lanka (Pvt) Ltd.
- DBL launched a new range of premium brews (Strong, Lager, Stout).
- The company utilised its robust distribution network to ensure widespread availability of the new brews across Sri Lanka.
- DCSL solidified its position as a trusted leader in the alcoholic beverage industry.

CONTRIBUTION TO GROUP

1,196	56%	Rs.17,183 Mn
Employees	Group Revenue	Property, Plant & Equipment

The Beverages Sector continued to serve as a key pillar for the Group's portfolio, underscoring its significance by achieving robust growth in the financial year 2024/25. This performance, fuelled by volume expansion in core spirits and strategic diversification into the beer segment, substantially boosted revenue and profitability.

In the previous FY, DCSL made a landmark strategic move by acquiring 99.4% of Heineken Lanka shares, significantly expanding its presence in the brewing industry. The acquired entity was rebranded as DCSL Breweries Lanka Ltd, aligning with DCSL's trusted heritage and standards. The acquisition completed DCSL's beverage portfolio, positioning it as a comprehensive provider of spirits and brews.

A major outcome was the launch of a new premium brew range under the DCSL brand, featuring DCSL Strong, Lager, and Stout. Crafted to international quality, these brews blend global techniques with local character, designed to appeal to diverse consumer tastes.

This acquisition has enhanced DCSL's brewing heritage, delivering brews tailored for the Sri Lankan market while supporting its international aspirations with a strong local core. Leveraging its robust distribution network, DCSL ensures wide market penetration for the new range, targeting both domestic consumers and the growing tourist market.

This acquisition and product launch mark a pivotal point, solidifying DCSL's leadership and positioning it for substantial future growth in the beverage sector.

Opportunities

- The acquisition of DCSL Breweries Lanka Ltd (DBL) and the launch of its new beer range enabled access to a growing segment of next generation, value-conscious consumers, significantly diversifying the Group's product portfolio.
- Broadening the portfolio across spirits and beer better positions the sector to meet evolving consumer preferences and reduces dependency on core spirit lines.
- The growing demand for premium and imported spirits in key channels (urban retail, hospitality, tourism) creates a valuable market opportunity, which Periceyl is well-equipped to capture.
- The integration of DBL yielded significant cost efficiencies in procurement, distribution, and administration, thereby enhancing the sector's overall competitiveness.
- The increasing public and regulatory focus on environmental responsibility presents opportunities to enhance reputation and drive cost reductions through initiatives such as energy efficiency, water management, and recycling.

Risks/challenges

- Repeated excise duty increases (over 70% of retail price) significantly constrained consumer affordability, curtailed discretionary spending, and pressured profit margins.
- Advertising bans, licensing limitations, and strict compliance requirements hindered brand-building efforts and market expansion, particularly in new segments.
- Expansion of the illicit alcohol market posed a dual threat, undermining legitimate volumes, eroding government tax revenue, and creating public health risks.
- Rising costs of raw materials, packaging, and logistics negatively impacted operational efficiency and placed pressure on profitability, requiring rigorous cost control.
- Increasing price sensitivity, especially in lower and middle-income segments, drove downtrading and contracted demand in some premium categories, necessitating adjustments to product mix and pricing.

People

- Implemented targeted training programmes across production, sales, and quality assurance teams to enhance technical competencies, safety standards, and leadership capacity.
- Implemented focused employee onboarding and cultural integration programmes to ensure a seamless transition and maintain employee engagement within the new unit.
- Stringent occupational health and safety practices were reinforced across all production facilities including regular safety drills, equipment upgrades, and zero-injury targets.
- Townhalls, reward and recognition schemes, and grievance redressal mechanisms were strengthened to promote a more inclusive and performance-driven culture.

Planet

- A comprehensive training programme was implemented to promote safe and responsible machinery operation, with a strong emphasis on health, safety, and environmental stewardship-reinforcing our commitment to sustainable manufacturing practices.
- We have initiated a strategic transition from fossil fuels to sustainable energy sources, reinforcing our commitment to reducing carbon emissions and supporting long-term environmental resilience.

Beverages Sector

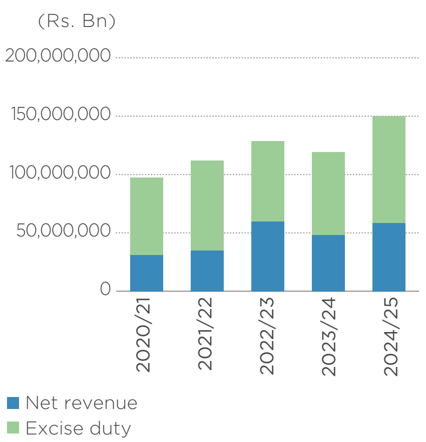
PERFORMANCE

The Beverage Sector within the Group demonstrated robust performance throughout FY 2024/25, exhibiting resilience and strategic agility despite a challenging operational landscape. The sector registered substantial increases in revenue and profitability, primarily attributable to factors including volume resurgence, strategic portfolio diversification, and rigorous operational management.

DCSL, the sector's flagship entity, played a pivotal role in driving performance, recording significant volume growth during the year. This translated into an increase in revenue on a company-only basis, underscoring the enduring strength of DCSL's core brands, its deep market penetration, and agile pricing strategies amidst fiscal pressures. Reinforcing its financial resilience and operational excellence, DCSL maintained its prestigious AAA (lka) credit rating from Fitch Ratings. This rating highlights the company's superior creditworthiness and financial stability, bolstering investor confidence and reaffirming its leadership position within Sri Lanka's beverage industry.

Rs. Mn	2025	2024	YoY Change
Revenue	145,191	119,159	22 %
PBT	27,720	23,807	16 %

Gross Revenue



Taxes Paid

A key strategic development was the acquisition of DCSL Breweries Lanka Ltd (DBL). Beyond contributing approximately Rs. 7 billion in revenue, this acquisition represented a successful strategic entry into the domestic beer market. The subsequent launch of a new DCSL-branded beer range by DBL has garnered positive initial reception, particularly among next generation and value-conscious segments.

Periceyl (Pvt) Ltd, the distributor of premium spirits, also made a positive contribution, supported by the recovery observed in the hospitality and tourism sectors.

Profitable performance was sustained notwithstanding significant headwinds, including escalating excise taxation, regulatory constraints, and inflationary input costs. This was primarily achieved through enhanced operational efficiencies, the realisation of integration synergies (notably from DBL), and stringent cost control measures. Furthermore, sustainability initiatives focused on energy efficiency and waste management contributed positively to long-term value creation.

Collectively, the Beverage Sector remained a critical driver of overall Group results and is well-positioned for future expansion.

OUTLOOK

The Beverage Sector enters FY 2025/26 with a cautiously optimistic outlook, underpinned by a robust foundation of strong brand equity, expanded product offerings, and proven operational resilience.

Key Growth Drivers:

1. Full-Year DBL Contribution: Realising the full-year impact of the DBL acquisition and the successful launch of the new DCSL beer range is poised to drive top-line expansion, boosting volumes and market penetration, particularly among next generation and value-conscious segments.
2. Sustaining Core Spirit Strength: DCSL's flagship brands will leverage their high consumer loyalty, stable volume trajectories, and strategic pricing to maintain market leadership in the spirits segment.
3. Expanding Premium Footprint via Periceyl: Periceyl is strategically positioned to capitalise on improving economic conditions, rising tourism, and growing demand for premium and imported spirits, thereby fortifying the Group's presence in higher-margin categories.
4. Driving Operational Efficiency through Digitalisation: Continued investment in automation, digital logistics, and data-driven supply chain management will enhance efficiency, reduce costs, and support more agile decision-making.
5. Leveraging Sustainability for Differentiation: Strategic environmental initiatives focused on energy and water efficiency, packaging sustainability, and circular economy models are anticipated to reduce the sector's ecological footprint while aligning with evolving consumer and regulatory expectations, fostering competitive differentiation.

Key Considerations and Risks:

- Excise Duty Volatility: Continued unpredictability in tax policy remains a significant risk, impacting pricing strategy, margin preservation, and long-term planning.
- Consumer Spending Recovery: The pace of recovery in disposable income is critical for driving volume growth, particularly within premium market segments.
- Illicit Market Expansion: The proliferation of the unregulated alcohol market presents an ongoing impediment to the growth and market share of the legitimate industry.

Tourism Sector

Melstacorp's Tourism Sector spans the full value chain of the industry, delivering an integrated suite of services that include destination management, hotel and resort operations, airline representation, and outbound travel. The Group holds significant positions in each of these verticals, reinforcing its status as a key contributor to Sri Lanka's tourism economy.

KEY ACHIEVEMENTS

AITKEN SPENCE HOTELS

- Celebrated 50 years of Aitken Spence Hotels, highlighting a legacy of pioneering hospitality
- Heritance Kandalama commemorated 30 years, recognised as a flagship in sustainable design and eco-conscious tourism
- Took on the management of Rainforest Ecolodge near the Sinharaja Rainforest (a UNESCO World Heritage Site)

BROWNS BEACH HOTELS

- 33% decrease in Energy Intensity per guest night
- Generated US$ 2.4 Mn worth of foreign exchange through tourist arrivals

CONTRIBUTION TO GROUP

4,055	25%	Rs. 87,999 Mn
Employees	Group Revenue	Property, Plant & Equipment

With a geographically diversified portfolio comprising 19 hotels across four countries, the sector offers a wide array of travel experiences-ranging from pristine beachfront getaways and cultural explorations to wellness retreats and adventure-based tourism. This diversity not only enhances the Group's global appeal but also strengthens its ability to respond to evolving traveller preferences.

Operations are strategically positioned across six countries, with hotel properties located in Sri Lanka, the Maldives, Oman, and India.

The sector witnessed strong growth during the year, driven by the recovery of international tourist arrivals, particularly in Sri Lanka. Long-standing partnerships with leading global travel operators and airlines continued to support growth, while the Group's early adoption of sustainable tourism practices further enhanced its brand equity and market relevance.

By leveraging its broad operational footprint, strategic alliances, and customer-centric offerings, the Tourism Sector remains well poised to capture emerging opportunities in the global tourism rebound.

Opportunities	Risks/challenges
• Capitalise on growing demand for wellness travel, eco-luxury experiences, digital nomad lifestyles, and sports tourism to diversify revenue streams and enhance long-term stability. • Accelerating digital transformation-through AI, advanced CRM systems, and marketing automation-will improve personalisation and operational agility, supporting stable expansion into emerging markets in South Asia, Southeast Asia, and the Middle East. • Embedding corporate social responsibility into core operations strengthens community ties and reinforces the Group's reputation as a responsible and stable corporate citizen. • Leveraging the Group's sustainability credentials enables access to green and sustainable financing, providing reliable long-term capital aligned with environmental and governance priorities. • Expanding strategic partnerships with regional and global stakeholders enhances market presence and operational flexibility, bolstering resilience against external challenges.	• Geopolitical tensions, economic fluctuations in key source markets, and currency volatility present ongoing risks that could adversely affect inbound tourism volumes and profitability, challenging the sector's stability. • Evolving consumer behaviour and technological disruption, including intensified competition from Online Travel Agents, direct booking platforms, and branded serviced apartments, threaten traditional business models, requiring adaptive strategies to maintain market share and stable revenues. • Environmental challenges such as climate change, extreme weather events, and rising sea levels pose significant threats to tourism infrastructure, operational sustainability, and the long-term viability of coastal destinations. • Rising air travel costs, driven by fuel prices and regulatory changes, risk dampening demand for long-haul travel, impacting visitor arrivals and revenue growth. • Increasing cyber threats expose the sector to potential data breaches, financial losses, and operational disruptions, while labour shortages may undermine service quality, negatively affecting guest satisfaction and competitive positioning.

Tourism Sector

People

- Implemented flexible and hybrid working options to attract and retain skilled employees.
- Reviewed and enhanced compensation and benefits packages to retain key talent.
- Invested in comprehensive training and development programmes.
- Established a system for recognising and celebrating employee achievements.

Planet

- Implemented a comprehensive Environmental Management System (EMS), across the Group's properties, to track material environmental impacts such as water, energy, waste, emissions and chemical usage.
- Conducted an annual environmental goal setting to monitor progress, while ensuring regular communication of our environmental performance to stakeholders
- A Sustainability Council was established at the Aitken Spence Holdings PLC
- Conscious reduction of single use plastics by offering biodegradable, compostable, or reusable alternatives made from materials like paper, bamboo, or stainless steel.

Location of Operations

Sri Lanka

Maldives

India

Oman

Industry Overview

Global

Global tourism continued its upward trajectory in 2024, with international arrivals rising by 11% over 2023 to reach 1.4 billion, a recovery to 99% of pre-pandemic levels. Regionally, recovery varied. The Asia Pacific region recovered to 87% of pre-pandemic levels, comparatively lagging behind other regions. In stark contrast, the Middle East experienced a remarkable 32% growth, exceeding pre-pandemic levels, underscoring our optimism for the future demand of travel and leisure in this region.

Sri Lanka

Driven by improved political and economic stability, Sri Lanka's tourism sector achieved strong growth in 2024, with arrivals surging by 38.1% to 2.05 million and earnings significantly increasing by 53.2% to USD 3,168.6 million, boosted by higher rates, activities, and improved airline connectivity. This performance highlights the country's enduring appeal, rooted in its rich natural heritage, ancient culture, and wellness potential, which attracts diverse markets and enhances its 'must-visit' status.

Despite facing challenges including exchange rate fluctuations (particularly the rupee's appreciation impacting revenue), skilled labour migration, and intensifying international competition, key source markets performed strongly. India led with 416,974 arrivals, followed by Russia, while China re-emerged significantly with 131,681 arrivals, underscoring the importance of proximity and cultural ties.

Moreover, Sri Lanka's global standing as a tourism destination significantly improved, receiving notable recognition in 2024 and 2025. The country was listed among BBC's Top 10 Places to Travel for 2025, its Pekoe Trail was named one of the world's most scenic trekking routes by National Geographic Traveller in 2024, and Conde Nast Traveller recognised Sri Lanka as the World's Top Family-Friendly Destination for 2025, highlighting its broad appeal.

Maldives

Despite facing political and economic challenges, the Maldives tourism sector recorded robust growth in 2024, with tourist arrivals increasing by 8.9% to 2.04 million.

However, this growth occurred amidst significant operational and environmental pressures. As one of the world's most climate-vulnerable nations, rising sea levels pose a severe long-term threat, while increased frequency of extreme weather events drives up costs. Adding to these challenges, the government implemented tax increases, including airport tax, green tax, and the Tourism Goods & Service Tax (TGST) from 12% to 16%, making the islands a more expensive destination for travellers. Furthermore, the mandatory foreign currency conversion rule introduced in October 2024, aimed at preventing depletion of foreign reserves, posed severe difficulties in meeting foreign currency denominated obligations. Coupled with rising inflation contributing to increased operating costs, these factors collectively marked 2024 as one of the most challenging years for the tourism industry in the Maldives.

India

India has demonstrated robust growth in international tourist arrivals, exceeding 9 million annually in recent years (excluding non-resident Indians). This trend is consistent with the country's continued stable economic trajectory. Concurrently, domestic tourism serves as a major generator of hotel room nights across the nation.

Oman

Oman's tourism sector continues to be impacted by the ongoing conflicts in the Middle East. Domestically, increased competition from new hotels and apartments is exerting significant pressure on room rates. Furthermore, costs have risen due to increased taxes on alcoholic beverages and higher energy costs. The government's Omanisation policy has also contributed to increased payroll costs, collectively posing significant challenges to the sector.

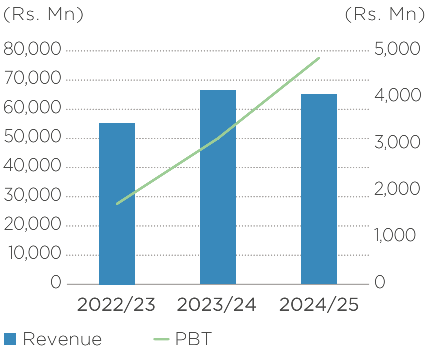
Tourism Sector

PERFORMANCE

Despite a marginal decline in revenue in 2024/25, the Tourism Sector delivered strong profit growth, reflecting its operational resilience and strategic agility in a challenging external environment. Revenue for the year stood at Rs. 65 billion, down 2.4% from Rs. 66.6 billion in 2023/24, largely due to the appreciation of the Sri Lankan Rupee and a slight reduction in inbound tourist volumes. However, Profit Before Tax (PBT) rose sharply by 55%, from Rs. 3.1 billion to Rs. 4.8 billion, driven by the recovery of tourist arrivals in core markets, higher hotel occupancy, improved flight frequencies and export cargo in the airline GSA business, cost optimisation initiatives, and the benefit of lower interest rates in both Sri Lankan Rupee and USD borrowings.

Rs. Mn	2025	2024	YoY Change
Revenue	65,035	66,605	-2.4%
PBT	4,846	3,127	55.0%

Revenue & PBT



Operationally, the Destination Management segment retained its market leadership, handling 18% of Sri Lanka's tourist arrivals, with growth in traditional markets offsetting slower progress in non-traditional markets. The Hotels segment, spanning Sri Lanka, Maldives, and India, recorded occupancy gains approaching pre-pandemic levels, while Browns Beach Hotel benefitted from increased arrivals and enhanced operational efficiencies. The Airline GSA business expanded revenue through higher flight frequencies and export volumes. Strategic priorities during the year included accelerating digitalisation to improve service delivery and efficiency, rebuilding skilled talent pools through targeted recruitment and training, and reinforcing long-standing partnerships with global principals such as TUI and Singapore Airlines. Sustainability efforts advanced through rooftop solar installations in four properties, energy-efficient system upgrades, community-based conservation initiatives, and strengthened Disaster Risk Reduction (DRR) and Business Continuity Management (BCM) frameworks to mitigate climate-related risks.

OUTLOOK

The Tourism Sector is well-positioned to navigate the evolving market landscape while capitalising on growth opportunities in Sri Lanka's revitalised travel industry. Continued recovery in global tourism, supported by improved air connectivity and positive destination sentiment, is expected to drive arrivals and occupancy across our hotel portfolio.

Our strategy will focus on sustaining operational excellence, enhancing service quality, and leveraging our strong brand presence to attract high-value travellers. Investment in targeted marketing, digital engagement, and differentiated experiences will further strengthen our competitive edge. The Destination Management arm will deepen its presence in key source markets, while expanding partnerships to capture new customer segments.

Disciplined cost management and prudent capital allocation will ensure resilience against macroeconomic uncertainties, including fluctuations in foreign exchange rates and global fuel prices. Simultaneously, our commitment to sustainable tourism will underpin long-term value creation, integrating environmental stewardship, community engagement, and cultural preservation into our operations.

By maintaining financial and operational stability, while adapting swiftly to market shifts, the Tourism Sector is poised to deliver consistent performance and contribute meaningfully to Group growth in the years ahead.

Maritime, Freight & Logistics Sector

Melstacorp PLC's Maritime, Freight and Logistics sector leverages a robust regional network to provide integrated, end-to-end logistics and transportation solutions across Sri Lanka and overseas markets. The sector encompasses a diversified portfolio of specialised services that collectively enhance trade connectivity and operational efficiency.

KEY ACHIEVEMENTS

- Aitken Spence Cargo (Pvt) Ltd received multiple prestigious industry awards in 2024, including first place for Shipping & Shipping Related Services at the NBEA and a Gold Award for Large Freight Forwarders at the National Logistics Awards.
- At the National Logistics Awards (NLA) 2024 by SLFFA, the Integrated Container Services segment earned five prestigious awards, including multiple Gold awards in key areas like Warehousing & Distribution, Transport, and Project Logistics, along with a Silver award in the Container Depot category.
- Hapag Lloyd Lanka (Pvt) Ltd received several key recognitions in 2024, including being named Best Customer Service Provider (Europe / Mediterranean) for the 4th consecutive year, winning a Silver Award at the National Logistics Awards, and ranking as the 4th highest volume contributor to the Port of Colombo.
- DBS Logistics Limited won the Bronze award in the Extra Large category of Logistics Service sector at the National Chamber of Exporters of Sri Lanka (NCE) Annual Export Awards 2024.

CONTRIBUTION TO GROUP

2,004	6%	Rs.10,108 Mn
Employees	Group Revenue	Property, Plant & Equipment

- **FREIGHT FORWARDING AND COURIER –** Offers a full spectrum of air and sea freight forwarding, express courier, and customs house agency services, supported by strategic partnerships with leading international logistics networks to ensure seamless global reach.
- **INTEGRATED CONTAINER SERVICES –** Operates as a leading logistics provider in Sri Lanka, delivering inland container terminal services, container freight station (CFS) operations, warehousing, 3PL/4PL solutions, mobile storage, distribution, and export processing zone operations. Capable of handling both containerised and specialised over-dimensional cargo (ODC).
- **MARITIME AND PORT SERVICES –** Provides liner agency representation and port-related services in Sri Lanka and internationally. Overseas operations include port management, port efficiency optimisation, and cargo handling in select global locations.
- **AIRLINE CARGO REPRESENTATION –** Acts as a General Sales Agent (GSA) for major international carriers, facilitating cargo movement and expanding air freight capabilities within the region.
- **EDUCATION AND TRAINING –** Through CINEC Campus, delivers globally recognised academic and vocational programmes in maritime, logistics, engineering, aviation, health sciences, and hospitality, building talent pipelines for the transport and logistics industry.
- **VEHICLE CARE SOLUTION –** Operates Formula World, a modern automotive service and repair hub in Seeduwa, integrating inbound supply chain management for parts and consumables with outbound service delivery.
- **MELSTA LOGISTICS –** Enhances the Group's transport infrastructure with a fleet of 256 vehicles and an 82,703 sq. ft. commercial facility, enabling flexible and scalable logistics solutions tailored to varied client needs.

Maritime, Freight & Logistics Sector

Opportunities	Risks/challenges
• Growing regulatory pressures, corporate commitments, and customer demand for environmentally responsible practices open opportunities to offer energy-efficient transportation, eco-friendly warehousing, carbon-neutral freight services, and tailored green logistics models.	• Constantly evolving international, national, and environmental regulations can increase compliance costs and operational complexities.
• The rise of international trade and booming e-commerce sectors drive sustained demand for warehousing, third-party logistics (3PL), and supply chain optimisation, creating space for service expansion and innovation.	• Trade wars, sanctions, political unrest, and territorial disputes can disrupt established trade routes and supply chains.
• Increasing need for reliable cold chain logistics to support pharmaceuticals, food and beverage, and other perishable goods is creating a niche market for specialised temperature-controlled storage and transportation solutions.	• Extreme weather events, rising sea levels, and stricter environmental standards pose operational risks and require costly adaptations.
	• Increasing reliance on digital systems exposes operations to cyberattacks, data breaches, and operational disruptions.

Opportunities	Risks/challenges
• Shifting geopolitical and trade dynamics, such as trade wars, push countries and businesses to seek alternative trading partners and new trade routes, opening opportunities for maritime and freight operators to tap emerging markets. • Adoption of advanced digital tools, automation, AI, and real-time tracking enhances operational efficiency, agility, and visibility across the supply chain, enabling providers to deliver smarter, faster, and more transparent services. • Forming alliances and partnerships in new geographic regions helps maritime and logistics Companies expand their footprint, increase market share, and leverage local expertise to capitalise on growth opportunities. • Engaging with government initiatives such as port modernisation, free trade zones, and transportation infrastructure development presents opportunities to secure contracts and strengthen sector presence. • Catering to increasingly complex supply chains by offering fourth-party logistics (4PL) services and specialised e-commerce logistics solutions supports business scalability and meets the evolving needs of customers	• Limited or aging infrastructure can cause delays, increased costs, and reduce overall supply chain efficiency. • Fluctuating fuel costs impact transportation expenses and can affect pricing and profitability. • Skilled labour shortages, labour disputes, and changing workforce demographics affect operational continuity. • High capital requirements and challenges in integrating new technologies can slow digital transformation efforts. • Managing multi-modal, multi-regional supply chains increases complexity and reduces transparency. • Intense competition, price wars, and pressure from new entrants can erode profit margins and market share.

People

- Conducted targeted employee engagement activities.
- Ongoing career and talent development opportunities.
- Provided competitive compensation packages (aimed at attracting and retaining skilled professionals).

Planet

- Introduced electric-powered material handling equipment (MHE) at the new CFS facility, including electric forklifts, reach trucks, and power pallet trucks.
- Installed 150 solar panels on reefer containers, generating 88.65 kWh of electricity, as part of ongoing emissions reduction efforts.
- Utilised rooftop capacity in the integrated logistics segment for solar energy generation, producing 108MWh during the year.

Maritime, Freight & Logistics Sector

Location of Operations

FREIGHT FORWARDING AND COURIER

ISO 9001:2015 | ISO 14001:2015

Sri Lanka
Myanmar
Bangladesh
Cambodia

AIRLINE CARGO REPRESENTATION

Sri Lanka
Myanmar
Cambodia

INTEGRATED CONTAINER SERVICES

ISO 9001:2015 | ISO 14001:2015

Sri Lanka (5 locations)

EDUCATION AND TRAINING

ISO 9001:2015 | ISO 14001:2015

Sri Lanka

MARITIME AND PORT SERVICES

ISO 9001:2015 | ISO 14001:2015

Sri Lanka
Fiji
Mozambique

VEHICLE CARE SOLUTION

Sri Lanka

Industry Overview

Global

The global freight, airline, and logistics industry operated within a dynamic environment in 2024. Global merchandise trade recorded a 2% year-on-year growth, although this growth was not uniform across all regions, with Europe and Central Asia being notable exceptions.

Sri Lanka

Sri Lanka's logistics and maritime sector is a vital component of the economy, contributing 2.5% to GDP and employing over 40,000 people directly, largely due to its strategic location on key global shipping routes and extensive infrastructure including major ports including Colombo, Hambantota, and Trincomalee, along with key airports and road/rail networks.

The Port of Colombo experienced a record-breaking year in 2024, handling an all-time high container throughput of 7.78 million TEUs, a 12.1% increase year-on-year, surpassing the 2023 figure. This growth was significantly driven by transshipment volumes, which also reached a record high of 6.31 million TEUs, a 9.7% jump, accounting for 81% of the total throughput, partly attributed to factors like the Red Sea crisis. Both import (up 23.5% to 541,155 TEUs) and export (up 6.2% to 301,094 TEUs) laden volumes also increased, with restowing volumes seeing a significant 49.6% rise to 307,619 TEUs.

Looking forward, the Sri Lanka Ports Authority targets over nine million TEUs in 2025, expecting new capacity from the East Container Terminal (ECT) and Colombo West International Terminal (CWIT) to boost total capacity beyond 10 million TEUs. Colombo International Container Terminals (CICT), the port's only fully operational deep-water terminal, handled 3.22 million TEUs, a 4.1% increase.

Cambodia

In 2024, Cambodia's freight and logistics market was led by the freight transport segment, holding a 60.70% share due to bulk exports to Sihanoukville and ASEAN gateways. This segment is expected to grow at a 3.84% CAGR (2025-2030), supported by RCEP duty-free access and upgraded expressways. While smaller in 2024 at 7.79% of revenue, the CEP segment is projected for faster growth (4.90% CAGR) as domestic e-commerce expands. Both Warehouse & Storage and Freight Forwarding benefit from manufacturers outsourcing non-core activities, and demand for value-added services such as pick-and-pack and labelling is driving their growth.

Bangladesh

In 2024, the Bangladesh freight and logistics market experienced notable growth, with the freight transport segment contributing USD 16.52 billion, representing over half of the total market, driven by highway infrastructure expansion and steady export flows, particularly from the garment industry. Within Bangladesh's freight forwarding sector, Sea and Inland Waterways dominated, amassing USD 2.74 billion (75.79% share), with box volumes growing despite Chattogram's draft limits, prompting forwarders to invest in feeder slots and inland barges for stability.

Myanmar

While Myanmar's economy continued to struggle in 2024 due to post-coup challenges-marked by slow growth, rising poverty, high inflation, and the weakest performance in Southeast Asia since 2021, with GDP estimated to decline another 1% in FY24/25-the specific freight and logistics market presents a more positive outlook. Valued at $7.29 million in 2025, this market is projected for robust expansion at a Compound Annual Growth Rate (CAGR) of 10.96% through 2033, fuelled by growth drivers including the burgeoning manufacturing and automotive sectors, increasing demand from industries like oil and gas, mining, and construction, expanding e-commerce, and rising technology adoption.

Mozambique

Mozambique's GDP growth slowed significantly to 1.8% in 2024, down from 5.4% in 2023, mainly attributed to post-election disruptions in the final quarter. Despite this economic deceleration, the Port of Maputo demonstrated resilience by handling an impressive 30.9 million tons of cargo in 2024. Looking ahead, the port is poised for major expansion, with highly anticipated developments planned for the container and coal terminals starting in early 2025. These strategic projects are key components of the concession extension granted earlier in 2024, signalling a significant investment in the port's future capacity and capabilities.

Fiji

Fiji's economy continued its recovery trajectory, with growth estimated at 3.75% in 2024. This growth rate is expected to moderate to roughly 3% in 2025.

Maldives

In 2024, the Maldives recorded economic growth of 5.1%. The country's total imports reached US 3.63 Billion, while total exports amounted to US 3.63 Billion, while total exports amounted to US 92.42 Million.

Maritime, Freight & Logistics Sector

PERFORMANCE

The Maritime, Freight & Logistics sector recorded revenue of Rs. 16.9 billion, a 11.0% growth year-on-year. Despite this, overall profit before tax declined by 10.9% to Rs. 4.6 billion, primarily due to significant Rupee appreciation, elevated operating costs, and higher finance expenses from CFS expansion.

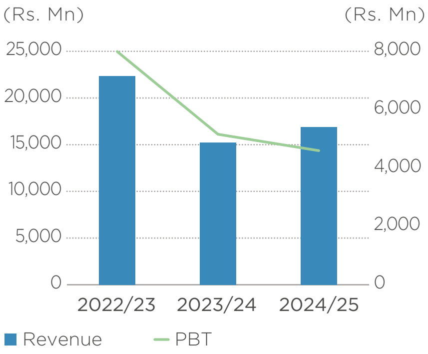
The cargo agency representation and overseas operations segment delivered a strong performance, with profit before tax rising nearly 75%, driven by robust overseas freight forwarding and strategic capacity optimisation in Sri Lanka and the Maldives, helping Qatar Airways Cargo maintain market share despite challenges. However, political instability and foreign exchange constraints in Myanmar led to lower export volumes and profitability, with risks actively managed.

The integrated container services segment saw operational profit growth of 93.4%, supported by strong results across inland container terminals, container freight stations (CFS), warehousing (3PL), transport, mobile storage, and zonal operations. The commissioning of a state-of-the-art BOI and customs-approved warehouse in partnership with a leading shipping line further strengthened the sector's footprint.

The education segment posted commendable growth, with revenue up 12.6% and profitability improving 23%, supported by course expansion and new campus facilities.

Rs. Mn	2025	2024	YoY Change
Revenue	16,913	15,242	11%
PBT	4,596	5,157	-11%

Revenue & PBT



Shipping liner agency representation and port management remained resilient amid global challenges such as geopolitical tensions and port congestion. Transshipment volumes in Fiji grew despite capacity limits, while bunkering operations improved.

The freight segment achieved 13.5% revenue growth year-on-year; however, operational profit declined by 61.2% due to compressed margins from lower carrier freight rates. Ocean freight performed strongly, offsetting weaker results in other areas.

Overall sector profitability was impacted by Rupee appreciation, higher operating costs, and increased finance expenses linked to CFS expansion, despite solid operational achievements.

Across its segments, the Maritime, Freight & Logistics sector implemented several key enhancements and achieved notable milestones. In the logistics segment, the service portfolio expanded to include non-verified cargo storage and modular container conversions, alongside new value-added services and expanded 3PL for apparel. This segment also obtained C-TPAT certification for CFS operations, improved efficiency through network integration and the Nestainer system, and diversified into fuel distribution. The integrated container services segment showcased innovation by constructing the 'Ship-in-a-Box' maritime training simulator for the Sri Lanka Coast Guard. The freight logistics segment expanded its AOG operations, notably becoming the only company in Sri Lanka with WCA Time Critical Accreditation, and implemented a CRM module to enhance customer experience. Cargo agency representation and overseas operations were strengthened through customised SOPs, tailored pricing, and DBS Logistics' expansion into cargo inspection and secure transport services for a global customer.

OUTLOOK

As the Maritime, Freight, and Logistics sector navigates a dynamic global environment, stability remains the cornerstone of sustainable growth. Melstacorp's diversified and resilient foundation positions the sector to capitalise on emerging opportunities while managing inherent risks effectively. Looking ahead, sustained investments in infrastructure, technology, and strategic partnerships will drive operational excellence and regional expansion. The sector will continue to enhance capacity optimisation and adopt innovative, eco-friendly logistics solutions that align with global sustainability goals-reinforcing Melstacorp's commitment to responsible growth. Despite external uncertainties such as geopolitical shifts and market volatility, Melstacorp's robust financial health and prudent risk management will ensure stability, enabling the sector to maintain market leadership and deliver consistent value to stakeholders. The focus on digital transformation and automation will further strengthen supply chain visibility and efficiency, while new trade lanes and growing e-commerce demand offer avenues for diversification and growth.

Melstacorp's commitment to stability reflects a balanced strategy of innovation and resilience, ensuring sustained success and adaptability in a constantly changing market landscape.

Plantations Sector

Driving significant socio-economic impact for the nation, the Plantations sector of Melstacorp is anchored by three key entities: Balangoda, Madulsima, and Elpitiya Plantations PLCs.

This sector is a major employer, accounting for 32% of the Group's workforce and providing essential livelihoods that support rural communities. Its operations encompass 46 estates, forming a diverse base for economic contribution. These include 18 dedicated tea estates, 11 cultivating both tea and rubber, 4 focused solely on rubber production, and 13 managing a combination of tea, rubber, palm oil, and other crops — all of which contribute significantly to national output. Melstacorp remains committed to strategic initiatives that optimise financial performance while enhancing the sector's vital economic and social contributions, ensuring its long-term sustainability.

CONTRIBUTION TO GROUP

8,974	4%	Rs.2,789Mn
Employees	Group Revenue	Property, Plant & Equipment

KEY ACHIEVEMENTS

MADULSIMA PLANTATIONS

- Achieved a total of 152 top prices for their tea during the 2024 Season

BALANGODA PLANTATIONS

- Wewesse Tea Factory (representing the Wewesse Mark) was named Joint Winner from the Uva Region at the 2024 T.E.A. Awards for Outstanding Tea Producers, hosted by the Tea Exporters Association of Sri Lanka.
- Eight estates manufactured and sold 291 kgs of Silver Tips, while Pettiagalla, Glen Alpin, and Ury Estates sold 56 kgs of Golden Tips.
- Multiple estates achieved top prices, including Spring Valley, Telbedde, Ury, Glen Alpin, Wewesse, Balangoda, Cecilton, and Meddakande.
- Galatura and Rambukkande estates achieved top prices on 41 and 70 rubber invoices, respectively.

ELPITIYA PLANTATIONS

- The Ceylon Chamber of Commerce - Best Corporate Citizen Sustainability Awards 2024 : Category B Second Runner Up
- PHTD CEO's Forum, Best CDC Nuwara Eliya region - New peacock, Best EWHCS - Nuwara Eliya, Dunsinane Estate Best EWHCS - Galle, Elpitiya Estate
- The Ceylon Chamber of Commerce - Best Corporate Citizen Sustainability Awards 2024 : Category B Second Runner Up and CA Sri Lanka – TAGS Awards 2024 : Plantation Sector, Group turnover above Rs. 5Bn – Bronze Awards
- Harvested 312 Mn Ltrs of rainwater
- Maintained the standing among the top three Regional Plantation Companies (RPCs) in terms of production and productivity

Plantations Sector

Opportunities	Risks/challenges
• By implementing reforestation, agroforestry, and enhanced soil management practices, plantation Companies can maximise carbon sequestration and deliver critical ecosystem services. These sustainable approaches not only support environmental health but also enable participation in carbon credit markets, creating new revenue streams. • Growing global and local demand for sustainability certifications requires plantation businesses to significantly improve their environmental and social performance, enhancing their market competitiveness and access to premium customers. • Increasing government incentives for renewable energy present significant opportunities for rooftop solar projects, which reduce installation costs and improve return on investment, while contributing to greener operations. • Diversification into high-value crops and organic farming can unlock new markets and improve profitability by meeting consumer trends towards healthier and sustainably produced products. • Adoption of digital technologies and precision agriculture can optimise resource use, enhance yield forecasting, and improve operational efficiency, thus strengthening financial outcomes and sustainability. • Strengthening community engagement and development initiatives can enhance social license to operate, reduce labour turnover, and foster resilient rural economies benefiting both the plantations and surrounding communities.	• Increased rainfall intensity in the Upcountry and Mid-Country leads to more fungal diseases, reducing crop yields. • Unpredictable rainfall and extended droughts in the Low Country cause significant revenue and productivity losses, especially for water-sensitive crops like tea and rubber. • Regional weather impacts include plant damage from winds, storms, and reduced sunlight in the Upcountry/ Mid-Country, while flooding in the Low Country causes infrastructure damage and soil erosion. • These climatic effects create systemic challenges such as logistical complexities, increased maintenance costs, and operational disruptions. • High humidity and heat accelerate the spread of pests (mites) and diseases (powdery mildew, botrytis), threatening crop health. • Rising labour wages and increasing input costs, especially fertilizers and energy, have squeezed profit margins across the industry. • Depreciation of the Sri Lankan Rupee has negatively affected export revenues, though auction prices in USD have remained competitive globally.

People

- Expanded medical support programmes, including regular health check-ups and mental health awareness campaigns.
- Provided clear career development pathways, enabling growth and advancement for all employees through promotions and lateral moves based on skills, experience, and performance.
- Implemented dedicated well-being initiatives promoting mental health and work-life balance through counselling services, stress-relief activities, and workshops.
- Provided nutritious mid-day meals during work, supplying essential dry rations (especially in challenging times), and ensuring access to affordable, subsidised food through estate-based cooperative shops with convenient payment options.
- Nurtured a safe, conducive, and empowering work environment, with a strong emphasis on our female colleagues, by upholding a strict zero-tolerance policy against sexual harassment and gender-based violence.

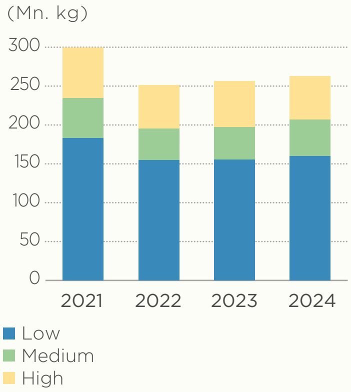
Planet

- Adopted regenerative agriculture principles, developing microclimates to strengthen our ecosystem against adverse weather and ensure long-term food production.
- Leveraged technology to improve harvesting and processing, utilising precision agriculture, drones for spraying and mapping, automated factory processes, and mechanised field operations to increase efficiency and yields.
- Engaged in soil health and input management to improve water holding capacity and nutrient availability
- Increased sustainable renewable energy generation
- Engaged in emission reduction by continued adoption of renewable energy and the systematic decrease of chemical fertilisers.
- Engaged in water footprint management Operating in diverse, ecologically rich areas, we protect natural ecosystems on our estates.

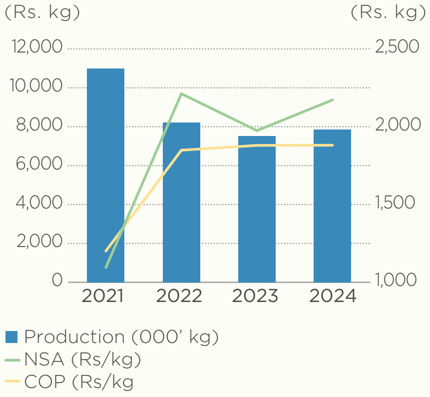
Plantations
Sector

Industry Overview

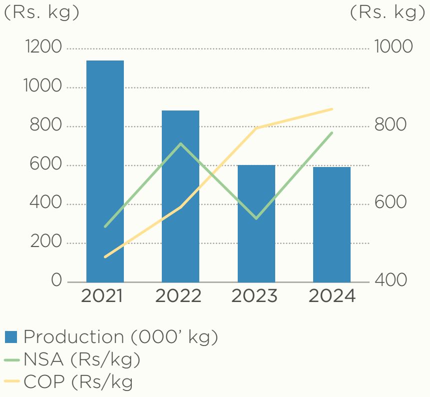
Sri Lanka Tea Production (Classification by Elevation)



Tea



Rubber



Tea

Globally, tea production increased by approximately 2.6%, slightly exceeding the growth in global consumption, which stood at around 2.5%.

Cumulative tea production for January-December 2024 totalled 262.16 million kgs, representing an increase of 6.07 million kgs from the 256.09 million kgs produced in 2023.

Production by Elevation:

Performance varied by elevation. High Grown production recorded a decline compared to both 2023 and 2022 figures. In contrast, Medium and Low Grown elevations recorded gains over 2023. Notably, all elevations, excluding High Growns, demonstrated positive growth when compared to 2022 production levels.

Exports:

Total tea exports for January-December 2024 reached 245.78 million kgs, marking a 3.87 million kg increase over the same period in 2023.

Pricing and Revenue:

Pricing trends showed mixed results influenced by currency fluctuations. The average Free On Board (FOB) value per kg was Rs. 1,763.61, a marginal decrease of Rs. 6.83 in LKR terms compared to 2023. However, largely due to the depreciation of the LKR, this same average FOB value rose by USD 0.45 in USD terms.

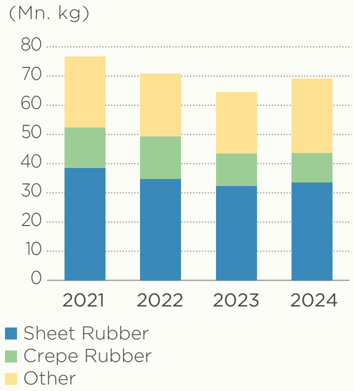
A key indicator of market strength, the Colombo Auction average reached USD 4.08 per kg in 2024. This notable figure stands as the second-highest annual average recorded in USD terms, trailing only 2017's record of USD 4.11 per kg.

Reflecting the positive movement in USD terms, the National Average for 2024 stood at Rs. 1,225.17 per kg, representing an increase of Rs. 53.88 in LKR terms and USD 0.49 in USD terms compared to 2023.

Rubber

Sri Lanka's overall export earnings increased by 7.0% YoY, reaching USD 11.67 billion in the eleven months ending November 2024. A significant factor in this growth was the strong performance of the Rubber and Rubber finished products sector.

Sri Lanka rubber prodcution



For the January-November 2024 period, export earnings from Rubber and Rubber finished products increased by 8.25% YoY to USD 920.81 Mn. This was primarily driven by 21.74%

Increase in the exports of industrial & surgical gloves of rubber. Despite this, the sector faced challenges with declining prices across various grades for the same 11 months. Notable decreases were recorded for grades including Latex Crepe 1X, Sheet Rubber grades (No. 1-4), and common Scrap Crepe varieties (such as 3X Brown and 4X Brown). The quantity offered at public auction also declined YoY.

PERFORMANCE

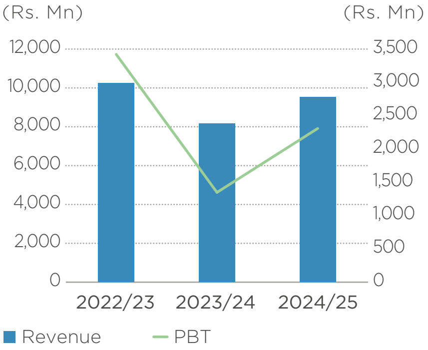
Despite ongoing global economic uncertainties and sector-specific challenges, the Plantation sector of Melstacorp PLC demonstrated strong resilience and delivered a commendable financial performance in FY 2024/25. The sector achieved a year-over-year revenue growth of 16.7%, reaching Rs. 9,530 million, supported primarily by favourable commodity prices for tea and rubber.

Profit before tax (PBT) showed a significant increase of 71.2% to Rs. 2,308 million, reflecting improved operational efficiencies and effective cost management amid rising input costs. This robust profitability was achieved despite the adverse impact of unfavourable exchange rate movements and a government-mandated wage increase, which exerted upward pressure on production costs.

All three plantation Companies under Melstacorp's umbrella-Balangoda, Madulsima, and Elpitiya-contributed to this positive growth trajectory, underscoring the sector's ability to navigate economic headwinds while strengthening its market position. The performance highlights the sector's adaptability and strategic focus on optimising productivity, maintaining quality, and enhancing value across its diverse portfolio of tea, rubber, palm oil, and other crop estates.

Rs. Mn	2025	2024	YoY Change
Revenue	9,530	8,169	16.7%
PBT	2,308	1,348	71.2%

Revenue & PBT



OUTLOOK

Melstacorp's Plantation sector is strategically positioned to drive sustainable growth and operational excellence amid a dynamic and evolving industry landscape. Anchored by the Group's core theme of stability, our commitment to innovation and adaptability ensures we can effectively navigate market fluctuations, regulatory changes, and emerging challenges.

We continue to enhance productivity and operational efficiency by adopting advanced agricultural practices and industry best practices that boost yields and overall estate performance. Parallel to this, we invest significantly in talent development, equipping our workforce with the skills and knowledge required to meet evolving demands and overcome sector-specific challenges.

Our holistic approach to estate management emphasises soil health, crop diversification, and optimal resource utilisation. This integrated strategy aims not only to increase tea production but also to champion sustainable practices and environmental stewardship, thereby supporting the sector's long-term viability and building resilience against the impacts of climate change.

While challenges such as climate variability, labour shortages, global market volatility, exchange rate fluctuations-particularly rupee appreciation-political interference, and union activities persist, Melstacorp's steadfast dedication to innovation, sustainability, and operational discipline positions us well to mitigate these risks and seize emerging opportunities.

A key area of opportunity lies in capitalising on the growing global demand for premium and sustainable plantation products-a trend Sri Lanka's tea sector is uniquely placed to benefit from despite ongoing climate risks and trade barriers. To realise this potential, our strategic focus centres on two core pillars:

- Value-Added Products: Expanding the production of premium offerings, including Organic Teas, Single Origin Garden Marks, and Ready-to-Drink (RTD) innovations that cater to discerning global consumers.
- Operational Resilience: Accelerating the adoption of field mechanisation and renewable energy solutions to reduce costs, improve efficiency, and minimise environmental impact.
- By embracing these strategies within a framework of stability, Melstacorp's Plantation sector is poised to sustain its vital socio-economic contributions while securing long-term growth

Financial Services Sector

The Financial Services sector is a cornerstone of Melstacorp Group's success, driving substantial revenue growth and expanding market share through continuous innovation and technology adoption. This sector comprises Continental Insurance Lanka Limited, Continental Insurance Life Lanka Limited (CILLL), the Aitken Spence Insurance sector, and MMBL Money Transfer.

Melstacorp's wholly owned subsidiaries, Continental Insurance Lanka Limited (General Insurance) and Continental Life Lanka Limited (Life Insurance), hold significant positions in the insurance market, providing comprehensive general and life insurance solutions. These subsidiaries complement the Group's diverse portfolio and contribute consistently to the sector's growth.

The Aitken Spence Insurance sector provides highly specialised services, including marine cargo insurance surveys and claims processing for internationally renowned insurers. It also offers insurance brokerage and consultancy services tailored to corporates and other clients. Notable principals include Lloyd's of London and W.K. Webster, reflecting the sector's strong international partnerships and expertise.

MMBL Money Transfer (Pvt) Ltd, a joint venture with Mercantile Merchant Bank, operates as an agent for leading global remittance brands including Western Union, MoneyGram, and Ria. This segment plays a vital role in facilitating timely inward remittances to migrant workers' families, representing three of the largest money transfer franchises in Sri Lanka. As a key player in the national economy, MMBL Money Transfer ensures efficient and secure cross-border fund transfers that support millions of households.

Together, these entities form a robust and diversified Financial Services sector that is integral to Melstacorp's broader strategy of sustainable growth and customer-centric innovation.

CONTRIBUTION TO GROUP

681
Employees

4%
Group Revenue

Rs. 201 Mn
Property, Plant & Equipment

KEY ACHIEVEMENTS

- Recognised as the fastest-growing Companies in both life and general insurance sectors
- The general insurance company holds a coveted 'A (lka)' rating from Fitch
- CILL earned the Great Place to Work® certification
- Established strategic MOUs with major banks

Opportunities	Risks/challenges
Expanding into underserved demographics and new geographic areas, such as rural communities and younger age groups, presents significant growth potential by broadening the customer base and increasing financial inclusion across diverse populations.	Managing the impact of inflation, fluctuating interest rates, and ongoing geopolitical uncertainty poses challenges for investment performance and pricing strategies, potentially affecting profitability and customer affordability.
Developing accessible microinsurance products tailored to low-income and marginalised groups can provide affordable financial protection, helping these communities manage risks while opening new revenue streams for the sector.	Bridging the insurance gap requires targeted consumer education, developing accessible and relevant insurance products, and building strong consumer trust to increase penetration and overcome market skepticism.
Innovating insurance coverage to address environmental risks-such as climate change impacts, natural disasters, and protection of sustainable assets-aligns with global sustainability trends and meets rising customer demand for responsible products.	Ensuring full compliance with complex and constantly evolving regulations related to data privacy, solvency requirements, and consumer protection demands continuous monitoring and adaptation, with significant operational and legal implications.
Moving beyond traditional claims processing by embedding health and wellness services within insurance plans enhances customer experience, promotes preventive healthcare, and fosters stronger long-term relationships and customer retention.	Defending against increasingly sophisticated cyberattacks is critical as the sector undergoes digital transformation, requiring robust cybersecurity measures to protect sensitive customer data and maintain system integrity amid legacy technology constraints.
Building strategic partnerships through bancassurance, retail outlets, and embedded insurance models increases distribution reach and convenience, allowing insurance products to be seamlessly integrated into customers' everyday financial and retail interactions.	Balancing the need for rapid, customer-focused claims processing with effective, data-driven fraud detection systems is essential to maintain customer satisfaction while safeguarding financial resources.
Leveraging artificial intelligence and data analytics enables highly customised, on-demand insurance offerings by improving risk assessment accuracy, streamlining underwriting processes, and providing tailored products that adapt to individual customer needs in real time.	Attracting skilled professionals in data analytics, technology, and digital innovation is crucial for future growth, alongside reskilling the existing workforce to adapt to evolving industry demands and technological advancements.

Financial Services Sector

People

- In 2024, CILL earned the Great Place to Work® certification.
- Maintained rigorous occupational health and safety programs to ensure a secure and risk-free environment for all employees.
- Empowered the team to take charge of their health by providing access to preventative care, including company-sponsored vaccination drives and wellness education.
- Recognising the importance of family and community by hosting engaging events that welcome employees and their loved ones, fostering a supportive and connected culture.
- Implemented anti-harassment, whistle-blowing, equal opportunity, child labour policies

Planet

- Implemented recycling programmes for key materials such as plastic and paper, while advancing a comprehensive "Zero Waste to Landfill" strategy.

Industry Overview

Navigating ongoing economic challenges, Sri Lanka's insurance industry emerged in 2024 with renewed momentum and notable resilience. Growth was spearheaded by the life insurance segment, which posted double-digit premium increases as demand for long-term savings and protection surged.

While the general insurance market held steady, the industry as a whole made significant strategic advances. Leaders fortified their capital positions and embraced digital transformation to boost efficiency and customer engagement. At the same time, new initiatives in bancassurance and micro-insurance expanded the industry's reach. This progress was underpinned by key regulatory reforms, including the implementation of IFRS 17, which ushered in an era of greater transparency. Ultimately, 2024 was a pivotal year of consolidation, setting a robust foundation for a more modern, accessible, and tech-powered insurance landscape.

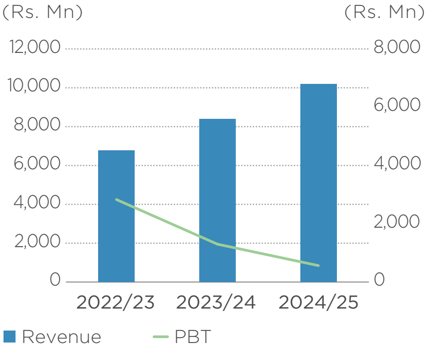
PERFORMANCE

The Financial Services sector recorded a revenue of Rs. 10,187 million in FY 2024/25, representing a strong 21% year-on-year growth from Rs. 8,405 million in the previous year. However, Profit Before Tax declined to Rs. 565 million from Rs. 1,300 million, reflecting a 57% decrease, largely due to increased investment in growth initiatives and digital transformation.

CILL's delivered notable results, with the General Insurance division achieving 18% revenue growth, supported by solid profitability and a healthy solvency margin. CILL Life Assurance reported exceptional performance, with revenue surging by 199% and the business turning profitable in its early growth phase — a significant milestone for the segment.

Rs. Mn	2025	2024	YoY Change
Revenue	10,187	8,405	21%
PBT	565	1,300	-57%

Revenue & PBT



During the year, CILL advanced its strategic priorities in market expansion, operational excellence, and stakeholder engagement. Key achievements included forging strategic bancassurance partnerships with leading banks and implementing a comprehensive Digital Transformation Roadmap aimed at enhancing operational efficiency and customer experience. The company's strong people-focused culture was recognised through the prestigious Great Place to Work® certification, supported by positive feedback from over 610 employees.

CILL also strengthened its commitment to sustainability and community welfare through its "Share & Care" initiative. This encompassed environmental stewardship with a "Zero Waste to Landfill" target, robust governance frameworks, and impactful social outreach, including the provision of over 700 aid packs to hospital patients and the continuation of long-term educational support programmes.

OUTLOOK

Melstacorp's Financial Services sector is positioned to achieve steady and sustainable growth by embracing stability as a core principle amid a rapidly evolving industry landscape. The sector's commitment to robust governance, prudent risk management, and continuous innovation ensures resilience against economic fluctuations, regulatory changes, and emerging market challenges.

By focusing on customer-centric solutions and leveraging technology, the sector aims to deepen market penetration and expand its product portfolio while maintaining operational excellence. Strategic investments in digital infrastructure and cybersecurity fortify the foundation for secure and efficient service delivery, enhancing customer trust and long-term loyalty.

Recognising the importance of compliance, the sector prioritises adherence to evolving regulatory frameworks related to data privacy, solvency, and consumer protection, reinforcing its reputation as a responsible and reliable service provider. This stability is further supported by ongoing efforts to bridge the insurance gap through education and accessible product offerings tailored to underserved communities.

The sector is also focused on building a future-ready workforce by attracting top talent and investing in upskilling initiatives, ensuring agility and adaptability in the face of technological disruption and market shifts. Partnerships across bancassurance, retail, and embedded insurance channels will strengthen distribution networks and create more seamless customer experiences.

Sustained investment in data analytics and artificial intelligence will enable the delivery of highly customised, on-demand products, driving both growth and operational efficiency. Together, these efforts position Melstacorp's Financial Services sector to navigate uncertainty with confidence, delivering stable value to customers, stakeholders, and the broader economy.

Strategic Investments Sector

The Strategic Investments sector of Melstacorp has strengthened and diversified its portfolio by expanding its presence across economically significant industries. This sector comprises three key segments-power generation, apparel manufacturing, and printing and packaging-each contributing meaningfully to Sri Lanka's economic growth and development.

- **POWER GENERATION –** A pioneer in private sector–led energy projects, the Group operates wind, solar, hydro, and waste-to-energy plants, collectively supplying over 117.7 GWh of electricity to the national grid.
- **APPAREL MANUFACTURING –** Established in 1977, the Group is among the earliest apparel manufacturing enterprises in Sri Lanka. Today, it operates three Companies producing premium-quality apparel for leading global fashion brands.
- **PRINTING AND PACKAGING –** Through Aitken Spence Printing & Packaging (Pvt) Ltd. and Ace Exports (Pvt) Ltd., this segment delivers high-quality, sustainable printing solutions across a diverse portfolio that includes packaging, publications, tags, labels, and seasonal products.

CONTRIBUTION TO GROUP

8,570 Employees	4% Group Revenue	Rs.24,381Mn Property, Plant & Equipment

KEY ACHIEVEMENTS

APPAREL SECTOR

- Commencement of operations at the knit manufacturing units in the Koggala EPZ.
- Investment in advanced laminating and window patching technology to strengthen capacity and meet growing demand in the printing and packaging segment.
- Carbon neutral certification obtained for all apparel production facilities (2024/25).
- Ace Apparels achieved a Sri Lankan first: certification under the revised OEKO-TEX Organic Cotton standard (verifying organic cotton and environmental/social compliance).
- Expanded into direct exports and flexible packaging.
- Secured key customers in new apparel markets, supporting diversification.
- Apparel manufacturing diversified beyond woven products into knitwear, expanding portfolio and customer reach.

POWER SECTOR

- Western Power Company (Pvt) Ltd (WPC), took over operations and maintenance of Sri Lanka's first waste-to-energy power plant from the previous contractor.
- Obtained approval from the Sri Lanka Sustainable Energy Authority to import solar panels, advancing renewable energy efforts.
- Generated 645,523 GJ of green energy for the national grid from a 22.1 MW renewable energy portfolio.
- Facilitated the disposal of 178,859 metric tons of municipal solid waste through the waste-to-energy plant's operation.

PRINTING AND PACKAGING SECTOR

- Won the Lanka Star 2024 Platinum Trophy from the Sri Lanka Institute of Packaging (SLIP), along with 4 Gold, 7 Silver, and 16 Bronze awards.
- Received Bronze awards in the digital printing category at both the Asian Packaging Excellence Awards (APEA) in Vietnam and the Asian Print Awards (APA) in Indonesia.
- Recognised with two awards at the Asia Star 2024 Awards by the Asian Packaging Federation (APF), honouring its packaging excellence. As Asia Star recipients are "the Best of the Best" national winners across Asia, these accolades highlight significant achievement

Opportunities	Risks/challenges
• Rising demand for clean and renewable energy creates avenues for capacity expansion in wind, solar, hydro, and waste-to-energy projects.	• Regulatory and policy uncertainties in energy markets, including changes to tariff structures, tax regimes, and renewable energy incentives.
• Alignment with Sri Lanka's national transition toward a low-carbon economy strengthens long-term policy support and potential incentives.	• Currency fluctuations and macroeconomic volatility impacting the cost of imported machinery, raw materials, and components.
• Overseas geographical diversification leveraging over 20 years of power generation expertise to access emerging and mature renewable energy markets.	• Intensifying competition in renewable energy and sustainable packaging markets from both domestic and international players.
• Growing global and local demand for sustainable packaging driven by heightened ESG commitments across key end markets.	• Supply chain disruptions for critical inputs such as specialty fabrics, biodegradable materials, and printing inks.
• Opportunity to lead the shift toward biodegradable, compostable, and recycled materials, catering to evolving customer and regulatory requirements.	• Technology obsolescence risk if emerging energy storage or printing innovations outpace current capabilities.
• Anticipated e-commerce sector growth boosting demand for innovative, durable, and eco-friendly packaging solutions.	• Environmental and climate risks, including extreme weather events, affecting renewable energy generation and apparel supply chains.
• Rising global fashion industry demand for ethical and sustainable apparel manufacturing, enabling expansion into niche, high-value markets.	• Shifting customer preferences and evolving ESG compliance standards requiring continuous innovation and investment.
• Advancements in digital printing and packaging technologies offering enhanced customisation, cost efficiency, and reduced environmental footprint.	• Geopolitical risks in overseas power generation markets that could affect operations, partnerships, and returns.

Strategic Investments Sector

People

- Invested heavily in talent development and training programmes to build leadership pipelines and become an employer of choice.
- Significantly contributes to local economic development in rural communities through:
  - Creating stable employment opportunities.
  - Promoting gender inclusion
  - Supporting skills development

Planet

- All apparel production facilities received carbon neutral certification for 2024/25.
- Ace Apparels became the first Sri Lankan garment manufacturer certified under the revised OEKO-TEX Organic Cotton standard, verifying the use of organic cotton and adherence to global environmental and social standards.
- Invested in a sewerage treatment plant with a capacity of 5000 m^3 per annum.

Power		
Company & Location	**Type**	**Installed Capacity**
Ace Power - Embilipitiya	Thermal	100 MW
Ace Wind Power - Ambewela	Wind	3 MW
Branford Hydro Power - Matale	Hydro	2.5 MW
Western Power - Wattala	Waste to Energy	10 MW
Waltrim - Lindula	Hydro	6.6 MW
Sagar Solar - Hambantota	Solar	10 MW
Bogo Power - Bogawantalawa	Hydro	4 MW

Apparel	
Koggala	• ISO 9001 2015
Matugama	• Sedex registered supplier • Gold Certificate of Compliance-Worldwide Responsible Accredited Production

Printing
• LEED Gold • Certified facility • ISO 9001, ISO14001 and ISO 45001 certifications • Sedex member ethical audit by SMETA • Intertek certificate for ethical business practices and health and safety. • FSC Certification
ISO 9001:2015 | ISO 14001:2015 ISO 9001:2005

INDUSTRY OVERVIEW

Apparel Sector

Shaped by global economic volatility, trade disruptions, and internal cost pressures, Sri Lanka's apparel sector faced significant challenges in 2024. Subdued global demand, the appreciation of the Sri Lankan Rupee, and increasing energy and wage costs collectively impacted competitiveness, especially when compared to regional players such as Bangladesh and Vietnam. Despite these difficult conditions, the sector exhibited resilience, with earnings increasing by 5.6% in 2024, contrasting sharply with the 19% decline recorded during the previous year.

Printing and Packaging Sector

The printing and packaging industry benefited from a gradually improving domestic economy, with increased retail demand and export volumes boosting demand during the year. Simultaneously, the industry is transforming significantly due to growing sustainability demands, technological advancements, and evolving consumer expectations. This shift towards eco-friendly packaging, driven by environmental awareness and regulations, has Companies increasingly adopting biodegradable, compostable, and recycled materials. Consequently, paper-based alternatives are emerging as a key growth area to replace traditional plastic packaging.

Power Sector

The country's overall electricity generation during the year comprised 32.3% hydro, 13.9% fuel, 32.6% coal, and 21.2% Non-Conventional Renewable Energy (NCRE) sources. Concurrently, the Ceylon Electricity Board (CEB) maintained profitability in 2024, which facilitated the normalisation of payments to independent power producers.

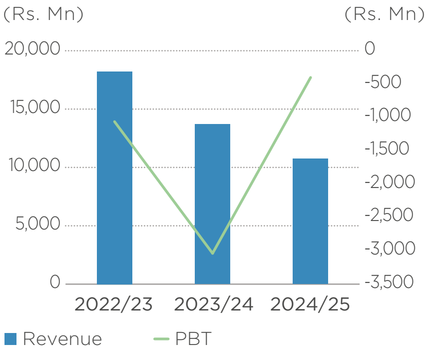
PERFORMANCE

The Strategic Investments sector contributed Rs. 10.8 billion to the Group's total revenue in FY 2024/25, representing 4%. Although the printing and packaging segment achieved notable growth, this was offset by revenue declines in power generation and apparel, leading to an 20% contraction in the sector's overall revenue.

This contraction was largely attributed to the thermal power plant's non-operation and a significant downturn in the apparel business. Despite the revenue challenges, the combined performance of the plantations, printing and packaging, and power generation segments improved their profit before tax compared to the prior year, resulting in a substantial 87% reduction in the sector's overall loss.

Rs. Mn	**2025**	2024	YoY Change
Revenue	10,753	13,400	-20%
PBT	(401)	(2,986)	87%

Revenue & PBT



Printing and packaging recorded strong 14.1% revenue growth due to local economic recovery, increased exports, and revived retail demand. Power generation improved, benefiting from higher hydro power and clearing of CEB payments. Plantations performed solidly with 6.8% revenue growth, supported by good weather and better net sale averages for crops including tea. Conversely, the sector was negatively impacted by the apparel manufacturing segment, which recorded a 12.4% revenue decline and a substantial loss. However, ongoing transformations to broaden the apparel segment's products and customer base are expected to improve its contribution in the next year.

Strategic Investments Sector

OUTLOOK

Melstacorp's Strategic Investments sector is entering a phase of deliberate, stability-driven transformation designed to ensure sustained growth, resilience, and long-term competitiveness. The portfolio is being realigned to balance near-term performance with long-term value creation, leveraging sectoral strengths while building adaptability to navigate market volatility and regulatory shifts.

In the apparel segment, global trade challenges, shifting consumer expectations, and the tightening of environmental and labour regulations-particularly in the EU-are accelerating a pivot from traditional, volume-driven manufacturing to value-enhanced, design-led production. The focus is on expanding into higher-margin markets, embedding advanced automation and digitalisation to boost efficiency, and meeting stringent sustainability and traceability standards that will differentiate Melstacorp in an increasingly competitive global apparel industry.

The power generation segment has achieved a critical milestone with its complete transition from thermal power to a 100% renewable energy portfolio. Future growth will be anchored in solar, wind, and waste-to-energy projects, supported by strategic investments in energy storage solutions, smart grid integration, and emerging clean technologies. These initiatives are aimed at strengthening the reliability of supply, improving cost efficiency, and reinforcing the Group's net-zero commitments, while also creating potential to enter new regional markets where renewable energy demand is rising.

In printing and packaging, the focus is on enhancing operational agility to withstand external trade disruptions and fluctuating demand patterns. Strategic initiatives include productivity optimisation, investment in advanced printing technologies, and the development of innovative, eco-friendly packaging solutions. The segment is actively exploring diversification into high-growth adjacent markets such as e-commerce packaging and specialty product lines, reducing reliance on cyclical demand from traditional industries and building a more stable earnings base as the broader economy recovers.

Across all segments, the Strategic Investments sector will continue to emphasise stability through diversification, operational excellence, and sustainability integration-ensuring it remains a resilient contributor to Melstacorp's long-term growth story.

Services Sector

The Services Sector of Melstacorp comprises a strategically significant and diverse portfolio spanning property management, healthcare, elevator agency, business process outsourcing (BPO), and technology services. These businesses operate in high-growth areas, delivering specialised solutions supported by strong partnerships with global principals. The sector continues to leverage its expertise to drive value, operational excellence, and customer satisfaction across all its service verticals.

During the year, the portfolio was further strengthened with the addition of BPO services, expanding Melstacorp's reach into knowledge-driven operations. The elevator agency, representing OTIS, continues to provide safe, reliable, and energy-efficient vertical transportation systems, backed by over three decades of market leadership in the country's construction sector. The property management division ensures optimal value, maintenance, and functionality of real estate assets, while the BPO and technology segments enhance client efficiency through advanced process management and digital innovation. The healthcare segment focuses on improving patient care, clinical outcomes, and operational efficiency through modern facilities and technology.

CONTRIBUTION TO GROUP

2,927	1%	Rs.4,945Mn
Employees	Group Revenue	Property, Plant & Equipment

- **PROPERTY MANAGEMENT –** Oversees landmark assets such as Aitken Spence Towers, a premier commercial complex in Colombo's central business district with over 200,000 sq. ft. of premium office space, serving as the corporate headquarters for Aitken Spence PLC, subsidiaries, and other key tenants. In addition, Melsta Properties manages Melsta House and Melsta Towers, with a land portfolio of 4,203 perches and buildings spanning 230,000 sq. ft.
- **HEALTHCARE –** Operates Melsta Hospital Ragama, a 75-bed, multi-specialty healthcare facility offering advanced diagnostic, medical, and surgical services. The hospital is equipped with state-of-the-art medical technology to deliver high-quality patient care.
- **ELEVATOR AGENCY –** With over 30 years of expertise in vertical mobility, the segment supplies elevators and escalators through a strong partnership with Otis, a global leader in people mobility solutions, reinforcing its reputation in the construction and infrastructure sector.
- **BUSINESS PROCESS OUTSOURCING (BPO) –** Includes Port City BPO (Pvt) Ltd, licensed to operate within Port City Colombo, and Belvantage, a provider of comprehensive call centre solutions, core insurance software platforms, and 4G device repair services.
- **TECHNOLOGY –** Offers a broad range of services including contact centre hosting, data processing, software development, quality assurance, and IT consulting, enabling digital transformation and operational efficiency for clients across sectors.

Backed by Melstacorp's strong governance and financial stability, the Services Sector is well-positioned to expand its market presence, deepen customer relationships, and capture growth opportunities across its diversified service portfolio.

Services Sector

KEY ACHIEVEMENTS

PROPERTY SECTOR

- Aligned property maintenance initiatives with ISO standards, integrating environmental impact control, energy management, and occupational health and safety into one system.
- Launched a fully automated car gate barrier system to improve vehicle entry/exit efficiency, reduce congestion, and enhance site security.

ELEVATORS

- Pioneered technological innovation with the launch of "Glidevision Pro" to introduce elevator-based digital advertising.
- Deployed Otis ONE™ IoT-based predictive maintenance optimising real-time elevator monitoring and thereby reducing downtime.
- Achieved record-breaking equipment sales in the Maldives, marking a significant commercial milestone.
- Completed and handed over three major projects – ITC Hotel Tower, Trizen Towers, and 606 The Address – reinforcing the segment's project delivery capabilities.

Opportunities	Risks/challenges
• Increase in demand for premium commercial space in urban hubs. • Opportunities for regional expansion through strategic partnerships and joint ventures. • Expansion of client networks across property management, healthcare, BPO, and technology services. • Access to an educated and skilled talent pool for specialised service delivery. • Growth in the construction sector, driving demand for elevators, escalators, and related services. • Rising demand for advanced healthcare facilities with state-of-the-art technology. • Increasing adoption of outsourcing solutions in BPO and IT to improve business efficiency. • Growing opportunities for technology-enabled services such as software development, data analytics, and contact centre hosting.	• Economic volatility impacting demand for commercial real estate, healthcare services, and outsourced solutions. • Risk of decreased rental demand, higher vacancies, and fluctuations in property values or rental rates. • Healthcare sector resource drain due to difficulty recruiting medical, nursing, and support staff, coupled with wage increases for healthcare professionals impacting profitability. • Talent retention challenges in skilled areas such as BPO, IT, elevator technicians, and healthcare, driven by global opportunities and competitor poaching. • Exposure to physical risks including fire, natural disasters, and vandalism affecting property assets. • Delays or downturns in the construction sector reducing demand for elevators, escalators, and related services. • Risk of reliance on external expertise for specialised technical and professional services. • Regulatory and tax compliance risks, including potential penalties for non-compliance. • Unexpected capital or operational expenses impacting cash flow and profitability. • Rapid technological change in IT and BPO sectors requiring continual investment in upgrades and innovation.

People

- Digitalised recruitment for specialised BPO talent.
- Invested in employer branding for critical talent attraction.
- Offered flexi-time and hybrid work for skilled employee attraction/retention.
- Reviewed compensation and benefits to retain key talent.
- Talent development was strengthened through partnerships with recognised vocational training providers, structured programs aligned with industry standards, building long-term technical capacity, and enhancing workforce resilience for future demands.
- Strengthening international business opportunities.

Planet

- Adopting energy-efficient practices in property maintenance.
- Promoting waste segregation and recycling within buildings.
- Focusing on enhancing tenant experience through smart infrastructure.

OPERATIONS

Property Management

Aitken Spence Towers	• 194,000sq.ft of modern commercial space
Melsta Properties/ Melsta Towers/ Melsta House	• 4,203 Perches land and 230,861sq.ft building

Healthcare

Melsta Hospitals	• 75 beds hospital located in Ragama

Elevators Agency

Agents for OTIS elevators, escalators and moving walkways in Sri Lanka and the Maldives

Business Process Outsourcing

Bellvantage (Pvt) Ltd	• Call Centre Services • Hosted Contact Centre Solutions
Port City BPO (Pvt) Ltd	• Open-Source Apps • IT Consultancy

Technologies

Melsta Technologies (Pvt) Ltd	• IT Infrastructure • Cyber Security • Enterprise Cloud Solutions • IT Managed Services

Services Sector

Industry Overview

The Services sector demonstrated resilience throughout the pandemic and crisis years, consistently recording year-on-year growth. It accounted for nearly 60% of the economy in 2023. However, its contribution moderated in 2024 as the industrial sector achieved healthy growth. The employment in the services sector increased YoY until 2024, powering the growth of the sector.

Healthcare Sector

Sri Lanka's health sector gradually returned to normalcy in 2024, despite resource limitations. The country's private healthcare sector has grown significantly over the last two decades, now employing an estimated 38,000 personnel and offering essential services. A key driver of this expansion is the permission for state-sector healthcare professionals to engage in private practice. While the sector offers vital services, high costs remain an ethical concern. During 2024, efforts continued to uplift and upgrade the healthcare system and services.

Business Process Outsourcing

Sri Lanka's Business Process Outsourcing (BPO) sector has grown remarkably over the past decade and is expected to peak by 2025. Growth is driven by technological advancements, government support, and a skilled workforce. Businesses capitalising on emerging trends and investing in technology will thrive as the sector evolves.

Property Management

Sri Lanka's property market, previously hampered by regulatory policies, economic volatility, and rising costs, is expected to perform well in the coming years. The market is currently improving, partly due to stabilising interest rates, with housing loan rates significantly decreasing from past highs. Lower fixed income rates are also driving a shift towards real estate and other investments. Demand is observed across all segments (lower, middle, and higher ends), and this positive traction is expected to continue. Stability in the coming years is anticipated to drive a transformation in the property market.

Elevators

After two years of decline, the Sri Lankan market for elevators and conveyors (excluding pneumatic, belt- or bucket-type) rose for the second year in a row in 2024. Counter to this market increase, overall consumption, however, experienced a noticeable slump, failing to regain its previous peak level. From 2017 to 2024, the market's overall growth trajectory lacked momentum. Notably, in 2024, the volume of exports from Sri Lanka surged.

PERFORMANCE

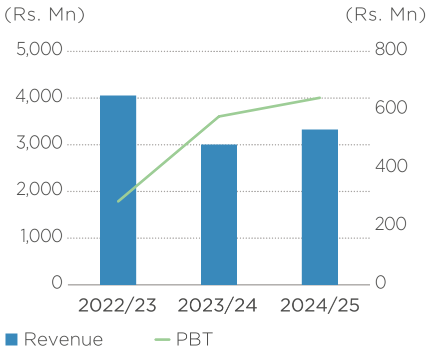
The Services Sector recorded a 11% revenue increase to Rs. 3,322 Mn (2023/24 – Rs. 3,000 Mn), mainly due to the classification of Melsta Laboratories' revenue under discontinued operations following the cessation of laboratory operations during the year. Despite the lower revenue, sector profitability improved significantly, with Profit Before Tax increasing by 11% to Rs. 641 Mn (2023/24 – Rs. 577 Mn), reflecting improved margins and operational efficiencies across several business units.

Melsta Hospitals Ragama delivered year-on-year revenue and profit growth, supported by infrastructure upgrades and service enhancements aimed at improving patient care and operational efficiency. The Property Management segment maintained stable revenue but reported lower profit, mainly due to a reduction in other operating income.

The elevator business achieved record equipment sales in the Maldives and successfully completed major projects including the ITC Hotel Tower, Trizen Towers, and 606 The Address. Strategic initiatives included launching the Glidevision Pro digital advertising platform, offering modernisation packages, expanding maintenance services to non-OTIS elevators, and deploying the Otis ONE™ IoT platform. The segment also secured consultancy assignments in the Middle East and invested in talent development through CINEC Campus partnerships. However, performance was impacted by a significant cost

Rs. Mn	2025	2024	YoY Change
Revenue	3,321	3,000	11%
PBT	641	577	11%

Revenue & PBT



overrun on a delayed hotel project, delayed public sector payments, limited access to capital, rising equipment import costs, and elevated interest expenses.

The Bellvantage-BPO Division continued to deliver professional services in contact centre management, human resource outsourcing, and other value-added solutions to a diverse portfolio of local and international clients. Revenue recorded steady growth during the financial year 2024/25, supported by a well-diversified customer base. However, despite this topline growth, gross profit declined due to higher depreciation and amortisation arising from IT infrastructure investments, together with inflationary pressures and increased human resource costs. As a result, profit before tax also recorded a decline.

The Services Sector's performance in FY 2024/25 underscores the resilience of its diversified portfolio, with robust profit growth achieved despite revenue headwinds and challenges in certain segments.

OUTLOOK

The Services sector anticipates continued growth driven by new BPO operations and recovery in other segments.

Elevators

Having streamlined operations, the segment demonstrates agility and innovation in seeking complementary revenue streams. Its growth is expected to be fuelled by projected construction sector expansion in 2025. Prospects are anticipated to improve with this recovery, aided by new services gaining traction and digitalisation supporting newly introduced services are likely to gain traction, and digitalisation will support remote monitoring of elevators to identify potential issues. Plans include diversifying into third-party maintenance, leveraging specialised expertise and capacity. The segment intends to improve its performance significantly in the year ahead by implementing enhanced project and cost management strategies. Additionally, the elevator segment supports socio-economic development by upskilling youth for global careers in installation and maintenance through collaboration with the CINEC Campus.

Business Process Outsourcing

The BPO expansion is a key growth driver, expected to accelerate, adding over 1,000 employees and new clients in 2025, with future plans to relocate to Port City and expand internationally, creating significant local jobs. Although BPO growth may increase overall energy consumption, efficiency improvements across the sector are expected to reduce energy intensity ratios. While challenges exist with Port City's undeveloped infrastructure, we are collaborating with authorities and building understanding among stakeholders to mitigate first-year bottlenecks. The projects hold significant potential benefits for the country, particularly in retaining and nurturing future talent.

Healthcare

Driven by demographic shifts and increasing health concerns, the private healthcare sector is expected to experience sustained growth. The ageing population and rising prevalence of non-communicable diseases will continue to fuel demand for advanced medical services. This presents a significant opportunity for local healthcare providers to capture market share by enhancing service quality and retaining patients who might otherwise seek treatment abroad.

Property Management

The property market is projected to perform favourably moving forward, fuelled by demand across all segments. This strong traction is anticipated to persist, supported by the new government's strong mandate for positive performance. The expected stability over the next few years is poised to facilitate a significant transformation in the market.

Managing Our Resources

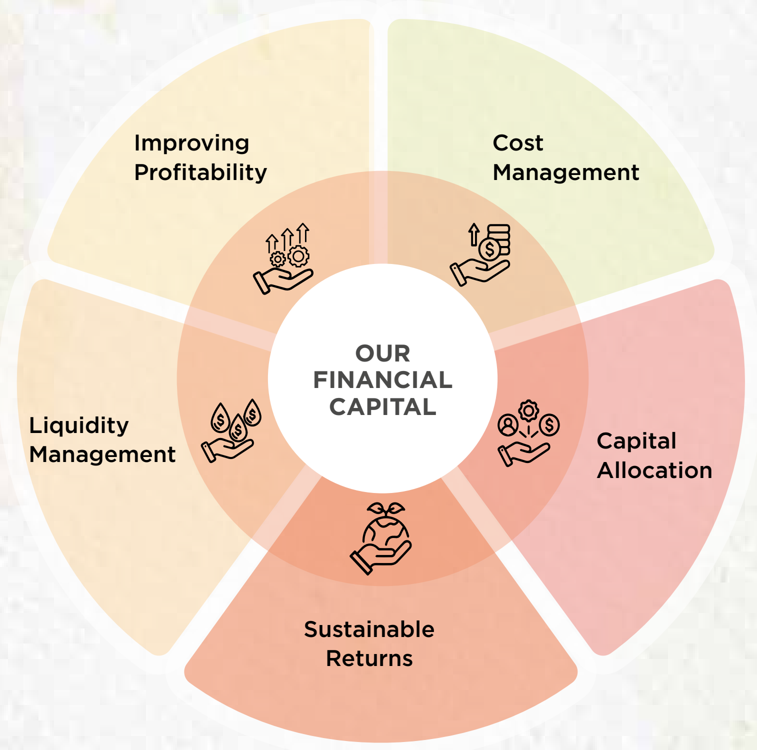
THE NETWORK OF STRENGTH

At Melstacorp, our resources are the foundation of long-term success. From our people and culture to our systems and infrastructure, these core elements provide the stability that underpins all we do. We invest in strengthening our capabilities, nurturing talent, and building resilient platforms that support both current performance and future growth. Though often unseen, these essential components power our operations-ensuring we remain grounded, agile, and built for the long term.

Roots anchor the tree and draw essential nutrients from the soil, fuelling its growth and stability. They operate below the surface-storing energy and sustaining the entire system. Their strength determines the tree's ability to weather storms and continue to thrive. Though hidden from view, roots are fundamental to the tree's resilience, longevity, and capacity for sustained growth.

Financial Capital

> Melstacorp PLC delivered a resilient performance in the financial year ending 31 March 2025, achieving strategic growth despite a challenging economic landscape. Our success was driven by disciplined financial management, efficient capital allocation, and a sharp focus on sustainable returns. These core principles ensured operational excellence and robust liquidity across the Group, establishing a solid foundation for continued growth.”



OUR FINANCIAL CAPITAL

Improving Profitability

Cost Management

Capital Allocation

Sustainable Returns

Liquidity Management

EARNING

Rs.261Bn	Revenue
Rs.22.2Bn	PAT
Rs.44.7Bn	EBIT
Rs.40.3Bn	PBT

LIQUIDITY AND FUNDING

34.59	Debt to Equity Ratio
1.09	Current Ratio
5.56	Interest Cover
0.65	Quick Asset Ratio

PROFITABILITY

48.06%	Gross Profit Margin
13.1%	Net Profit Margin
26.3%	Operating Margin
0.69	Asset Turnover

VALUE TO SHAREHOLDERS

Rs.14.67	Earnings per Share
8.66	PE ratio
Rs.113.51	Net Asset per Share
Rs.127	Market Price per Share

A YEAR OF EXCEPTIONAL SHAREHOLDER RETURNS

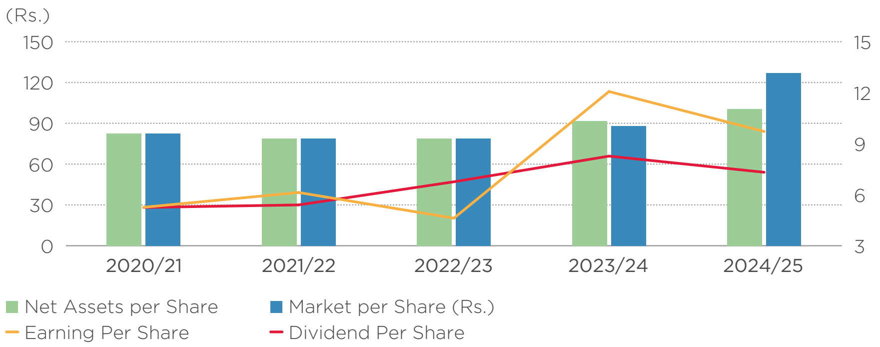
In the 2024/25 financial year, Melstacorp delivered substantial value to our shareholders, driven by strong operational performance and stringent cost discipline. This success is reflected in our key metrics:

- **Earnings Per Share (EPS):** Increased 78% to Rs. 14.67
- **Net Assets Per Share:** Grew 14.7% to Rs. 113.51
- **Market Price Per Share:** Advanced 44% to Rs. 127.00

Moreover, we maintained our commitment to direct returns, issuing a consistent dividend of Rs. 7.32 per share.

These results were achieved by leveraging our diversified portfolio to overcome industry headwinds. We defended our market leadership in distilled spirits, capitalised on growth in the beer segment, and implemented operational efficiencies to mitigate cost pressures. Our agility in responding to economic shifts, regulatory changes, and consumer trends ensures we are not only delivering today but are also building a foundation for sustained long-term value creation.

Key Indicators



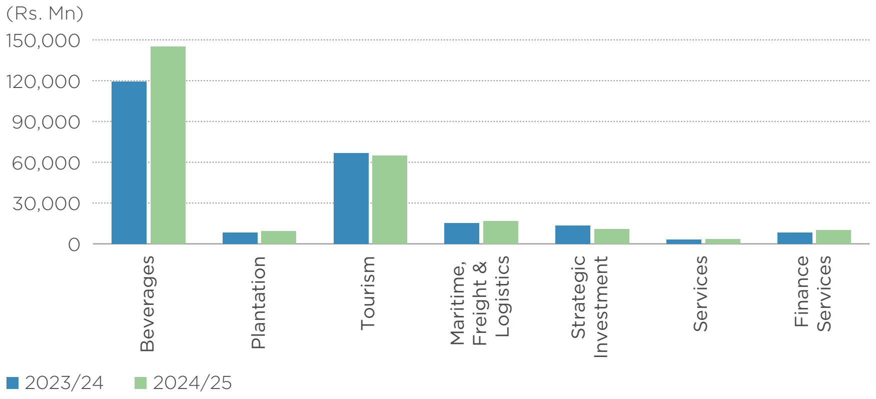
REVENUE

Melstacorp PLC recorded a total gross revenue of Rs. 260.9 billion for the FY 24/25, an 11.5% increase from the previous year's Rs. 234.0 billion. This growth demonstrates the strength of our diversified model, which allowed us to capitalise on opportunities in key segments while navigating macroeconomic pressures.

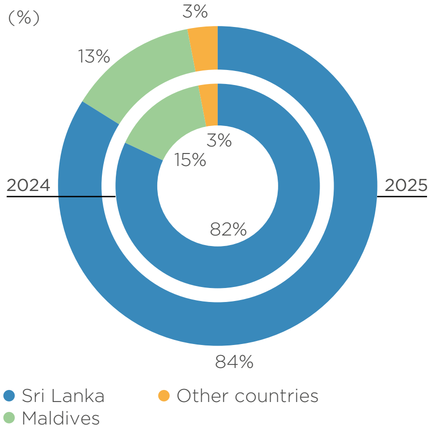
Sector Revenue Performance

Sector	Revenue (FY 2024/25)	Revenue (FY 2023/24)	% Change	Remark
Beverage	Rs. 145.2 Bn	Rs. 119.2 Bn	+21.8%	As the largest revenue contributor, the sector's growth was driven by strong brand loyalty and extensive market reach, successfully cushioning the impact of rising excise duties.
Tourism	Rs. 65.0 Bn	Rs. 66.6 Bn	-2.4%	Revenue was marginally lower due to the appreciation of the rupee and a decline in cruise ship calls linked to the Red Sea conflict.
Maritime, Freight & Logistics	Rs. 16.9 Bn	Rs. 15.2 Bn	+11%	Higher trade volumes and improved operational efficiencies were key drivers of this sector's solid performance.
Plantation	Rs. 9.5 Bn	Rs. 8.2 Bn	+16.7%	Revenue increased, supported by favourable commodity prices and productivity gains from mechanisation and replanting programmes.
Financial Services	Rs. 10.2 Bn	Rs. 8.4 Bn	+21.2%	Robust customer acquisition and disciplined risk management fuelled another year of strong growth.
Strategic Investments	Rs. 10.8 Bn	Rs. 13.4 Bn	-19.8%	The decline reflects lower apparel manufacturing volumes and the absence of revenue from a non-operational thermal power plant.
Services	Rs. 3.3 Bn	Rs. 3.0 Bn	+10.7%	Delivered stable growth, supported by consistent demand for business services.
Total Group Revenue	Rs. 260.9 Bn	Rs. 234.0 Bn	+11.5%	

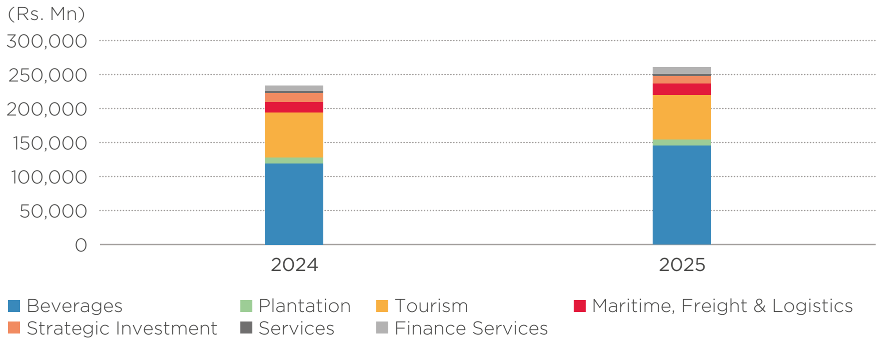
Business Segment Analysis - Revenue



Geographical Segment Analysis of Gross Revenue - Group



Business Segment Analysis - Revenue



OPERATING EXPENSES

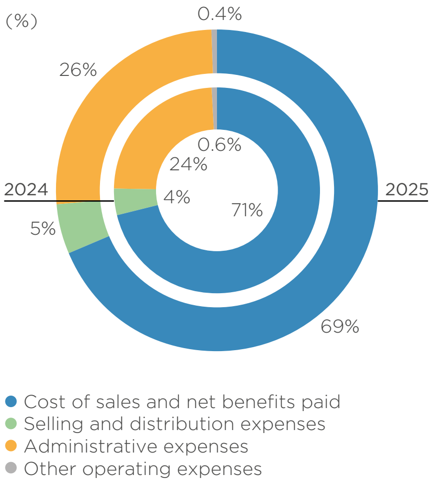
In a year marked by significant cost pressures, including a 35% wage hike in our plantation business, we demonstrated financial discipline by holding our total operating expenses flat at Rs. 128.4 billion.

This was a result of strategic reallocation. We deliberately increased our investment in marketing and distribution by 40% to fuel growth in our Tourism and Beverage sectors. This targeted spending was more than offset by a 2.5% reduction in our Cost of Sales, achieved through procurement efficiencies, and a sharp 78% drop in other operating costs. This disciplined approach allowed us to absorb inflationary pressures on administrative expenses while protecting our overall profitability and operating margins.

Breakdown of Operating Expenses

Expense Category	FY 2024/25	FY 2023/24	% Change
Cost of Sales	Rs. 88.10 Bn	Rs. 88.46 Bn	-0.4%
Administrative Expenses	Rs. 32.76 Bn	Rs. 30.01 Bn	+9.2%
Selling & Distribution	Rs. 6.99 Bn	Rs. 4.84 Bn	+44.5%
Other Operating Expenses	Rs. 0.54 Bn	Rs. 0.70 Bn	-23%
Total Operating Expenses	Rs. 128.39 Bn	Rs. 124.01 Bn	+3.5%

Operating Expenses



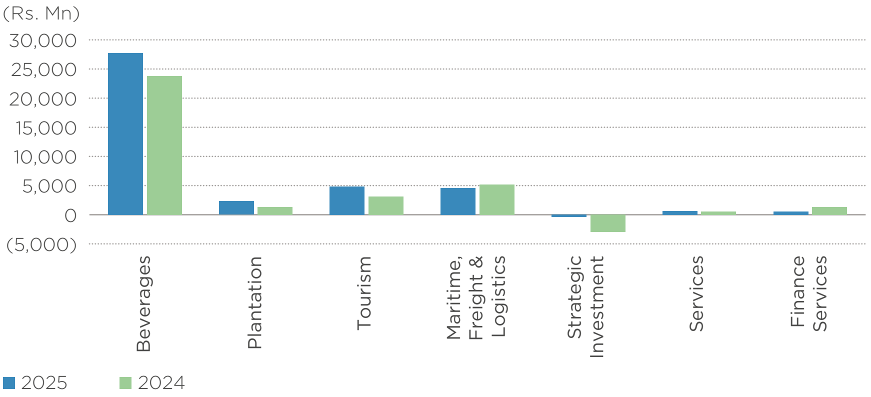
PROFIT BEFORE TAX

The Group's Profit Before Tax surged by 25%, a result powered by strong gains across our diversified portfolio and a significant operational turnaround.

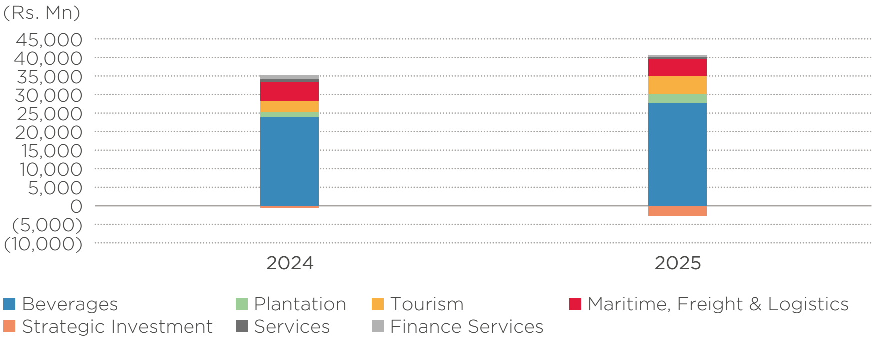
Key Profit Drivers:

- **Beverage:** Our largest sector continued its strong trajectory, driven by robust demand, cost optimisation, and expansion into the beer market.
- **Tourism:** Profitability soared due to higher hotel occupancy and improved performance from overseas properties.
- **Plantation:** An exceptional year fuelled by favourable commodity prices and productivity gains from mechanisation.
- **Strategic Investments:** The sector's loss was reduced from nearly Rs. 3 billion last year, due to the recovery of our waste-to-energy project.
- **Finance Services:** Profit was impacted by a higher claims ratio and the effects of a lower interest rate environment on investment income.
- **Maritime, Freight & Logistics:** Performance was down slightly due to margin pressures and evolving trade patterns.

Business Segment Analysis Profit/ (Loss) for the Year



Business Segment Analysis Profit/ (Loss) for the Year



TAXATION

The Group's tax expense rose to Rs. 18.0 billion, reflecting a 7.4% increase consistent with the strong earnings growth achieved across our core business sectors.

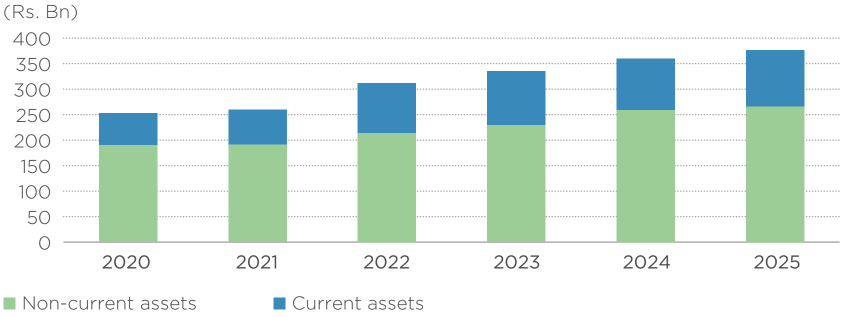
PROFIT AFTER TAX

Profit After Tax surged by 75% to Rs. 22.3 billion. This substantial growth was powered by our Beverages, Plantation, and Tourism sectors, and amplified by the turnaround of our Strategic Investments portfolio.

TOTAL ASSETS

Our balance sheet strengthened, with Total Assets growing by 4.5% to Rs. 376.5 billion. This growth reflects strategic investments in our operational capabilities and market presence, funded by our strong operational cash flows.

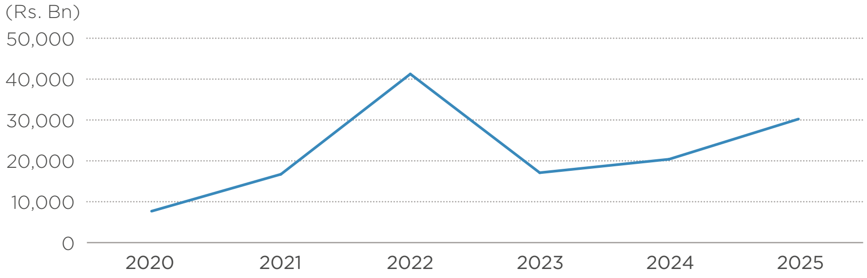
Assets & Funding



CASHFLOW

Melstacorp recorded a 48.5% increase in net cash flow from operating activities, generating Rs. 30.2 billion in FY 24/25 compared to Rs. 20.4 billion in the prior year. This substantial growth is a direct result of higher earnings from our core businesses, coupled with rigorous working capital management and improved operational efficiencies. This cash generation strengthens our financial position, providing the liquidity to fund strategic investments, sustain shareholder returns, and navigate economic uncertainty with confidence.

Net Cash Flows Generated from Operating Activities



FUTURE OUTLOOK

Building on a strong financial foundation, our outlook is one of cautious optimism and disciplined execution.

Our Strategy is built on three pillars:

1. Focus on Core Growth: Drive performance in Beverages, Plantations, Tourism, and Financial Services.
2. Maximise Efficiency: Continue optimising costs and capital allocation across the Group.
3. Invest in the Future: Advance our sustainability, digital, and talent development goals.

This focused strategy, combined with our resilient diversified model, positions us to navigate market challenges and continue delivering sustainable shareholder value.

Human Capital

“The engine of our growth is our team of 28,407 dedicated professionals. Their expertise gives us a competitive edge across seven industry segments. We attract and retain this exceptional talent by fostering an environment where they can thrive, investing deeply in their skills, and building clear pathways for career progression.”

In turn, our team sets us apart by embodying the hallmarks of our heritage: impeccable service, unwavering ethics, and professional excellence. The rich diversity within our ranks fuels a vibrant culture, where shared experiences continually enhance our collective wisdom and drive us forward.”

OUR HUMAN CAPITAL

Employee well-being

Training and development

Employee benefits

HR governance

Occupational health and safety

Diversity and inclusion

Human Capital

MANAGEMENT APPROACH

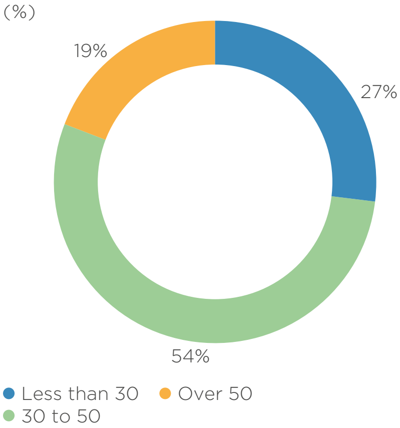
Our success is driven by our talented and innovative team. We are committed to creating a supportive culture where the best people choose to work, grow, and stay. By investing in our team's well-being, professional development, and rewarding performance, we build a skilled and motivated workforce that propels our Group forward and achieves our strategic goals.

GROUP HUMAN CAPITAL

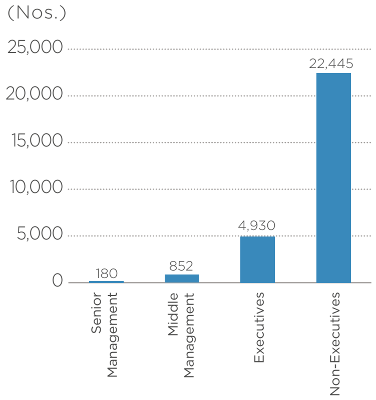
Our people drive our success. Our team of 28,407 dedicated individuals not only meets expectations- they set new benchmarks, driving our culture of achievement and securing our long-term success. It was their unwavering commitment that transformed our business into a diversified, industry-leading conglomerate. Time and again, their dynamism and motivation have empowered us to overcome immense challenges and achieve success.

Below is a snapshot of the employee profile of the group as of 31 March 2025.

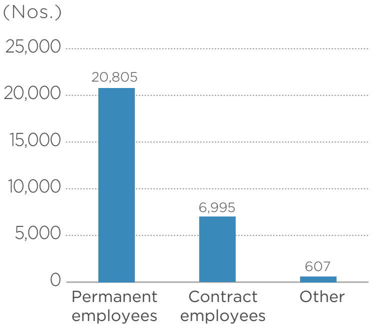
Age analysis of employees



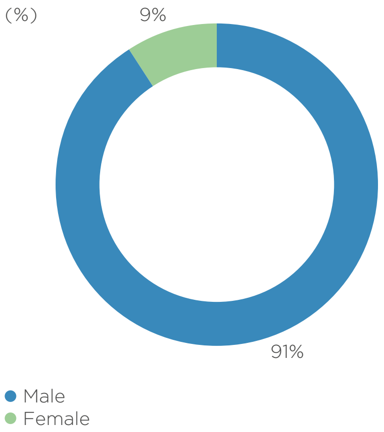
Employees based on employment category



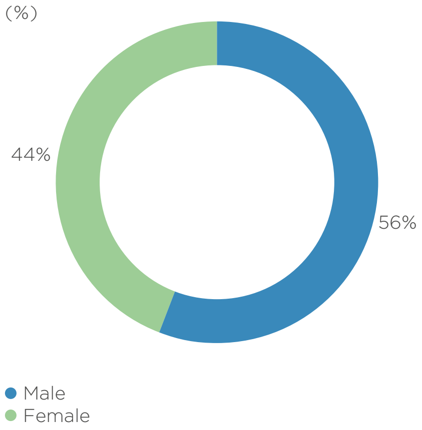
By employment type



Board Gender Representation



Gender analysis of employees

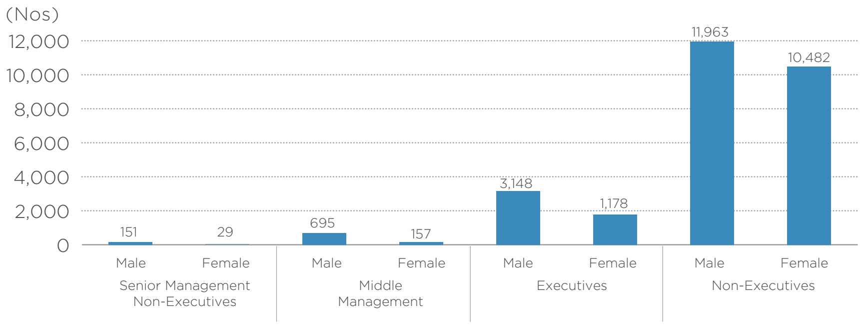


EMPLOYMENT BY SECTOR

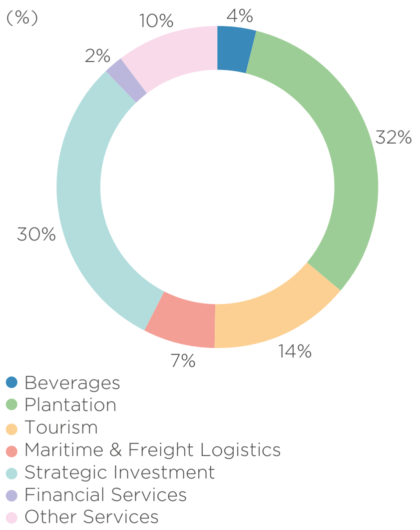
At the end of March 2025, our Plantations sector was the Group's largest employer, making up 32% of the workforce, followed closely by Strategic Investments at 30%.

In terms of permanent roles, however, the Strategic Investments sector led the Group with 8,304 employees, followed by Plantations.

Employees based on gender and employment category



Total employees by sector



OUR HR GOVERNANCE FRAMEWORK

The Group's Human Resources function is led by the General Manager of HR & Administration. Day-to-day operations are directed by the Head of HR, who leads a team of managers specialising in key areas such as Operations & Compliance, Development, Performance Management, and Analytics.

To ensure tailored support, dedicated HR executives are embedded within each business unit. This structure fosters close collaboration between the central HR team, business unit representatives, and our Environmental, Social, and Health Affairs (ESHA) team, ensuring a consistent and aligned people strategy across the Group.

The following policies were introduced by our Group Companies in FY 2024/25:

Continental Insurance Lanka Limited

- HR Security Policy

DCSL Breweries Lanka Limited

- Expense Claim Policy
- Time & Attendance Policy
- Leave Policy

Melstacorp PLC

- Developed an Event Calendar for the Melstacorp and BPL/ MPL Companies.

TRAINING AND DEVELOPMENT

We nurture a culture of continuous learning to empower our employees and drive business success. To achieve this, we offer a diverse range of development opportunities, including on-the-job training, internal workshops, and external programmes designed to enhance skills and knowledge.

Training needs are identified systematically through a continuous feedback loop, which includes annual performance appraisals, probationary reviews, and assessments during promotions or role changes. This tailored approach ensures our development programmes directly support our employees' career growth and the Group's strategic aspirations.

Rs. 86.71 Mn

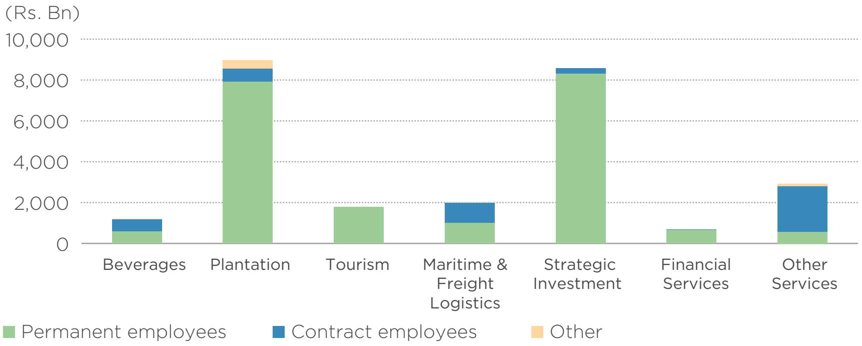
Total investment in training and development

311,800 hours

Total training hours

In FY 2024/25, we invested Rs. 86.71 million in training and development initiatives. This significant commitment delivered over 311,800 hours of training across the Group. Our focus on personal growth was further reinforced by a 100% completion rate for annual performance appraisals, ensuring development plans are tailored and impactful.

A strong team - FY 2024/25



Awareness Session on Budget 2025 – Impact on Group Companies

Our Group Finance Team recently conducted an awareness session for the Group Management Team on the implications of the Sri Lanka Budget 2025 for our businesses.

The session, led by our finance experts, provided valuable insights into the proposed policy measures and their potential impact on our Group Companies. This initiative reflects our commitment to strengthening internal awareness, enabling informed decision-making, and ensuring the Group is well-prepared to navigate regulatory and economic developments.

A Strong Start for Our Plantation Teams in 2025

Kicking off 2025 with high energy, executives and senior staff from both BPL and MPL Plantations came together for a special training event focused on motivation and collaboration. The program was designed to equip our leaders to tackle the year's challenges and seize new opportunities, ensuring we start the year strong and united.

Knowledge Sharing as a Strategic Asset

Knowledge sharing is a cornerstone of our culture. We foster an environment of open collaboration where ideas flow freely across all levels. This not only accelerates learning and innovation but also directly strengthens our ability to solve complex challenges and outperform the competition.

Occupational Health and Safety (OHS)

We are committed to achieving a zero-accident workplace across our diverse operations, with a particular focus on our manufacturing and beverage sectors. Our approach is built on a proactive safety culture where every team member is trained to identify, manage, and prevent potential hazards.

To ensure a safe and healthy environment, our OHS management system includes:

- Providing all necessary Personal Protective Equipment (PPE).
- Conducting continuous health, safety, and hygiene training.
- Performing regular 5S audits to proactively identify and mitigate risks.

In addition to these preventative measures, we support our employees' well-being through a contributory medical scheme that covers hospitalisation needs.

Our Commitment to Employee Well-being

We invest in our people's well-being to foster a happy, motivated, and successful team. Our approach is holistic, combining competitive compensation and performance incentives with comprehensive welfare programmes that support our employees' personal lives.

Beyond formal benefits, we cultivate a vibrant Company culture through engaging events, from sports tournaments to cultural celebrations, creating a truly rewarding and supportive work environment.

GIVEN BELOW ARE SOME OF THE KEY EVENTS CONDUCTED DURING FY 2024/25.

Christmas Party and Annual Get-Together

Our annual Year-End Get-Together brought employees from all departments together for a vibrant celebration. This festive tradition, filled with lively entertainment, is a cornerstone of our commitment to building a positive and connected workplace culture.

Honouring Our Women

This International Women's Day, we celebrated the women who drive our success. Across our Companies, we hosted inspiring panel discussions and guest speaker sessions to amplify their voices, recognise their invaluable contributions, and reaffirm our commitment to an inclusive workplace.

Honouring Dedication and Loyalty

The long-standing commitment of our team members is a cornerstone of our success. We take immense pride in their dedication, which is a powerful testament to our supportive culture and shared values. We are deeply grateful for their many years of service and for the invaluable experience, wisdom, and leadership they contribute to our organisation every day.

Certified as a Great Place to Work

We are honoured that Continental Insurance Lanka Limited has been certified as a Great Place to Work®. This prestigious recognition, driven entirely by feedback from our employees, affirms our commitment to building a high-trust, inclusive culture where every team member feels supported and empowered. This milestone inspires us to continue placing our people at the heart of our success.

Celebrating different cultures

Celebrating Sporting Excellence Across the Group

At our core, we believe that sports build character, foster teamwork, and promote a healthy, engaged workforce. Across the Group, our employees have showcased exceptional talent and dedication, bringing home victories and strengthening bonds through friendly competition. We are proud to celebrate their achievements on and off the field.

Distilleries Company of Sri Lanka (DCSL): Dominance on the Badminton Court

The DCSL badminton team demonstrated outstanding skill and determination this year, securing multiple championships and individual accolades. Their performance is a testament to their hard work and passion for sport.

Mercantile Badminton Team Tournament 2024

Our teams showcased their prowess at one of the most competitive mercantile tournaments, with the Men's Team leading the charge to victory.

- **Men's Team:** Champions – H Category
- **Best Player of the Division:** A huge congratulations to Harsha Nissanka for this remarkable individual honour.
- **Women's Team:** Secured an impressive 4th Place in the E Category.

Mercantile Badminton Association Novices Tournament 2025

Our veteran players demonstrated exceptional skill at the Mercantile Badminton Association Novices Tournament, achieving outstanding results across multiple categories. The team secured the Championship title and 2nd Runner-up position in the Men's Veterans Singles, while our Men's Veterans Doubles pair also earned the 2nd Runner-up spot. Further showcasing our versatility, our teams claimed the Runner-up position in the Over 35 Mixed Doubles and 2nd Runner-up in the Over 35 Women's Doubles.

Madulsima Plantations PLC (MPL): Team Spirit and Success on the Cricket Field

The MPL team demonstrated exceptional sportsmanship and collaborative spirit in two major cricket events, reinforcing camaraderie both within our Company and across the plantation sector.

PHDT Cricket Tournament 2024

Hosted by the Plantation Human Development Trust (PHDT), this tournament brought together teams from across the region. Our MPL team showcased outstanding teamwork and skill, clinching the Runners-up title in a hard-fought competition. The event was a fantastic display of athletic talent and a great opportunity to strengthen inter-plantation morale.

APL vs. MPL-BPL Cricket Match and Get-together 2025

In a friendly yet spirited match hosted by Agarapathana Plantations Limited, our team once again performed remarkably to secure 2nd place. More than just a game, the event was a memorable day of fellowship and collaboration, strengthening the bonds between our Companies.

Employee benefits

Across our Group, we have driven remarkable progress, achieved key operational milestones while deepened our commitment to fostering supportive, engaging, and developmental workplaces.

Bellvantage (Pvt) LTD

Commitment to Quality and Operational Excellence

Bellvantage (Pvt) LTD proudly achieved ISO 9001:2015 certification. This key milestone validates our rigorous commitment to quality management, operational efficiency, and continuous improvement, reinforcing our promise to deliver exceptional value to all stakeholders

Continental Insurance Lanka Limited

Continental Insurance has made significant strides in enriching the employee experience, focusing on comprehensive well-being, family support, and professional development.

Fostering a Supportive Workplace

We enhanced our employee welfare programmes to create a more supportive and inclusive environment. Key initiatives included:

- Operating a subsidised staff canteen to ensure access to nutritious meals.
- Extending special maternity benefits to support our female staff through pregnancy and beyond.
- Offering an exclusive insurance premium for female employees to provide enhanced protection.

Investing in the Next Generation

Our belief in empowering future generations was demonstrated through our educational support programmes:

- A merit-based scholarship was awarded to the child of an employee with the highest marks in the national Year 5 scholarship examination.
- Educational scholarships were granted to an additional 15 deserving children of staff members, supporting their academic aspirations.

Empowering Professional Growth and Performance

To build a future-ready workforce, we invested heavily in learning and performance management systems:

- Provided financial assistance and study leave for employees pursuing insurance-related professional examinations.
- Launched a structured system to foster continuous feedback, transparency, and clear alignment between individual and company goals.
- A comprehensive LMS was introduced to provide employees with flexible, on-demand access to a wide range of training and development resources.

Melsta Hospitals Ragama (Pvt) LTD

Melsta Hospitals Ragama has excelled in both clinical innovation and its commitment to employee welfare, reinforcing its position as a leader in healthcare services.

A Year of Clinical Excellence and Innovation

Our commitment to quality was recognised on a national stage and through strategic service expansion:

- **National Quality Awards**: Our teams earned an outstanding 14 awards (9 Gold, 1 Silver, 4 Bronze) at the National Convention on Quality and Productivity (NCQP) 2024.
- **New Cosmetic Centre:** We launched a state-of-the-art Cosmetic Centre to meet growing client demand and expand our aesthetic and wellness services.
- Nursing Capping Ceremony: We honoured the dedication of our nursing staff with a formal Capping Ceremony, a symbolic milestone recognising their vital role in delivering compassionate care

Supporting Our Healthcare Heroes

We deepened our commitment to employee well-being by introducing two significant support programmes:

- MHR Bereavement Fund: This fund was established to provide compassionate financial assistance to staff members and their immediate families during times of personal loss.
- Medical Services Discount Scheme: We introduced a comprehensive discount scheme to ensure our employees, and their families have affordable access to the high-quality medical services our hospital provides.

Intellectual Capital

In a volatile economic landscape, the Intellectual Capital of Melstacorp PLC remains our cornerstone of resilience and stability. This capital is built on the deep expertise of our people, robust knowledge management systems, strategic digital transformation, and a culture of disciplined innovation.

By systematically sharing knowledge and nurturing creativity across our sectors, we enhance our competitive edge. Our renowned brands, the tacit knowledge of our teams, and our efficient processes are tangible results of this focus, driving us forward in an increasingly competitive market. We are committed to continuously strengthening this vital asset through targeted investments in research, skills development, and digital advancement.”

OUR BRANDS

Across a diverse range of sectors, our brand portfolio is the engine of our market leadership. These are more than just names; they are symbols of trust, built on a legacy of excellence and a commitment to innovation. Each brand carries our core values, solidifying our role as a powerful catalyst for progress in Sri Lanka and beyond.

SECTOR	BRANDS
Beverage	The Original DCL Estd 1913 DCSL Breweries Periceyl
Tourism	Aitken Spence Hotels Heritance Hotels & Resorts Heritance Negombo Adaaran Maldives turyaa Aitken Spence Travels Aitken Spence Aviation
Maritime, Freight & Logistics	Aitken Spence Maritime Aitken Spence Logistics Aitken Spence Freight Aitken Spence Express MelstaLogistics FormulaWorld
Plantations	Madulsima Plantations PLC A member of Melstacorp Balangoda Plantations PLC A member of Melstacorp ep elpitiya Elpitiya Plantations Harrow Ceylon Choice Berry Much Keeping it real Aitken Spence Plantations tropifrut HH
Services	Aitken Spence Elevators Aitken Spence Property Port City BPO Bellvantage Melsta Hospitals Ragama Melstasoft Melstatechnologies Melsta Tower Melsta Properties
Financial Services	Continental Insurance Service, redefined. Continental Insurance Life Aitken Spence Insurance MMBL Money Master
Strategic Investments	Aitken Spence Printing Aitken Spence Apparel Aitken Spence Power BOGO POWER Aitken Spence International

AWARDS AND ACCOLADES

The Companies within the Group have established themselves as leaders in their sectors, distinguished by a commitment to operational excellence and innovation. This reputation for superior performance is formally acknowledged through numerous industry awards and commendations, as detailed below.

Maritime, Freight & Logistics	• DBS Logistics Limited - Bronze award in the Extra Large Category of Logistics Service sector at the National Chamber of Exporters of Sri Lanka (NCE) Annual Export Awards 2024
	• Integrated container services segment – National Logistics Awards (NLA) 2024
	• Gold award in Warehousing & Distribution (Large Sub-Sector)
	  • Gold award in Transport
	  • Gold award in Project Logistics
	  • Gold award for Best Application
	• Presentation (Appreciation Award)
	  • Silver award in Container Depot category
	• Aitken Spence Cargo (Pvt) Ltd - First Place in Shipping at the National Business Excellence Awards and the Gold Award for Freight Forwarding at the National Logistics Awards
	• Key achievements include being named Best Customer Service Provider (Europe/Med trade) for the fourth consecutive year, earning a Silver Award at the National Logistics Awards, and being ranked the 4th highest volume contributor to the Port of Colombo.

Tourism	• Highest number of awards with seven prestigious wins at the Sri Lanka Tourism Awards 2024
	  • Top 5 in LMD's Most Awarded - Hall of Fame, in the Hospitality sector category
	  • Set a new benchmark with highest regional awards at the South Asian Travel Awards (SATA) 2024
	  • Heritance Aarah named Most Outstanding Culinary Organisation at Food & Hospitality Asia Maldives (FHAM) 2024
	  • Adaaran Resorts triumphed with multiple awards at FHAM 2024
	  • The annual report of Aitken Spence Hotel Holdings PLC won the 'Gold' award in the Hotel Sector category, securing the awards for the fifth consecutive year

Strategic Investments Sector	Printing & Packaging
	• Platinum Trophy at the Lanka Star Awards, leading a remarkable haul of 28 total accolades from the Sri Lanka Institute of Packaging (SLIP), including 4 Gold, 7 Silver, and 16 Bronze.
	Apparel
	• Compliance+ certification for Aitken Spence Garments Ltd
	  • ISO 9001: 2015 certified quality management system – Aitken Spence Garments Ltd
	  • Sedex registered supplier- Aitken Spence Garments Ltd
	  • Gold certificate of compliance: Worldwide Responsible Accredited
	• Production (WRAP)- Aitken Spence Garments Ltd
	  • GMP (Good Manufacturing Practices) certification
	  • Global Organic Textile Standard (GOTS – Version 5.0) – Aitken Spence Garments Ltd
	  • Higg Index compliance achieved by Ace Apparels (Private) Limited, Aitken Spence Garments Ltd
	• OEKO-TEX® ORGANIC COTTON certification

Plantations	• Best Corporate Citizen Sustainability Awards 2024:
	  • Awarded Second Runner-Up in the category for Companies with revenue below Rs. 15 billion.
	  • Received a Project Award for its 'Grow to Grow' bamboo cultivation initiative.
	• TAGS Awards 2024:
	  • Won the Bronze Award in the Plantations sector for its Annual Report.
	• Workforce Innovation Recognition:
	  • Recognised by the PHDT and ILO for an innovative umbrella hat designed to protect estate workers from adverse weather.

Services	Elevators • ISO 14001: 2015 Certified for environmental impact control • ISO 9001: 2015 Certified for quality control • ISO 45001:2018 Certified for occupational health & safety • EM1 Certification from CIDA

PROCESS AND CERTIFICATIONS

To drive efficiency and maintain high standards, Melstacorp Group utilises a network of nearly 200 management systems. The quality of these systems-which manage everything from goods to information-is confirmed through two main channels: rigorous internal audits and prestigious external certifications earned by meeting global best practices.

Maritime, Freight & Logistics	• ISO 14001: 2015 certified environmental management systems
	  • Ace Aviation Services (Pvt) Ltd
	  • Ace Cargo (Pvt) Ltd
	  • Aitken Spence Cargo (Pvt) Ltd
	  • Logilink (Pvt) Ltd
	  • Hapag-Lloyd Lanka (Pvt) Ltd
	• ISO 9001: 2015 certified quality management systems
	  • Ace Aviation Services (Pvt) Ltd
	  • Ace Cargo (Pvt) Ltd
	  • Aitken Spence Cargo (Pvt) Ltd
	  • Ace Distriparks (Pvt) Ltd
	  • Hapag-Lloyd Lanka (Pvt) Ltd
	  • Fiji Ports Terminal Ltd
	• ISO 45001:2018 certified for occupational health & safety
	  • Logilink (Pvt) Ltd
	  • Ace Distriparks (Pvt) Ltd
	  • Hapag-Lloyd Lanka (Pvt) Ltd
	  • Ace Containers (Pvt) Ltd
	• C-TPAT (Customs-Trade Partnership Against Terrorism)
	  • Certification for all CFS operations
	  • C-TPAT certified Companies are;
	  • Ace Containers (Pvt) Ltd
	  • Ace Distriparks (Pvt) Ltd
	  • Logilink (Pvt) Ltd

Tourism	**Green Globe Certification**: All five of the Maldivian properties earned Green Globe certification in June 2024, attaining exceptionally high scores in their inaugural audit. **ISO 22000 Food Safety:** Renewed our longstanding ISO 22000 certification, demonstrating our continued adherence to the highest global standards for food safety and production across all properties. **LEED Gold Certification:** Heritance Aarah is the first property in the Maldives to be awarded the prestigious LEED (Leadership in Energy and Environmental Design) certification.
Strategic Investments Sector	Printing & Packaging: • Integrated management system certified for ISO 14001: 2015 (environmental impact control), ISO 9001:2015 (quality management) and ISO 45001:2018 (OHS) • Forest Stewardship Council Chain of Custody Certification • Compliant with Sedex Members Ethical Trade Audit (SMETA – 4 Pillar) Apparel: • Aitken Spence Garments Ltd won the prestigious Top 20 CPM Best Management Practices Award • Ace Apparels (Pvt) Ltd won the prestigious Top 20 CPM Best Management Practices Award • Aitken Spence Garments Ltd won Sri Lanka's Best Employer Branding Awards for 2024
Plantations	• 7 Forestry Stewardship Council certified estates • 6 Rainforest Alliance certified estates • 7 ISO 22000/HACCP certified factories for food safety • Sri Lanka organic agriculture production and processing • (SLS 1324:2018) obtained for Elpitiya Plantations PLC
Services	Healthcare: • ISO 22000- Food Safety Management System • ISO 14001:2015 • ISO 45001:2018 • ISO 22000:2018 • ISO 9001-2015 Quality Management System • ISO 14000 Environment Management System • ISO 45001-Occupational Health & Safety Management System

Intellectual Capital

INNOVATION

We champion a decentralised approach to innovation, empowering our Companies to be engines of entrepreneurship. We believe the most powerful ideas emerge from within our individual organisations, where teams are closest to our customers and markets.

To nurture this environment, the Companies invest in targeted training programmes and have established formal systems to recognise and reward employees who successfully drive innovation.

Providing local and overseas training opportunities → Investing in digitalisation → Recognising and rewarding innovative ideas → Empowering innovation through collaboration

HARNESSING OUR TACIT KNOWLEDGE

Our greatest asset is the collective expertise of our 28,407 employees. To ensure this deep knowledge drives our long-term stability and competitive edge, we transform it from individual wisdom into a shared, institutional advantage. This strategy builds a more resilient organisation, ensuring our collective strength far exceeds the sum of our individual talents.

Our key initiatives include:

- Mentorship: Pairing seasoned experts with emerging leaders through structured programmes.
- Collaboration: Fostering a culture of shared insight through cross-functional workshops, open forums, and leadership town halls.
- Knowledge Centralisation: Capturing best practices and critical knowledge in accessible, Group-wide digital platforms.

INVESTING IN AUTOMATION AND DIGITISATION

Our commitment to operational excellence continued to drive a Group-wide digital transformation. We continued to strategically invest in our IT infrastructure to digitise core processes, enhance efficiency, ensure data accuracy, and empower data-driven decision-making across Companies.

Maritime, Freight & Logistics	• Implemented a Customer Relationship Management (CRM) system for the liner segment. • Adopted Robotic Process Automation (RPA) technology in our liner and CFS operations. • Integrated advanced digital tools to streamline functions across the CFS and Depot. • Established a centralised system to record all customer feedback in the Freight sector. • Introduced a real-time cargo track and trace system for our cargo agency representation and overseas operations.
Tourism	• Implemented an advanced Revenue Management System (RMS) fully integrated with the booking engine and channel manager for real-time, data-driven rate adjustments. • Leveraged AI-powered chatbots and Robotic Process Automation (RPA) to provide 24/7 guest support and streamline back-office operations, improving efficiency and service quality. • Launched a robust Customer Relationship Management (CRM) system to capture guest data and preferences, enabling targeted marketing and a truly personalised journey. • Introduced a dedicated Corporate Booking Tool and enhanced the central booking engine to simplify the reservation process for all customer segments.

Strategic Investments Sector	• Drove continuous process engineering to boost efficiency and quality. • Leveraged Business Intelligence (BI) tools to enable data-driven insights and strategic decisions.

Plantations	• Elpitiya Plantations PLC
	  • Migrated the entire business to Microsoft Dynamics 365 for unified management.
	  • Deployed advanced field technology-including tablets, soil probes, and a hyperlocal weather system-for real-time data capture and precision agriculture.
	  • Enhanced workforce mobility and collaboration by providing laptops and leveraging digital platforms like MS Teams.
	  • Automated all mandatory EPF/ETF payments through online banking to ensure efficiency and compliance.
	  • Utilised innovative Ballotronix tea leaf readers to enhance objective quality control during processing.
	  • Migrated the core systems to a cloud-based platform
	  • Leveraging spatial data analysis and drone technology for enhanced field management, precision agriculture monitoring, and potentially developing new applications such as drone harvesting.

Services	• Automated the end-to-end electronic process for key support functions, including the order-to-cash cycle. • Transitioned our automation focus from RPA to more intelligent, AI-powered solutions. • Advanced our AI capabilities by adopting Large Language Models (LLMs) and Deep Learning tools. • Completed the full integration and rollout of our enterprise-wide CRM system. • Deployed a smart document recognition system to accelerate the digitisation of paperwork.

FUTURE OUTLOOK

Looking ahead, our strategic investments in intellectual capital will be pivotal to driving future growth and reinforcing our stability. We will focus on:

- Expanding our digital systems for predictive forecasting and integrated risk management.
- Strengthening knowledge-sharing platforms and fostering vibrant sectoral communities of practice.
- Investing in advanced training to equip our employees with the skills to lead tomorrow.
- Aligning collaborative innovation with our long-term sustainability goals.
- Deepening partnerships with academic institutions and industry experts to stay at the forefront of our fields.

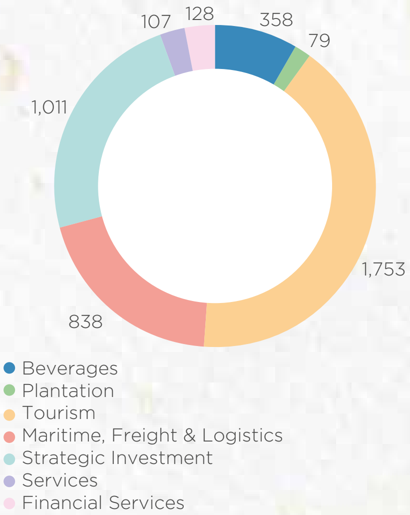
Manufactured Capital

"Across our seven business segments, we have driven significant revenue growth, enhanced service quality, and improved productivity, all while minimising our environmental footprint. These achievements are the direct result of strategic investments in our physical assets-the powerful network of infrastructure, facilities, and equipment that forms our operational backbone. By continuously strengthening this foundation, we fuel our efficiency, support world-class service, and unlock enduring value.

During FY 2024/25, Melstacorp began construction on a new Rs. 2 billion state-of-the-art warehouse in Colombo 14. The facility is designed to upgrade our logistics capabilities while also creating a new income source through leasable space for Group and third-party tenants. This development showcases our ongoing strategy of enhancing our physical assets to drive both operational efficiency and long-term value."

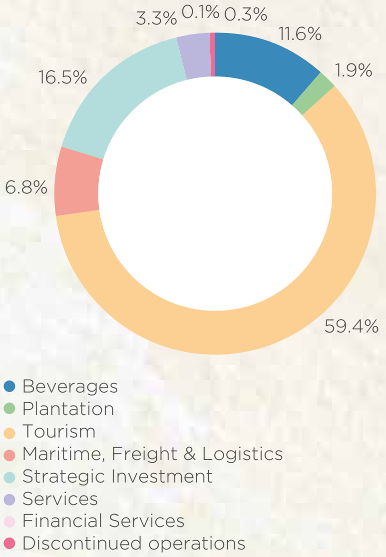
Value of Investments - FY 2024/25

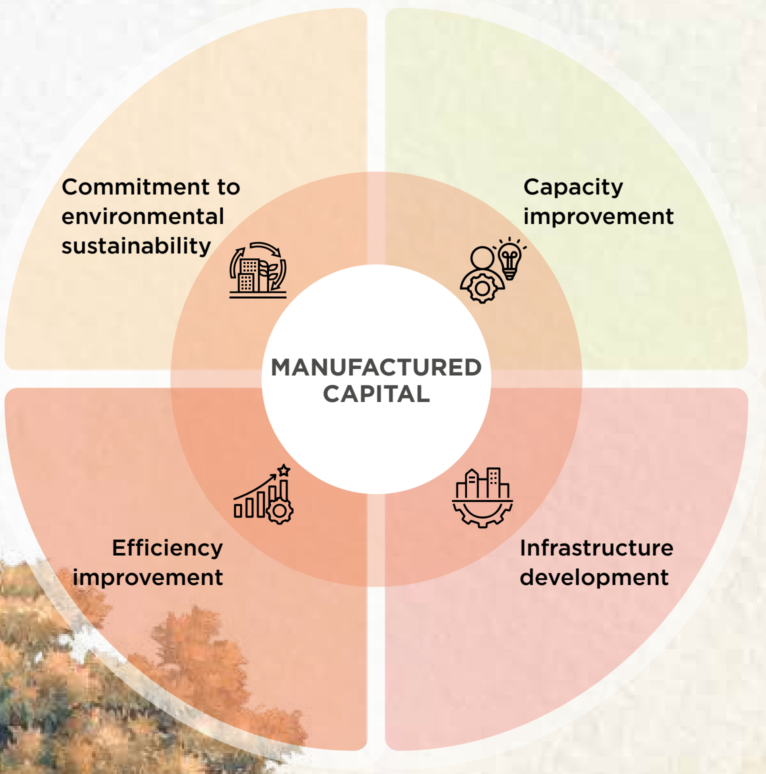
(Rs. Mn.)



Manufactured Capital - FY 2024/25

(%)





MANAGEMENT APPROACH

Disciplined stewardship of our capital assets is central to our operational philosophy. The management team exercises robust oversight, ensuring every major investment in our infrastructure and property portfolio is subjected to thorough due diligence.

Each capital proposal is carefully vetted to confirm its strategic fit, operational necessity, and potential to deliver a strong return on investment. Senior leadership's hands-on involvement in this process ensures that every rupee invested is strategic, sustainable, and directly contributes to enhancing long-term stakeholder value.

GROUP MANUFACTURED CAPITAL

Our strength is built on a strategic asset portfolio valued at Rs. 148 billion, spanning 12 countries and 7 diverse business segments. This physical foundation includes everything from luxury hotels and advanced manufacturing plants to hydropower facilities and ultra-modern collision repair centres- each a testament to our significant investment in long-term, sustainable growth.

SECTOR-WISE MANUFACTURED CAPITAL

As of 31 March 2025, Our portfolio remains anchored by the Tourism sector, which constitutes 59% of our total assets, followed by our Strategic Investment sector at 17%.

Beverages	The core of our beverages sector consists of the advanced manufacturing facilities of the Distilleries Company of Sri Lanka PLC (DCSL) and DCSL Breweries Lanka Limited. These assets form the production engine for the entire segment.	
Maritime, Freight & Logistics	3PL warehousing, an inland container depot, and container freight stations anchor our freight and logistics capabilities. This is complemented by Melsta Logistics' large vehicle fleet, which provides seamless logistics solutions for most Group Companies. In the maritime sector, our capabilities are enhanced by South Asia's most sophisticated training simulator, while our Formula World subsidiary sets the standard in automotive care with two state-of-the-art collision repair facilities equipped with cutting-edge technology.	
Tourism	The Tourism sector stands as the cornerstone of our asset portfolio, accounting for 60% of its total value. This significant concentration is embodied in our collection of 16 iconic properties, strategically positioned across Sri Lanka, India, Oman, and the Maldives. Through these premier assets, we deliver exceptional hospitality experiences and solidify our leadership in key regional markets.	
Strategic Investments Sector	Our Strategic Investments sector features a diverse portfolio of assets in power generation, printing, and apparel. A cornerstone of this segment is Bogo Power, our hydropower plant, which supports Sri Lanka's national infrastructure by contributing 4 MW of renewable energy to the grid.	

Manufactured Capital

Plantations	Our Plantations sector commands a significant footprint, with 17,952 hectares of tea and rubber estates managed by Balangoda and Madulsima Plantations. Located in the key growing regions of Uva, Sabaragamuwa, and the Central provinces, these assets-including our modern processing factories-form the heart of our agricultural operations.	
Services	Our Services sector is built on a foundation of high-value physical assets across healthcare and IT/BPO. In healthcare, Melsta Hospitals Ragama provides best-in-class clinical facilities. In parallel, Melsta Technologies leverages its state-of-the-art infrastructure to offer a full suite of business solutions, from contact centre hosting and data processing to software development and IT consulting.	
Finance Services	Our Financial sector's physical presence is defined by Continental Insurance's network strategically located branches, providing comprehensive coverage across Sri Lanka.	

CAPITAL INVESTMENTS FOR THE YEAR

This year's capital investments totalled Rs. 4,274 million, focused on enhancing our competitive advantage and driving long-term value. Major projects included:

Maritime, Freight & Logistics	Strategic investment to directly upgrade its end-to-end supply chain to drive greater efficiency and expand its distribution capabilities. Environmental stewardship embedded in asset management: Solar panels, LED lighting, energy-efficient equipment, including the EV forklifts used in operating the warehouse.
Tourism	To uphold our commitment to service excellence and protect our premium brand positioning, we invested in the continuous maintenance and enhancement of our hotel properties. This ongoing capital deployment ensures that our hotels across Sri Lanka, the Maldives, Oman, and India consistently meet the highest standards of quality and presentation. Environmental stewardship embedded in asset management: From pioneering the world's first LEED-certified hotel to introducing LEED standards in new markets like the Maldives, our tourism segment consistently sets global sustainability benchmarks. This deep-rooted commitment is reflected today in the comprehensive Green Globe certification held by all our Maldives resorts.

Strategic Investments Sector

Power generation

A strategic investment in our power generation segment to enhance the reliability and performance of our power plants. This capital is being deployed for critical infrastructure upgrades, proactive maintenance, and technology enhancements, directly supporting our goals of uninterrupted operations and increased energy output.

Environmental stewardship embedded in asset management:

The power segment invested in both plant reliability and a diverse clean energy portfolio (hydro, solar, waste-to-energy), securing its leadership in sustainable energy.

Printing and packaging

Our production capabilities and cost-efficiency were enhanced with investments in new machinery. Key upgrades include a window patching machine to fully automate carton production and a high-spec laminator for advanced in-house finishing. This operational enhancement was complemented by the installation of a new sewerage treatment plant, advancing our sustainable waste management practices.

Environmental stewardship embedded in asset management:

Showcasing its commitment to sustainability, the printing and packaging segment operates from South Asia's first carbon-neutral, LEED Gold facility. Its seven consecutive years of certification demonstrate proven leadership and adherence to the highest global environmental standards.

Apparel manufacturing

A dual-focused investment was made to modernise our manufacturing base. We committed to strategically diversifying into knit manufacturing, while also allocating significant capital to upgrade machinery and refurbish all three plants to meet elevated compliance standards.

Environmental stewardship embedded in asset management:

By investing in advanced machinery, the apparel segment drove improvements in both efficiency and sustainability. These upgrades, including energy-saving motors and waste-reducing plotters, directly support the segment's goal of achieving carbon-neutral manufacturing.

FUTURE OUTLOOK

Building on a foundation of asset stability and prudent capital management, we are committed to strategically enhancing our physical infrastructure to drive future growth.

Our Strategic Priorities:

- Finalise the construction of our state-of-the-art warehouse complex in Colombo 14 to boost logistical capabilities.
- Proactively upgrade and expand our physical assets to meet operational demands and capitalise on emerging opportunities.

Our Investment Principles:

- Balance strategic expansion with unwavering financial stability.
- Focus on improving productivity, integrating sustainable design, and ensuring resilience across all facilities.

This strategic development will strengthen our competitive advantage, drive Group-wide efficiency, and deliver sustainable, long-term value to our stakeholders.

Social & Relationship Capital

> At Melstacorp, we measure success not by our balance sheet, but by the strength of our relationships. Our financial stability reflects this belief- an outcome of the transparent and ethical partnerships we cultivate, not the cause.
>
> Every connection we forge with our customers, partners, and communities is an investment in shared resilience and mutual growth. This is how we maintain leadership and drive progress: by building a foundation of trust so strong that it creates lasting value for all."

OUR CUSTOMERS

We are defined by our principles. Our commitment to responsible business is not just a strategy-it is the reason a growing community chooses to journey with us. They are travellers searching for authenticity, investors committed to ethical growth, and people who believe in a company that stands for something more. The result is a loyalty built not on transactions, but on a shared purpose.

We honour this relationship by making every experience personal, high-quality, and genuine. While our services are diverse, our promise is universal. We ensure every customer interaction is guided by our non-negotiable values of reliability, honesty, warmth, and the ability to inspire confidence. This is how we build lasting trust, one relationship at a time.

PRODUCT RESPONSIBILITY

Our foremost commitment is to the well-being of our customers and society. We ensure our products and services are safe, responsible, and beneficial, preventing any negative health impacts.

To meet this standard, we embed quality controls across our operations, adhering to leading principles of social sustainability, occupational health, food safety, and ESG. This commitment extends to our communications, where we practice responsible marketing and guarantee that all information is accurate and transparent.

CUSTOMER EXPERIENCE

Our subsidiary Companies build enduring customer relationships by delivering innovative, tech-driven solutions. Their focus on creating tangible value and cost savings ensures they consistently exceed expectations, earning loyalty that lasts.

OUR SUPPLIERS

At Melstacorp, we see our suppliers as true partners, not just transactional contacts. We are committed to building collaborative relationships founded on fairness, open communication, and shared responsibility. Our approach guarantees a level playing field, offering equal opportunities to all suppliers, regardless of their size. This creates a foundation of trust where we and our partners can thrive and achieve mutual success.

SUPPLIER DEVELOPMENT

Our strength lies in our supply chain - a dynamic ecosystem of partners ranging from local micro-entrepreneurs to global corporations. Moreover, we provide ongoing support and guidance to our suppliers and business partners, helping them continuously improve their practices and embrace a shared commitment to responsibility.

Protecting People

Prioritising the safety, health, and dignity of every employee. We champion fair labour practices and uphold all human rights, creating positive work environments where people can thrive.

Preserving Our Planet

Acting as responsible stewards of the environment by minimising our collective footprint, protecting natural resources, and driving sustainable innovation.

Operating with Integrity

Conducting all business ethically, legally, and transparently. We are united in our stand against corruption and illicit trade to ensure a fair and honest marketplace.

Strengthening Communities

Investing in the communities where we operate, creating a positive social impact through engagement and local support.

We strategically partner with suppliers who share our commitment to ethical and sustainable practices. This is more than a selection process; we extend our high standards throughout the supply chain. Additionally, by providing ongoing support and guidance, we empower our partners to continuously improve. The result is twofold: elevating the quality of our products while building a more responsible and resilient industry together.

SUPPLIER ENGAGEMENT

We view our suppliers as essential partners in our success, building relationships founded on mutual benefit. We strive to strengthen the local economy and provide growth opportunities. Through partnerships, we drive capacity building, create jobs, and advance sustainable industrial practices.

Social & Relationship Capital

Plantations	Partnered with a key carbonic manure supplier to help professionalise his administrative processes. Accordingly, hands-on guidance was provided to facilitate the transition from informal, handwritten documents to a structured system, utilising formal purchase orders, delivery notes, and invoices. This mentorship has significantly streamlined the supplier's operations, improved accuracy, and created a more efficient and reliable partnership for both our organisations.
Tourism	Partnered with a local Sri Lankan supplier to develop and produce high-quality, craft paper laundry bags. This collaboration enabled them to become the sole provider for our entire Sri Lankan hotel portfolio. Building on this success, the supplier has since expanded their operations, securing new contracts across the hospitality industry.
Maritime, Freight & Logistics	The sector follows a two-fold approach to supply chain sustainability: establish clear guidelines to minimise environmental impact, and champion partners who lead and innovate in environmental protection.
Strategic Investments	Partnered with key local suppliers to elevate the quality of their adhesives and varnish to meet and exceed international standards. Through close collaboration and technical trials, this initiative has achieved significant outcomes: strengthening the local industry, creating jobs, and generating substantial foreign exchange savings for the country. This strategic investment has created a secure, high-quality local supply chain that benefits our business, our partners, and the national economy.

STRENGTHENING THE SUPPLY CHAIN

Manufacturing excellence begins in our supply chain. We ensure every ingredient and raw material meets stringent quality and safety standards before it enters production. To guarantee this, we collaborate with local and international experts for independent analysis and verification. This meticulous, science-backed approach ensures our final products consistently achieve the highest level of quality.

OUR COMMUNITIES

We are more than just a business operating in a location; we are part of the fabric of the communities we call home. We believe our growth is only meaningful when it uplifts those around us.

We bring this belief to life by intentionally weaving our communities into our success. We prioritise local suppliers, create jobs, and invest directly in vital programmes for housing, healthcare, and sanitation. Moreover, we hold ourselves accountable for operating with the utmost integrity, ensuring every action we take contributes to a positive, lasting legacy.

Ultimately, building a stronger business means building stronger communities. It is a responsibility we embrace every day.

Madulsima Plantations

In partnership with the Plantation Human Development Trust (PHDT) and other stakeholders, Madulsima Plantations has taken a holistic approach to community development, focusing on three key pillars:

1. Building Secure and Healthy Foundations:
   Create safer, better living environments by investing in modern housing, critical infrastructure, and disaster preparedness training. Additionally, support community health from infancy onwards, operating childcare centres with nutritional programmes and conducting vital health drives for immunisation, cancer awareness, and maternal care.
2. Creating Future Opportunities:
   Empower the next generation by improving access to education, promoting school attendance, and providing skill development programmes that create pathways to a brighter future.
3. Championing Environmental Stewardship:
   Lead community-driven initiatives in reforestation, biodiversity protection, and education on sustainable practices, reinforcing our role as a responsible partner.

Balangoda Plantations

In partnership with a wide range of local authorities and expert organisations, Balangoda Plantations delivered targeted programmes across their estates to enhance community well-being. Recent highlights include:

Promoting Health and Well-being

- Organised multiple health camps at Palmgarden and Cecilton estates, providing free eye screenings and clinics for non-communicable diseases and mouth cancer in collaboration with local hospitals.
- Partnered with the Balangoda Pradeshiya Sabha on a nutrition programme, featuring demonstrations and distribution of nutrient-rich meals.
- Addressed critical social issues through a Drug Prevention Programme at the Wewesse Estate and a comprehensive Health and Safety Programme for workers at Cecilton Estate.

Fostering Environmental Harmony

- The Pettiagalla Estate collaborated with the Leopard Research and Conservation Project on a vital program to promote human-leopard coexistence through community education.
- Engaged the community in tree planting events at Spring Valley Estate to reinforce environmental stewardship.

Enriching Community and Family Life

- Spring Valley Estate was a hub of activity, with New Year celebrations, a Children's Fair, and special events for Children's Day held at our Child Development Centres.

To improve daily life, partnered with Tea Vision Lanka to distribute modern cookstoves to families across five estates: Balangoda, Cecilton, Pettiagalla, Rye/Wikiliya, and Walaboda.

Social & Relationship Capital

HEALTHCARE SECTOR

To address Sri Lanka's rising kidney disease crisis, Melstacorp PLC has launched a CSR initiative to sponsor one deserving patient each month with Rs. 1 million for a kidney transplant at its Melsta Hospitals Ragama facility. The programme, which covers over 30% of the surgery cost, aims to ease the significant financial burden of this life-saving treatment for those in need.

Melstacorp launched this initiative after seeing firsthand the "grave challenges" faced by kidney patients since 2020. The programme utilises the company's resources and expertise in alignment with its "Responsible Diversity" vision. This is a unique commitment because it is long-term and not time-bound, where the company will support a new deserving family every month for as long as the transplant centre operates, viewing it as the "greatest honour for a corporate organisation."

FUTURE OUTLOOK

Looking ahead, we understand that our success is shared. That is why we are deepening our most important relationships to build a stable and prosperous future for all.

- To our customers, we promise to listen closer, using technology to anticipate your needs.
- To our suppliers, we pledge to be a partner in progress, helping you build sustainable and resilient businesses.
- To our consumers, we commit to earning your trust every day with products and services that are both innovative and responsible.
- To our nation, we will continue to be a dedicated partner, aligning our community investments with pressing national goals.

By investing in these relationships, we are building more than just a successful company; we are building a stronger, more resilient future we can all share.

Natural Capital

Our enduring value is rooted in the natural world. At Melstacorp, we view natural capital-the land we cultivate, the water we depend on, and the rich biodiversity we are surrounded by-as the very foundation of our business.

This belief is alive across our Group, from the plantation slopes of Balangoda and Madulsima to the coastal landscapes of our leisure hotels. In every business, we understand that protecting our environment is both a profound responsibility and a strategic necessity. Guided by our commitment to "Stability," we weave environmental stewardship into the fabric of our daily operations and long-term strategy, ensuring business resilience and safeguarding stakeholder trust."

MANAGING OUR NATURAL CAPITAL

Responsible waste management

Emissions management

Minimise carbon footprint

Water conservation

Reduce energy utilisation

GROUP NATURAL CAPITAL

Environmental stewardship is fundamental to how we operate. Whilst adhering to regulations, we manage our environmental impact through a cycle of transparent monitoring and continuous improvement.

Our operations meet the rigorous standards of the Central Environmental Authority, with regular audits ensuring we remain accountable. This data-driven approach allows us to consistently refine our processes, leading to tangible results. We are systematically reducing our reliance on fossil fuels, optimising energy and waste management in our manufacturing, and enhancing forest cover and local food security through targeted tree planting initiatives.

Each step is designed to shrink our environmental footprint and contribute to national climate resilience.

MANAGEMENT APPROACH

Our commitment to protecting and preserving the environment is woven into the fabric of our business. We manage our impact through dedicated wastewater treatment, energy efficiency, emission reduction, and recycling programmes, while investing in forest conservation to support vital ecosystems. We believe in collective action, which is why we collaborate closely with our suppliers, partners, and customers to champion environmental best practices. Our ultimate goal is one of continuous improvement as we work to create a positive and enduring environmental legacy.

BIODIVERSITY CONSERVATION

Our presence across diverse industries and regions places us in areas of significant biodiversity, giving us a unique opportunity and a profound responsibility. We embrace our role as custodians of these vital ecosystems, integrating conservation and preservation into our core business practices.

Plantations	To protect natural ecosystems and biodiversity, the plantation Companies have standardised their operations against premier global certifications, including Rainforest Alliance (RA), Forestry Stewardship Council (FSC), and ISO 14001, ensuring business activities are managed responsibly. The Companies manage over 8,000 hectares of green cover under RA and FSC certifications, which require them to conduct biodiversity surveys and train their teams in ecosystem protection. Madulsima Plantations have partnered with the RA and formally designated 376 hectares across our estates as protected Biodiversity Conservation Areas (BCAs). Each BCA is mapped with GPS technology, demarcated with multi-lingual signage to engage local communities, and protected by 5-meter chemical-free buffer zones. This robust system safeguards a variety of vital natural features, from lakes and swamps to waterfalls and marshlands. The commitment extends to include active restoration, with ongoing planting programmes and the protection of wildlife corridors integral to our long-term biodiversity strategy. Guided by the standards of the Central Environmental Authority and the RA, Balangoda Plantations has launched a strategic reforestation drive. This initiative delivers a powerful dual benefit: it not only increases our forest cover but also directly contributes to strengthening Sri Lanka's long-term food security.
Tourism	• Adhering to global standards such as Travelife and ISO 14001 to control our environmental impact. • Training staff to be effective ambassadors of our sustainability commitment to guests. • Collaborating with suppliers to promote sustainable practices across our value chain. • Protecting conservation forests and supporting national environmental projects.
Maritime, Freight & Logistics	• The Sector supports the protection of marine ecosystems by partnering with the Group's hotels to reclaim plastic waste from its beaches.

Services	• Paper used in Aitken Spence Towers are Forestry Stewardship Council certified to ensure that virgin forests are not damaged for the Company's administrative tasks.

WATER MANAGEMENT

We are committed to responsible water stewardship with a goal of zero adverse impact on local water bodies. Recognising that our Tourism and Plantations sectors are our most water-intensive operations, we strategically focus our efforts on minimising consumption through efficiency measures and protecting water quality by responsibly managing all effluents.

Maritime, Freight & Logistics	• The Environmental Management System provides a framework for optimising water efficiency. This is achieved through two key initiatives: standardising high-consumption processes to minimise water usage and implementing comprehensive treatment protocols to ensure the safe disposal of all wastewater.
Tourism	• 100% of wastewater at our hotels in Sri Lanka and the Maldives is treated and recycled, significantly conserving local freshwater resources.
Strategic Investments Sector	• The Environmental Management System drives a full-cycle water strategy, focusing on conservation through rainwater harvesting and soil retention, pollution prevention via process controls, and the responsible treatment and disposal of all wastewater.
Plantations	Madulsima Plantations • Improve water availability and soil health on their estates by creating micro-scale cascading reservoir systems and planting vegetation along streams to reduce runoff. • Establish strict process controls to eliminate the risk of contamination at its source. • Ensure the safe disposal of all wastewater through comprehensive on-site treatment, protecting the surrounding environment. Balangoda Plantations • Upgraded the Waste Water Management System at Rambukkande Rubber Factory, Ratnapura.
Services	• The Environmental Management System drives a comprehensive water stewardship strategy, focusing on conservation through rainwater harvesting and soil retention, pollution prevention via process controls, and ensuring the safe treatment and disposal of all wastewater.

ENERGY MANAGEMENT

Targeting our manufacturing operations for greater energy efficiency is central to our environmental strategy and is a key driver in reducing our overall impact.

Maritime, Freight & Logistics	• Implementing the Environmental management systems to improve operational efficiency • Route mapping conducted to increase fleet fuel efficiency • Investments in electric forklifts
Tourism	• Implemented energy management systems at all hotels • Conducted route mapping to increase fleet fuel efficiency • Ongoing efforts to increase energy efficiency
Strategic Investments Sector	• Adopting the environmental management systems to improve operational efficiency • Investments in renewable energy • Development of carbon sinks to monitor emissions
Plantations	• To combat rising costs and reduce its environmental footprint, Madulsima Plantations is decisively transitioning from fossil fuels to renewable energy. The plantation is re-engineering its factories to operate on biomass from dedicated energy crops while simultaneously exploring solar power opportunities in high-potential areas, including the Uva region. This enables it to reduce its greenhouse gas emissions and improve energy resilience, which is fundamental to its overarching strategy of creating a modern, low-carbon plantation economy.
Services	• Utilised environmental management systems to improve operational efficiency • Implemented an energy management system being at Aitken Spence Towers to enhance energy efficiency in the use of the building

CARBON FOOTPRINT MANAGEMENT

We continue to minimise the emissions of our operations across the Group.

Maritime, Freight & Logistics	• Through strategic fleet management, the sector optimises fuel efficiency and controls vehicle emissions to continuously reduce our carbon footprint.
Tourism	• Browns Beach Hotel is maximising operational efficiency and transitioning away from fossil fuels. The energy intensity of the hotel decreased by 2.8% in 2024.
Plantations	• Madulsima Plantations measure their carbon footprint (including direct fuel, electricity, and transport emissions) according to global ISO 14064-1 and IPPC standards. The aim is to become carbon negative by 2025, absorbing 100g of CO2e per kilogram of tea produced.

SUSTAINABLE LAND UTILISATION

We strive to optimise the utilisation of land.

Maritime, Freight & Logistics	• The sector supports the protection of marine ecosystems by partnering with the Group hotels to reclaim plastic waste from the beaches
Tourism	• Use LEED architecture to tread lightly on the land and manage our hotels to world-class standards (ISO 14001, Travelife) to ensure every activity respects nature. • Empower the teams to be passionate advocates for conservation and partner with suppliers to make sustainability a shared goal. • Directly invest in protecting local habitats, from maintaining our conservation forests to supporting national environmental projects.
Plantations	• Madulsima Plantations has implemented a targeted crop diversification programme, introducing high-value crops such as cinnamon, pepper, coffee, and cardamom to maximise land utilisation. • The commitment to biodiversity is operationalised through management systems aligned with global standards, including ISO 14001, RA, and FSC. This framework is demonstrated in our plantations segment, where we maintain over 8,000 hectares of green cover. Guided by RA and FSC certifications, our estate teams conduct regular biodiversity surveys and receive continuous training to effectively protect these vital ecosystems.
Services	• The paper used in Aitken Spence Towers is FSC certified to ensure we do not damage virgin forests for administrative tasks.

WASTE MANAGEMENT

Through responsible waste management, we protect our land and minimise our environmental impact.

Maritime, Freight & Logistics	• The sector repurposes packing materials to reduce resource consumption. Furthermore, the sector also digitised processes to reduce resource consumption.
Tourism	• A comprehensive waste management system is implemented across our hotels, featuring segregation into over 20 categories to maximise responsible handling. In regions with limited recycling infrastructure, such as the Maldives, we adapt our approach. While ensuring full regulatory compliance for the disposal of non-recyclable waste, we proactively divert all other materials-including plastics and hazardous items-for specialised management in line with national guidelines.
Strategic Investments Sector	• In our apparel factories, we have re-engineered the processes to slash fabric waste. Our waste-to-energy plant takes on municipal solid waste from Colombo, transforming it into clean, renewable energy for the entire country, thereby building a more circular and sustainable economy.

Plantations	• Our plantations turn 100% of organic waste back into healthy soil through composting.
Services	• Business segments within the Sector utilise RPA systems to increase process efficiency and eliminate the use of paper. Moreover, the Sector maintains streamlined processes to manage solid waste.

MATERIAL MANAGEMENT

We strive to systematically transition to renewable materials throughout our production and packaging and reduce our reliance on finite, fossil-based resources.

Beverages	Redesigning our packaging to protect the environment by recycling over half of our glass bottles and continuously reusing our sturdy transport crates. Moreover, we partner with recyclers to handle all our other materials, from cellophane to aluminium. The labels are transformed back into pulp-a small change that makes a big difference by helping to save trees.
Tourism	The tourism sector prioritises local suppliers, systematically reduces plastic consumption, and mandates high ethical standards. Furthermore, they collaborate with the supply chain partners to innovate and adopt more sustainable solutions, such as biodegradable packaging and energy-efficient tech.

FUTURE OUTLOOK

To build a resilient business and create enduring value, we are strategically increasing our investment in natural capital. This commitment is fundamental to our future growth and is built on five key pillars:

- Expand our renewable energy generation capacity and deploy advanced energy storage solutions.
- Scale the digital monitoring of water, energy, and biodiversity to proactively manage environmental risks.
- Launch new habitat restoration projects in areas of high biodiversity value.
- Enhance our initiatives to close material loops and minimise waste.
- Strengthen collaboration with local communities and NGOs to co-create powerful conservation and climate adaptation solutions.

THE NEXUS OF GROWTH

At Melstacorp, performance is the clearest reflection of how our strategy translates into action. It measures the effectiveness of our operations, the agility of our responses, and the strength of our execution. Through transparent reporting and rigorous evaluation, we track progress, identify areas for improvement, and celebrate milestones. Our performance review offers a holistic view of the Group's operational health—demonstrating resilience, adaptability, and sustained value delivery across our businesses.

The trunk is the core structure of a tree—connecting roots to crown and enabling the flow of water, nutrients, and energy. It bears the weight of the branches and supports the entire system's growth. Strong, stable, and essential, the trunk ensures that every part of the tree functions in harmony. Its role is central to maintaining balance, distributing resources, and allowing the tree to flourish over time.

Statement of Directors' Responsibility

The Directors are responsible under the Companies Act No. 07 of 2007, to ensure compliance of the requirements set out therein to prepare Financial Statements for each financial year giving a true and fair view of the state of the affairs of the Company and its Subsidiaries as at the Reporting date and the profit of the Company and its Subsidiaries for the financial year. The Directors are also responsible for ensuring that proper accounting records are kept to disclose, with reasonable accuracy, the financial position and enable preparation of the Financial Statements.

The Board accepts the responsibility for the integrity and objectivity of the Financial Statements presented. The Directors confirm that proper accounting records have been maintained and appropriate accounting policies have been selected and applied consistently in the preparation of such Financial Statements which have been prepared and presented in accordance with Sri Lanka Accounting Standards and provide information required by the Companies Act and the Listing Rules of the Colombo Stock Exchange.

Further, the Directors confirm that the Financial Statements have been prepared on a going concern basis and are of the view that sufficient funds and other resources are available within the Group to continue its operations and to facilitate planned future expansions and capital commitments. The Directors have taken adequate measures to safeguard the assets of the Group and in this regard have established appropriate systems of internal control with a view to preventing and detecting fraud and other irregularities. The External Auditors were provided with all information and explanations necessary to enable them to form their opinion on the Financial Statements.

COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge and belief that all statutory payments in relation to regulatory and statutory authorities that were due in respect of the Company and its Subsidiaries as at the reporting date have been paid or where relevant, provided for.

By Order of the Board,

Corporate Services (Private) Limited
Secretaries
Melstacorp PLC

25th August 2025
Colombo

Independent Auditor's Report

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TO THE SHAREHOLDERS OF MELSTACORP PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Melstacorp PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31st March 2025, and the statements of profit and loss and other comprehensive income, Statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information set out on pages 168 to 334 of the annual report.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31st March 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 Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Impairment of Investment in Subsidiaries, Equity Accounted Investees and Goodwill on acquisition

Refer to the material accounting policies in Notes 3.4.3 "Intangible Assets", 3.4.7 "Impairment of Non-Financial Assets", explanatory Note 20 "Investment in Subsidiaries", explanatory Note 21 "Investment in Equity Accounted Investees" and explanatory Note 16 "Intangible Assets" to the Financial Statements.

Risk Description	Our Response
The Company has recorded investments in subsidiaries amounting to Rs. 63.964 Million as at 31st March 2025. The Group has recorded Rs. 10,929 Million as investments in equity accounted investees and Rs. 6,222 Million as Goodwill on acquisition of subsidiaries as at 31st March 2025.	Our audit procedures included; • Obtaining an understanding of the management's impairment assessment process including the identification of impairment indicators.

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Principals: S.R.I. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R Ziyard FCMA (UK), FCIT, K. Somasundaram ACMA (UK), R. G. H. Raddella ACA, Ms. D Corea Dharmaratne

Risk Description	Our Response
As disclosed in Note 1.2 to the financial statements, the Company's principal operation is to manage these investments. As such the valuation of these investments represents the most significant area of the Company to its stakeholders. Further, the value of these investments is significant to the financial statements. Therefore, any impairment of these investments in subsidiaries and impairment of investments in equity accounted investees will have significant impact on the financial performance of the Company and the Group respectively. Management performed the impairment assessment for investments with indicators of impairment and determined their recoverable amounts based on either value-in-use or fair value less cost to sell calculation. Goodwill on acquisition represents goodwill relating to the acquisition of diversified sector, plantation sector, real estate sector, part of the beverage sector and part of the healthcare sector. LKAS 36 – "Impairment of Assets" require the goodwill to be tested for impairment annually. As such, the Group has assessed the impairment of the goodwill as at 31st March 2025. Estimation of recoverable value for the related cash generating units involves certain significant assumptions and judgements. Considering these, we have identified the assessment of impairment of investments in subsidiaries, investments in equity accounted investees and the goodwill on acquisition as a key audit matter due to the significance of the amounts recognized in the financial statements and the level of estimation uncertainties involved in determining these amounts.	• Evaluating the reasonableness of the Group's key assumptions used in its cash flow projections such as discount rates, cost inflation and business growth with reference to the internally and externally derived sources where applicable. • Assessing the appropriateness and reasonableness of the valuation models used by the management in the calculation of recoverable values of the investments in subsidiaries and CGUs to which goodwill on acquisition is related to, by using our in-house business valuation specialists. • Assessing the mathematical accuracy of related computations, the appropriateness of input data and assumptions where applicable, used by the management in calculating the recoverable amounts of such investments. • Assessing the adequacy of disclosures in the Financial Statements in relation to the impairment of investments in subsidiaries, equity accounted investees and goodwill on acquisition.

Measurement of biological assets

Refer to the material accounting policies on Note 3.12.1 "Biological Assets" and explanatory Note 18 "Biological Assets" to the financial statements.

Risk Description	Our Response
The Group has reported biological assets amounting to Rs. 11,631 Million as at 31st March 2025. This amount consists of bearer biological assets amounting to Rs. 2,865 Million and consumable biological assets amounting to Rs. 8,767 Million. Further, Rs. 764 Million has been recognized as the gain on change in the fair value of consumable biological assets for the year ended 31st March 2025. The valuation of consumable biological assets is based on significant levels of judgments and technical expertise in selecting appropriate valuation models and assumptions. Management engaged an independent external valuation expert to assist in determining the fair value of consumable biological assets. Changes in the key assumptions such as discount rate, value per cubic meter and available timber content used for the valuation of consumable biological assets could have a material impact on the fair value gain or loss for the year and the carrying value of consumable biological assets as of the reporting date. Bearer biological assets mainly include mature and immature tea and rubber trees in identified plantation fields. Inappropriate transfer from immature to mature plantations has a significant impact on the carrying value of the bearer plants and the reported profits as capitalization of costs will cease from the point of transfer and the mature plantations are depreciated over the useful lives of the plants. As per the industry practice, transfer of immature plantations to mature plantation fields happens at the point of commencement of commercial harvesting. The actual point of which commercial harvesting could start depends on the soil condition, weather patterns and plant breed. Further, bearer biological assets are subject to impairment assessment which involves management judgement in assessing the impairment indicators and impairment assessment.	Our audit procedures for consumable biological assets included; • Obtaining an understanding of and assessing the design and implementation and operating effectiveness of management's key internal controls relating to valuation of consumable biological assets. • Assessing the objectivity and independence, competence and qualification of the external valuation expert. • Challenging the key assumptions and methodology used in the valuation, in particular the discount rate, average market price, expected timber content at harvest and harvesting plan. • Obtaining estate wise census books of timber trees and comparing the number of timber trees with the valuation report to ensure the completeness and accuracy of the data and checking the mathematical accuracy of the consumable biological assets valuation. • On sample basis, physically verifying trees during estate visits to assess the girth and height of the respective trees. Our audit procedures for bearer biological assets included; • Obtaining an understanding of and assessing the design and implementation and operating effectiveness of management's key internal control in respect of capitalisation of bearer biological assets. • Obtaining schedules of costs incurred and capitalised under immature plantations as well as cost transferred to mature plantations by each estate and reconciling those balances to the general ledger on sample basis, verifying the reconciling items and obtaining explanations from management for any significant variances identified.

Risk Description	Our Response
We identified the measurement of biological assets as a key audit matter because the valuation of consumable biological assets involved significant assumptions and judgments exercised by the management and the independent valuation expert could be subjected to significant level of estimation uncertainty and management bias. Further, the impairment assessment for bearer biological assets requires management to exercise their judgment in determining the impairment indicators and in impairment assessment which is based on significant estimates.	• Testing the impairment assessment performed by the management, by challenging the impairment indicators identified and the judgements involved in impairment assessment. • Testing immature to mature cost transfer worksheet for selected estates to check whether the amount transferred during the year was consistent with the Company's accounting policy and industry norms. • Assessing the adequacy of the disclosures made for the biological assets in the Group financial statements in accordance with the relevant accounting standards.

Recognition of Revenue

Refer to the material accounting policies in Note 3.5.1 "Revenue" and explanatory Note 6 "Revenue" to the financial statements.

Risk Description	Our Response
The Group has recognized a revenue of Rs. 260,931 Million for the year ended 31st March 2025. Revenue is a key performance indicator used to evaluate the performance of the Group. Given the significance of the total value, the number of transactions, geographical locations and the dependence on IT systems over recognition of revenue, the recognition of revenue was considered as a key audit matter for the year ended 31st March 2025.	Our audit procedures included; • Testing the design and implementation of operating effectiveness of key IT application and manual controls over revenue, in addition to evaluating the integrity of the general IT control environment. • On a sample basis, testing specific revenue transactions recorded before and after the financial year end date with the underlying goods delivery notes and/or invoices to assess whether the related revenue had been recognised in the correct financial period. • Developing expectations over revenue amount for the year based on trend analysis considering historical sales patterns. • Testing, on a sample basis, revenue transactions recorded to the supporting documents to assess whether the revenue transactions have been recorded accurately. • Assessing the adequacy of the disclosures made in the financial statements in accordance with the relevant accounting standards.

Revaluation of Investment Properties

Refer to the material accounting policies in Note 3.4.4 “Investment property” and explanatory Note 17 “Investment Property” to the financial statements.

Risk Description	Our Response
The group and company has recorded fair value of Investment of Rs. 8,901Mn and Rs. 7,798Mn respectively as at 31st March 2025. The Group has engaged an independent external valuation specialists to determine the fair values of lands, buildings and investment properties as at 31st March 2025. We considered this as a key audit matter due to the significance of the judgements exercised by external valuation experts engaged by the management, estimation uncertainty and possible management bias.	Our audit procedures included; • Assessing the competency, objectivity and capabilities of the independent external valuers engaged by the management. • Assessing the reasonableness of the valuer’s assumptions and methods used in the valuation and comparing the same with evidence of current market values. • Engaging our own internal resources to assess the reasonability of the valuation technique, per perch and per square feet prices determined by the management specialist. • Assessing the adequacy of disclosures made in relation to the revaluation of lands, buildings and investment properties in the Financial Statements, including the description and appropriateness of the inherent degree of subjectivity and key assumptions used.

Measurement of Carrying value of inventories

Refer to the material accounting policies in Note 3.4.5 “Inventory”, and explanatory Note 24 “Inventory” to the financial statements.

Risk Description	Our Response
The group recorded 14.2 Bn for the year ended 31 March 2025. The Group holds a significant level of inventory. We considered this as a key audit matter due to the significance of the judgements exercised by external valuation experts engaged by the management, estimation uncertainty and possible management bias.	Our audit procedures included; • Testing the design, implementation, and operating effectiveness of the key controls management establishes for provision computation and to ensure the accuracy of the inventory provision. • Attending inventory verification at the year-end to ensure the existence of the inventory. • Assessing the results of other cyclical counts performed by management and third parties throughout the period to determine the level of count variances, which are adjusted periodically. • Performing the required substantive test for NRV on a sample basis by comparing the selling price of finished goods after the reporting date with their carrying value at the financial year-end.

Risk Description	Our Response
	• Vouching, on a sample basis, the purchase prices and quantities of inventories recorded by the Group with supplier invoices, goods delivery notes, and goods receipt notes. • Evaluating the inventory costing methodology and valuation policy established by management, including compliance with the applicable financial reporting standard and Verify IT controls over inventory costing and recompute the Weighted Average Cost (WAC) for a sample of inventory items.

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 3707.

Chartered Accountants

Colombo
25th August 2025

Consolidated Statement of Profit or Loss

For the year ended 31 March,	Note	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Continuing Operations					
Gross revenue	6	260,931,408	233,978,965	182,428	259,421
Excise duty		(91,318,188)	(70,966,255)	-	-
Cost of sales and net benefits paid	7	(88,103,022)	(88,460,070)	(14,139)	(9,531)
Gross profit		81,510,198	74,552,640	168,289	249,890
Other operating income	8	3,451,802	2,438,270	12,726,223	16,687,688
Selling and distribution expenses		(6,988,561)	(4,837,890)	-	-
Administrative expenses		(32,759,890)	(30,008,664)	(465,794)	(395,390)
Other operating expenses	9	(536,410)	(696,661)	(1,333,253)	(2,521,883)
Results from operating activities		44,677,139	41,447,695	11,095,465	14,020,305
Finance income	10.1.1	3,624,308	5,389,233	1,113,980	1,675,878
Finance costs	10.1.2	(9,445,014)	(15,492,087)	(524,833)	(1,094,590)
Net finance income/(Costs)		(5,820,706)	(10,102,854)	589,147	581,288
Share of profit of equity-accounted investees (net of tax)	21	1,418,429	984,653	-	-
Profit before income tax expense	11	40,274,862	32,329,494	11,684,612	14,601,593
Taxation	12	(18,045,681)	(16,804,678)	(353,091)	(537,699)
Profit for the year		22,229,181	15,524,816	11,331,521	14,063,894
Discontinued Operations					
Profit/ (loss) from discontinued operations (Net of Tax)	44	42,201	(2,806,964)	-	-
Profit for the year		22,271,382	12,717,852	11,331,521	14,063,894
Profit attributable to:					
Equity holders of the parent		17,094,144	9,595,291	11,331,521	14,063,894
Non controlling interest		5,177,238	3,122,561	-	-
		22,271,382	12,717,852	11,331,521	14,063,894
Basic earnings per share	13.1	14.67	8.23	9.72	12.07
Diluted earnings per share	13.2	14.67	8.23	9.72	12.07

The notes from pages 178 to 334 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Consolidated Statement of Profit or Loss & Other Comprehensive Income

For the year ended 31 March,	Note	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Profit for the year		22,271,382	12,717,852	11,331,521	14,063,894
Other comprehensive income/(expense)					
Items that will never be reclassified to profit or loss					
Revaluation of property, plant and equipment	15	694,555	20,193,009	-	-
Equity investments at FVOCI – net change in fair value	10.2	9,582,484	12,281,401	7,770,249	11,454,718
Actuarial gain/(losses) on retirement benefit obligations	33	(366,647)	(73,421)	1,887	(684)
Share of other comprehensive income of equity-accounted investees (net of tax)	21	(6,993)	(45,625)	-	-
Income tax on other comprehensive income	22.1.1	(350,470)	(5,153,304)	(566)	205
		9,552,929	27,202,060	7,771,570	11,454,239
Items that are or may be reclassified to profit or loss					
Exchange Difference on translation of foreign operations		(748,474)	(3,056,207)	-	-
Net movement on Cashflow Hedges		679,261	1,501,550	-	-
Share of other comprehensive income of equity accounted investees	21	(120,155)	(507,197)	-	-
		(189,368)	(2,061,854)	-	-
Total other comprehensive income/(expense) for the year		9,363,561	25,140,206	7,771,570	11,454,239
Total comprehensive income for the year		31,634,943	37,858,058	19,103,091	25,518,133
Total comprehensive income attributable to:					
Equity holders of the parent		26,399,327	27,231,700	19,103,091	25,518,133
Non controlling interest		5,235,616	10,626,358	-	-
		31,634,943	37,858,058	19,103,091	25,518,133

The notes from pages 178 to 334 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Consolidated Statement of Financial Position

As at 31 March,	Note	Group		Company	
		2025	2024	2025	2024
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS					
Non current assets					
Property, plant and equipment	15	148,041,086	153,106,562	10,933	8,952
Intangible assets	16	6,346,541	6,477,388	1,529	1,634
Investment property	17	8,900,595	8,800,474	7,797,859	7,478,541
Biological assets	18	11,631,450	10,895,302	-	-
Right-of-use assets	19	16,216,433	18,203,799	7,304	14,609
Investments in subsidiaries	20	-	-	63,964,295	64,161,804
Investment in equity accounted investees	21	10,928,868	10,586,643	-	419,887
Deferred tax asset	22.1	7,420,408	8,089,100	-	-
Other non current financial investments	23	56,835,717	43,496,014	47,069,048	36,289,328
		266,321,098	259,655,282	118,850,968	108,374,755
Current assets					
Inventories	24	14,245,346	14,127,914	918	945
Produce on bearer biological assets	18.1.3	14,158	13,108	-	-
Trade and other receivables	25	42,936,286	40,720,669	253,567	73,367
Amounts due from related companies	36.1.1	533,616	1,298,286	526,553	479,062
Other current financial investments	23	29,597,154	27,911,831	5,085,746	5,454,571
Other current assets	26	9,283	551,040	-	-
Cash and cash equivalents	27	21,908,504	15,741,527	4,503	18,151
		109,244,347	100,364,375	5,871,287	6,026,096
Assets held for Sale	28	922,243	169,423	-	-
Total assets		376,487,688	360,189,080	124,722,255	114,400,851
EQUITY AND LIABILITIES					
Share capital and reserves					
Stated capital	29	70,000,000	70,000,000	70,000,000	70,000,000
Reserves	30	70,157,018	60,434,042	30,904,543	23,134,294
Retained earnings/(Losses)		(7,877,963)	(15,090,850)	16,108,786	13,632,962
Equity attributable to owners of the Company		132,279,055	115,343,192	117,013,329	106,767,256
Non controlling interest		62,902,231	59,970,421	-	-
Total equity		195,181,286	175,313,613	117,013,329	106,767,256

As at 31 March,	Note	Group 2025 Rs.'000	 2024 Rs.'000	Company 2025 Rs.'000	 2024 Rs.'000
Non current liabilities					
Interest bearing loans and borrowings	31	35,899,296	40,618,111	-	-
Lease liabilities	32	12,490,090	13,616,249	-	8,825
Retirement benefit obligations	33	5,036,802	4,533,430	26,911	20,793
Deferred tax liabilities	22.1	27,580,800	27,043,701	1,364,011	1,285,665
Other liabilities	34	392,246	507,727	-	-
		81,399,234	86,319,218	1,390,922	1,315,283
Current liabilities					
Trade and other payables	35	50,726,250	50,385,929	406,347	655,343
Other liabilities	34	-	17,506	-	-
Amount due to related companies	36.1.2	2,300,791	1,663,646	618,600	548,785
Income tax payable		5,842,146	4,731,823	168,027	232,546
Interest bearing loans and borrowings	31	11,859,273	9,533,449	-	-
Lease liabilities	32	1,855,824	2,717,191	8,828	7,789
Bank overdrafts and other short term borrowings	27	27,322,884	29,506,705	5,116,202	4,873,849
		99,907,168	98,556,249	6,318,004	6,318,312
Total liabilities		181,306,402	184,875,467	7,708,926	7,633,595
Total equity and liabilities		376,487,688	360,189,080	124,722,255	114,400,851
Net assets per share (Rs.)		113.51	98.97	100.41	91.61

The notes from pages 178 to 334 form an integral part of these financial statements.
I certify that the Financial Statements are prepared and presented in compliance with the requirements of the Companies Act No.7 of 2007.

Prasanna Pinto
Group Financial Controller

The Board of directors is responsible for the preparation and presentation of these financial statements.
Approved and signed for and on behalf of the Board of directors;

D. Hasitha S. Jayawardena
Chairman

M. A. N. S. Perera
Managing Director

25th August 2025
Colombo

Statement of Changes in Equity - Group

GROUP	Attributable to equity holders of parent											Non Controlling Interest	Total equity
	Stated Capital	Revaluation Reserve	Capital Reserve	Reserve Fund	General Reserve	Exchange Fluctuation Reserve	Timber Reserve	Fair-value through OCI Reserve	Cash Flow Hedge Reserve	Retained Earnings/ (Losses)	Total		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st April 2023	70,000,000	12,746,950	19,112,137	20,491	5,565,993	6,881,280	2,720,658	(3,105,378)	(968,542)	(14,517,121)	98,456,468	52,335,859	150,792,327
Total Comprehensive Income for the Period													
Profit for the year	-	-	-	-	-	-	-	-	-	9,595,291	9,595,291	3,122,561	12,717,852
Other comprehensive income													
Equity investments at FVOCI – net change in fair value	-	-	-	-	-	-	-	12,225,656	-	-	12,225,656	55,745	12,281,401
Revaluation of property, plant and equipment	-	8,952,220	-	-	-	-	-	-	-	-	8,952,220	11,240,789	20,193,009
Net movement on Cashflow Hedges	-	-	-	-	-	-	-	-	344,498	-	344,498	1,157,052	1,501,550
Exchange Difference on translation of foreign operations	-	-	-	-	-	(1,074,230)	-	-	-	-	(1,074,230)	(1,981,977)	(3,056,207)
Actuarial gain/(losses) on retirement benefit obligations	-	-	-	-	-	-	-	-	-	1,628	1,628	(75,049)	(73,421)
Share of other comprehensive income of equity-accounted investees (net of tax)	-	-	-	-	-	(259,391)	-	-	-	(24,392)	(283,783)	(269,039)	(552,822)
Income tax on other comprehensive income	-	(2,504,092)	-	-	-	-	-	(16,453)	-	(9,035)	(2,529,580)	(2,623,724)	(5,153,304)
Total other comprehensive income for the year	-	6,448,128	-	-	-	(1,333,621)	-	12,209,203	344,498	(31,799)	17,636,409	7,503,797	25,140,206
Total comprehensive income for the year	-	6,448,128	-	-	-	(1,333,621)	-	12,209,203	344,498	9,563,492	27,231,700	10,626,358	37,858,058
Transactions with owners directly recorded in the Equity													
Dividends paid to non controlling interest	-	-	-	-	-	-	-	-	-	-	-	(3,455,342)	(3,455,342)
Share of net assets of equity accounted investees	-	-	-	-	-	-	-	-	-	119,397	119,397	113,195	232,592
Dividends paid/declared during the year (Note 14.1)	-	-	-	-	-	-	-	-	-	(10,465,266)	(10,465,266)	-	(10,465,266)
Transferred from/to retained earnings	-	-	-	-	(833,641)	-	647,754	-	-	185,887	-	-	-
Acquisition of Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	327,860	327,860
Effect on changes in percentage holding of subsidiaries	-	(5,223)	-	-	-	-	(16,644)	(1)	-	22,761	893	22,491	23,384
Total contributions by and distributions to owners	-	(5,223)	-	-	(833,641)	-	631,110	(1)	-	(10,137,221)	(10,344,976)	(2,991,796)	(13,336,772)
Balance as at 31st March 2024	70,000,000	19,189,855	19,112,137	20,491	4,732,352	5,547,659	3,351,768	9,103,824	(624,044)	(15,090,850)	115,343,192	59,970,421	175,313,613

GROUP	Attributable to equity holders of parent											Non Controlling Interest	Total equity
	Stated Capital	Revaluation Reserve	Capital Reserve	Reserve Fund	General Reserve	Exchange Fluctuation Reserve	Timber Reserve	Fair-value through OCI Reserve	Cash Flow Hedge Reserve	Retained Earnings/ (Losses)	Total		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st April 2024	70,000,000	19,189,855	19,112,137	20,491	4,732,352	5,547,659	3,351,768	9,103,824	(624,044)	(15,090,850)	115,343,192	59,970,421	175,313,613
Total Comprehensive Income for the Period													
Profit for the year	-	-	-	-	-	-	-	-	-	17,094,144	17,094,144	5,177,238	22,271,382
Other comprehensive income													
Equity investments at FVOCI – net change in fair value	-	-	-	-	-	-	-	9,448,005	-	-	9,448,005	134,479	9,582,484
Revaluation of property, plant and equipment	-	656,067	-	-	-	-	-	-	-	-	656,067	38,488	694,555
Net movement on Cashflow Hedges	-	-	-	-	-	-	-	-	155,842	-	155,842	523,419	679,261
Exchange Difference on translation of foreign operations	-	-	-	-	-	(279,467)	-	-	-	-	(279,467)	(469,007)	(748,474)
Actuarial gain/(losses) on retirement benefit obligations	-	-	-	-	-	-	-	-	-	(267,134)	(267,134)	(99,513)	(366,647)
Share of other comprehensive income of equity-accounted investees (net of tax)	-	-	-	-	-	(61,679)	-	-	-	(3,590)	(65,269)	(61,879)	(127,148)
Income tax on other comprehensive income	-	(428,584)	-	-	-	-	-	(1,017)	-	86,740	(342,861)	(7,609)	(350,470)
Total other comprehensive income for the year	-	227,483	-	-	-	(341,146)	-	9,446,988	155,842	(183,984)	9,305,183	58,378	9,363,561
Total comprehensive income for the year	-	227,483	-	-	-	(341,146)	-	9,446,988	155,842	16,910,160	26,399,327	5,235,616	31,634,943
Transactions with owners directly recorded in the Equity													
Dividends paid to non controlling interest	-	-	-	-	-	-	-	-	-	-	-	(3,042,927)	(3,042,927)
Share of net assets of equity accounted investees	-	-	-	-	-	-	-	-	-	67,520	67,520	64,013	131,533
Retirement of Revalued assets	-	(222,092)	-	-	-	-	-	-	-	222,092	-	-	-
Direct cost of shares issued by subsidiaries	-	-	-	-	-	-	-	-	-	(227)	(227)	(215)	(442)
Dividends paid/declared during the year (Note 14.1)	-	-	-	-	-	-	-	-	-	(8,857,018)	(8,857,018)	-	(8,857,018)
Transferred from/to retained earnings	-	-	-	-	(38,973)	-	494,874	-	-	(455,901)	-	-	-
Acquisition of Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	1,584	1,584
Acquisition of Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Effect on changes in percentage holding of subsidiaries	-	-	-	-	-	-	-	-	-	(673,739)	(673,739)	673,739	-
Total contributions by and distributions to owners	-	(222,092)	-	-	(38,973)	-	494,874	-	-	(9,697,273)	(9,463,464)	(2,303,806)	(11,767,270)
Balance as at 31st March 2025	70,000,000	19,195,246	19,112,137	20,491	4,693,379	5,206,513	3,846,642	18,550,812	(468,202)	(7,877,963)	132,279,055	62,902,231	195,181,286

The notes from pages 178 to 334 form an integral part of these financial statements.
Figures in brackets indicate deductions.

Statement of Changes in Equity - Company

COMPANY	Stated Capital Rs.'000	Capital Reserve Rs.'000	Revaluation Reserve Rs.'000	Fair-value through OCI Reserve Rs.'000	Retained Earnings/ (Losses) Rs.'000	Total Rs.'000
Balance as at 1st April 2023	70,000,000	19,100,000	109,382	(7,529,806)	10,034,813	91,714,389
Profit for the year	-	-	-	-	14,063,894	14,063,894
Other Comprehensive Income						
Equity investments at FVOCI – net change in fair value	-	-	-	11,454,718	-	11,454,718
Actuarial Gain on retirement benefit obligations	-	-	-	-	(684)	(684)
Income tax on other comprehensive income	-	-	-	-	205	205
Total Other Comprehensive Income for the period	-	-	-	11,454,718	(479)	11,454,239
Total Comprehensive Income for the period	-	-	-	11,454,718	14,063,415	25,518,133
Transactions with Owners of the Company directly recognised into Equity						
Dividend paid/declared (Note 14.1)	-	-	-	-	(10,465,266)	(10,465,266)
Transactions with Owners of the Company directly recognised into Equity	-	-	-	-	(10,465,266)	(10,465,266)
Balance as at 31st March 2024	70,000,000	19,100,000	109,382	3,924,912	13,632,962	106,767,256

COMPANY	Stated Capital Rs.'000	Capital Reserve Rs.'000	Revaluation Reserve Rs.'000	Fair-value through OCI Reserve Rs.'000	Retained Earnings/ (Losses) Rs.'000	Total Rs.'000
Balance as at 1st April 2024	70,000,000	19,100,000	109,382	3,924,912	13,632,962	106,767,256
Profit for the year	-	-	-	-	11,331,521	11,331,521
Other Comprehensive Income						
Equity investments at FVOCI – net change in fair value	-	-	-	7,770,249	-	7,770,249
Actuarial Gain on retirement benefit obligations	-	-	-	-	1,887	1,887
Income tax on other comprehensive income	-	-	-	-	(566)	(566)
Total Other Comprehensive Income for the period	-	-	-	7,770,249	1,321	7,771,570
Total Comprehensive Income for the period	-	-	-	7,770,249	11,332,842	19,103,091
Transactions with Owners of the Company directly recognised into Equity						
Dividend paid	-	-	-	-	(8,857,018)	(8,857,018)
Transactions with Owners of the Company directly recognised into Equity	-	-	-	-	(8,857,018)	(8,857,018)
Balance as at 31st March 2025	70,000,000	19,100,000	109,382	11,695,161	16,108,786	117,013,329

The notes from pages 178 to 334 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Consolidated Statement of Cash Flows

As at 31 March,	Note	Group		Company	
		2025	2024	2025	2024
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flow from Operating Activities					
Profit before tax from continuing operations		40,274,862	32,329,494	11,684,612	14,601,593
Profit/(Loss) before tax from discontinued operations	44	52,106	(2,842,689)	-	-
Profit before tax		40,326,968	29,486,805	11,684,612	14,601,593
Adjustments for;					
(Gain)/Loss on disposal/ Retire of property, plant and equipment		44,510	(82,421)	-	-
(Gain)/Loss on retire/disposal of investment properties / assets held for sale		-	(42,189)	256,510	-
Depreciation of Property, Plant and Equipment	15	8,522,984	6,787,464	3,225	3,408
Amortization of Right of Use Assets	19	2,107,792	1,830,356	7,305	7,304
Provision for Retirement benefit obligation	33	879,474	1,011,760	8,888	6,989
Adjustment on unpaid and unclaimed retiring gratuity	33	(73,705)	-	-	-
Provision/ (reversal) for inventories		126,829	545,706	-	-
Provision/(reversal) of bad & doubtful debts and impairment of financial assets at amortized cost		(1,021,944)	2,031,235	-	-
Loss on revaluation of Land and buildings		-	21,178	-	-
Impairment of balance receivable from related parties		-	-	879,166	1,997,615
Impairment of investments in joint ventures/Associates		25,319	-	-	320,803
Impairment of goodwill on acquisition of subsidiaries		81,816	-	-	-
Share of profit of equity-accounted investees, net of tax	21	(1,418,429)	(984,653)	-	-
Amortization, impairment and write-off of Biological Assets	18	236,821	240,948	-	-
Amortization of Intangible Assets	16	80,802	58,490	105	258
(Gain)/loss on change in fair value of financial assets at fair value through profit or loss		(82,885)	(50,852)	(27,074)	3,797
(Gain)/loss on disposal of financial investments		(38,662)	27,459	68	-
(Gain)/loss on disposal of joint ventures		(9,493)	-	(45,318)	-
Gain on termination of Right of Use Assets		(20,460)	(4,068)	-	-
Deferred income recognized	34.2	(21,766)	(4,265)	-	-
Amortization of government grants	34.1	(17,205)	(16,566)	-	-
Dividend Income		(827,589)	(422,014)	(12,190,676)	(16,307,262)
(Gain)/loss on change in fair value of Biological Assets	18.3	(763,735)	(1,020,256)	-	-
Impairment of Property, Plant and Equipment, investment properties and intangible assets		18,295	291,384	-	-
Fair value gain on investment property	17	(262,551)	(250,630)	(456,463)	(377,587)
Gain on Disposal of shares of Subsidiaries		-	-	-	(2,827)
Provision for Impairment of Investment in Subsidiaries		-	-	197,509	203,242
Interest income		(3,007,804)	(4,502,035)	(1,086,906)	(1,675,877)
Interest expense		8,042,168	11,822,616	524,833	1,090,794
Operating profit/(loss) before working capital changes		52,927,550	46,775,451	(244,216)	(127,751)
(Increase)/decrease in inventories		(420,761)	1,431,997	27	24
(Increase)/decrease in receivables		(891,590)	(4,002,104)	(180,207)	(1,958)
Increase/(decrease) in payables		469,014	6,499,633	(248,997)	516,875
(Increase) / decrease in Related Party Receivables / Payables		1,401,815	(1,386,090)	(324,961)	(30,106)
Cash flows generated from/(used in) operations		53,486,028	49,318,887	(998,354)	357,085
Interest paid		(7,326,261)	(11,131,874)	(461,042)	(1,018,099)
Income Tax and surcharge tax paid		(16,081,656)	(17,652,430)	(339,832)	(761,684)
Retiring Gratuity paid	33	(676,819)	(601,530)	(883)	(3,577)
Dividends Received		827,589	422,014	12,190,676	16,265,059
Net Cash flows generated from/(used in) operations		30,228,881	20,355,067	10,390,565	14,838,784

		Group		Company	
As at 31 March,	Note	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Cash Flow from Investing Activities					
Acquisition of Property, plant and equipment	15	(4,273,648)	(5,877,292)	(5,207)	(1,782)
Proceeds from disposal of shares of subsidiaries		-	23,483	-	23,483
Proceeds from disposal of joint ventures		650,000	-	650,000	-
Acquisition of Intangible Assets	16	(40,481)	(37,070)	-	(318)
Acquisition of investment property	17	(32,395)	(295,947)	(119,365)	-
Net Additions to Biological Assets	18	(210,284)	(252,944)	-	-
Sale of Consumer Biological Assets		-	-	-	-
Proceeds from liquidation of assets held for saleAssets held for sale		-	66,186	-	-
Investment in Associates		-	(312,819)	-	-
Investment in joint ventures		(200,089)	-	(184,794)	(150,000)
Proceeds from sale of Property, plant and equipment		606,083	149,758	-	-
Interest received		3,007,804	4,502,035	953,320	189,042
Net Proceeds from Disposal / (Acquisition) of Other Financial Investments		(5,358,057)	1,782,326	(3,000,063)	(46,834)
Acquisition of subsidiaries net of cash acquired	20.5	-	(4,925,455)	-	-
Net cash outflow on disposal of subsidiary		(56,219)	-	-	-
Investment in subsidiaries		-	-	-	(905,459)
Loans disbursed to Subsidiaries and Associates		-	-	(169,700)	(1,091,902)
Proceeds from settlement of Loans given to Subsidiaries		-	-	95,000	209,367
Dividend received from equity accounted investees		614,853	451,839	-	-
Net Cash flows generated from/(used in) investing activities		(5,292,433)	(4,725,900)	(1,780,809)	(1,774,403)
Cash Flow from Financing Activities				-	
Net Advances received from /(Settled to)subsidiaries and equity accounted investees		(98,276)	(140,628)	-	13,962
Operating leases pre-paid	19	(7,128)	-	-	-
Lease payments made	32	(3,056,501)	(3,123,630)	(8,739)	(8,743)
Proceeds from interest bearing loans and borrowings	31.1	20,683,884	2,405,745	-	-
Repayments of interest bearing loans and borrowings	31.1	(22,376,790)	(7,951,375)	-	-
Dividend paid		(8,857,018)	(10,465,365)	(8,857,018)	(10,465,266)
Dividends paid by subsidiaries to minority shareholders		(3,042,927)	(3,455,342)	-	-
Issue of shares by subsidiary companies		8,120	-	-	-
Direct cost of capital raised by subsidiaries		(442)	-	-	-
Government grants received	34.1	-	1,991	-	-
Receipt of Deferred Income	34.2	4,259	4,259	-	-
Net Cash flows generated from/(used in) financing activities		(16,742,819)	(22,724,345)	(8,865,757)	(10,460,047)
Net increase/(decrease) in cash and cash equivalents		8,193,629	(7,095,178)	(256,001)	2,604,334
Cash and cash equivalents at the beginning of the year		(13,765,178)	(6,609,785)	(4,855,698)	(7,460,032)
Effect of movements in exchange rates		157,169	(60,215)	-	-
Cash and cash equivalents at the end of the year (Note 27)		(5,414,380)	(13,765,178)	(5,111,699)	(4,855,698)
Note B					
Analysis of cash and cash equivalents at the end of the year					
Short term deposits	27	6,800,560	2,637,917	-	-
Cash at bank	27	15,063,351	13,029,924	4,503	18,151
Cash in transit	27	44,593	73,686	-	-
Bank overdraft and Other Short Term Borrowings	27	(27,322,884)	(29,506,705)	(5,116,202)	(4,873,849)
		(5,414,380)	(13,765,178)	(5,111,699)	(4,855,698)

The Financial Statements are to be read in conjunction with related notes, which form a part of the Financial Statements of the Group set out in pages 178 to 334.

Notes to the Financial Statements

1. REPORTING ENTITY

1.1 Domicile & Legal Form

Melstacorp PLC (the "Company") is a quoted public limited liability Company incorporated and domiciled in Sri Lanka. The Company has been registered under the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 07 of 2007. The registered office and principal place of business of the Company is located at No.110, Norris Canal Road, Colombo 10.

On 21 January 2011, the name of Beruwala Distillery (Private) Limited was replaced with the name of Melstacorp (Private) Limited and the Company has changed its status into a Public Company with effect from 10 August 2011. The Ordinary Shares of the Company were listed in Colombo Stock Exchange on 30 December 2016.

The Consolidated Financial Statements of Melstacorp PLC, as at and for the year ended 31 March 2025 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates.

1.2 Principal Activities and Nature of Operation

1.2.1 Company

Melstacorp PLC, manages a portfolio of holdings consisting of a range of diverse business operations, which together constitute the Company, and provides function based services to its subsidiaries and associates. Further the Company lease out its properties to external parties and its subsidiaries.

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

1.3 Parent Enterprise and Ultimate Parent Enterprise

The immediate and ultimate parent entity of Melstacorp PLC is Milford Exports Ceylon (Private) Limited.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Financial Statements of the Company and the Group have been prepared in accordance with Sri Lanka Accounting Standards (referred "SLFRS/ LKAS") as laid down by the Institute of Chartered Accountants of Sri Lanka.

Details of the Company's and Group's accounting policies and changes thereto, are included in note 3 to these financial statements.

These Financial Statements include the following components:

- Statements of Profit or Loss and Other Comprehensive Income providing the information on the financial performance of the Company and the Group for the year under review.
- Statements of Financial Position providing the information on the financial position of the Company and the Group as at the year end.
- Statements of Changes in Equity depicting all changes in shareholders' funds during the year under review of the Company and the Group.
- Statements of Cash Flows providing the information to the users, on the ability of the Company and the Group to generate cash and cash equivalents and utilisation of those cash flows.
- Notes to the Financial Statements comprising material Accounting Policies and other explanatory information.

2.2 Directors' Responsibility for Financial Statements

The Board of Directors is responsible for the preparation and presentation of Financial Statements as per the provisions of the Companies Act No. 07 of 2007 and Sri Lanka Accounting Standards (SLFRSs/ LKASs) and the requirements of the Companies Act No. 07 of 2007.

2.3 Approval of Financial statements

The Consolidated Financial Statements for the year ended 31 March 2025 were approved and authorised for issue by the Board of Directors in accordance with Resolution of the Directors on 25th August 2025.

2.4 Basis of Measurement

The Consolidated Financial Statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

2.5 Functional and Presentation Currency

The financial statements are presented in Sri Lankan Rupees which is the currency of the primary economic environment in which the Company operates (the functional currency). All financial information presented in Rupees has been rounded to the nearest thousand except where otherwise indicated as permitted by the Sri Lanka Accounting Standard – LKAS 1 on 'Presentation of Financial Statements'.

Each Group company determines its own functional currency and items included in the financial statements of these companies are measured using that functional currency. There were no changes in the presentation or functional currency of the Group companies during the year under review.

Functional currency of all the Group companies is Sri Lankan Rupees other than the following companies whose functional currency is either based on the country of incorporation of the respective company or circumstances that could influence in determining its functional currency.

Company	Country of Incorporation	Functional Currency
Aitken Spence Hotel Managements Asia (Pvt) Ltd	Sri Lanka	United States Dollar
Aitken Spence Hotels International (Pvt) Ltd	Sri Lanka	United States Dollar
Port City BPO (Private) Ltd	Sri Lanka	United States Dollar
A.D.S. Resorts Private Ltd	Maldives	United States Dollar
Ace Aviation Services Maldives Private Ltd	Maldives	United States Dollar
Ace Resorts Private Ltd	Maldives	United States Dollar
Cowrie Investment Private Ltd	Maldives	United States Dollar
Inter lifts International Private Ltd	Maldives	United States Dollar
Jetan Travel Services Company Private Ltd	Maldives	United States Dollar
Unique Resorts Private Ltd Maldives	Maldives	United States Dollar
Aitken Spence Cargo (Cambodia) Co. Ltd	Cambodia	United States Dollar
Crest Star (B.V.I) Ltd	British Virgin Islands	United States Dollar
Aitken Spence International Pte. Ltd	Singapore	United States Dollar
Fiji Ports Corporation Ltd	Fiji	Fijian Dollars
Fiji Ports Terminal Ltd	Fiji	Fijian Dollars
Fiji Ships Heavy Industries Ltd	Fiji	Fijian Dollars
Serendib Investments Ltd	Fiji	Fijian Dollars
Aitken Spence Hotel Managements (South India) Ltd	India	Indian Rupee
Aitken Spence Hotel Services Private Ltd	India	Indian Rupee
Perumbalam Resorts Private Ltd	India	Indian Rupee
PR Holiday Homes Private Ltd	India	Indian Rupee
Ace Aviation Myanmar Ltd	Myanmar	Myanmar Kyat
Aitken Spence Travels Myanmar Ltd	Myanmar	Myanmar Kyat
Aitken Spence Resorts (Middle East) LLC	Oman	Omani Riyal
Ace Bangladesh Ltd	Bangladesh	Bangladeshi Taka

2.6 Materiality and Aggregation

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

2.7 Use of Judgments and Estimates

The preparation of Consolidated Financial Statements in conformity with Sri Lanka Accounting Standards (SLFRS and LKAS) requires management to make judgments, estimates and assumptions that affect the application of Group accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised prospectively. Information about assumptions and estimation uncertainties that have significant effect on the amounts recognised in the consolidated financial statements is included in following Notes;

Note 6 – Revenue recognition

Note 15 – Revaluation of Land and Buildings

Note 16, 20, 21 – Impairment of Goodwill, Investment in Subsidiaries and Equity Accounted Investees

Note 17 – Investment Properties

Note 18 – Biological Assets

Note 22.1 - Recognition of deferred tax assets: availability of future taxable profit against which carried forward tax losses can be used

Note 33.1.2 – Measurement of defined benefit plan; key actuarial assumptions

Note 41 – Recognition and measurement of provisions for contingencies; key assumptions about the likelihood and magnitude of an outflow of resources

Note 20 – Consolidation : Whether the Group has de-facto control over an investee

Note 32 – lease term : whether the Group is reasonably certain to exercise extension options.

Property, Plant and Equipment- Land and Building	Fair value
Investment Property	Fair Value
Retirement benefit obligation	Present value of the defined benefit obligation
Financial Assets Measured at Fair Value Through Other Comprehensive Income	Fair Value
Financial Assets Measured at Fair value through profit or loss	Fair Value
Consumable Biological Assets	Fair Value
Lease liabilities	Present Value of future cash flows

2.8 Going Concern

The Management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the Financial Statements of the Group continue to be prepared on a going concern basis.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Except as stated below, the Group has consistently applied all the accounting policies set out below to all periods presented in these financial statements.

3.1 Changes in Material Accounting Policies

There were no changes in material accounting policies used by the Group during the financial year. Further, there were no significant impact to the financial statements of the Group from new or amended accounting standards and interpretations that were required to be incorporated into the financial statements with effect from 01st April 2024.

3.2 Basis of consolidation

The Financial Statements of the Company and Group comprise the Financial Statements of the Company and its Subsidiaries for the year ended 31 March 2025 other than Periceyl (Private) Limited, Continental Insurance Lanka Limited, Madulsima Plantations PLC, Balangoda Plantations PLC, Formular World PVT Ltd and Continental Insurance Life Lanka Ltd, DCSL Breweries Lanka Limited whose financial year ends on 31st December. The difference between the reporting date of the above companies and that of the parent does not exceed three months but adjustments are made for any significant transactions or events up to 31 March, if any.

3.2.1 Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

3.2.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date when control ceases.

3.2.3 Non-controlling interests ("NCI")

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.2.4 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3.2.5 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2.6 Interests in Equity Accounted Investees

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are contractual arrangements when by two or more parties agree to share control over an economic activity. Interests in associates and Joint ventures are accounted for using the equity method (equity accounted investees). They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence ceases.

3.3 Foreign Currency

3.3.1 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determinate.

Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated. Foreign currency losses are generally recognised in profit or loss and presented within finance costs.

However, foreign currency differences arising from the translation of the following items are recognised in OCI

- Qualifying cash flow hedges to the extent that the hedges are effective

3.3.2 Foreign Operations

Foreign operations Group companies incorporated outside Sri Lanka or Sri Lankan companies in which the reporting currency is other than Sri Lankan Rupees are treated as foreign operations. The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the reporting currency at the rate of exchange prevailing on the reporting date. Income and expenses of the foreign entities are translated at the rate of exchange approximating to the actual rate at the dates of the transactions. For practical purposes this is presumed to be the average rate during each month.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity except to the extent the translation difference is allocated to the non-controlling interest. When a foreign operation is disposed of in a manner that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the income statement as part of the gain or loss on disposal. If the Group disposes of only part of its interest in the subsidiary but retains control, the relevant portion of the translation reserve is transferred to non-controlling interest. When the Group disposes of only part of its interest in an equity accounted investee that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount of the translation reserve is reclassified to the income statement.

3.4 Statement of Financial Position

3.4.1 Property, Plant & Equipment

3.4.1.1 Freehold Assets Recognition

Property, plant & equipment are tangible items that are held for servicing, or for administrative purposes and are expected to be used during more than one period. Property, Plant & Equipment are recognised if it is probable that future economic benefits associated with the assets will flow to the Group and cost of the asset can be reliably measured.

Measurement

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

The cost of property, plant & equipment includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the 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.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent Cost

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Group and the cost of the item can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss.

De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognising 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 in the year the asset is derecognised.

Revaluation

The Group revalues its land and buildings at least once in e very five years which is measured at its fair value at the date of revaluation less any accumulated depreciation and any accumulated impairment losses. On revaluation of land and building, any increase in the revaluation amount is credited to the revaluation reserve in shareholder's equity unless it offsets a previous decrease in value of the same asset that was recognised in the profit or loss. A decrease in value is recognised in the profit or loss where it exceeds the increase previously recognised in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from the revaluation reserve to retained earnings and is not taken into account in arriving at the gain or loss on disposal.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using straight-line basis over the estimated useful lives, and is generally recognised in profit or loss. Freehold land is not depreciated. Leased assets are depreciated over the shorter of the lease term or the useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. The estimated useful lives of property, plant and equipment for current and comparative periods are as follows.

Freehold Buildings	20 – 50 years
Plant, Machinery & Equipment	10 – 20 years
Medical Equipment	10 years
Furniture & Fittings/ Office Equipment	10 years
Vats & Casks	10 years
Oil Storage Tanks	10 years
Computers equipment	03 – 05 years
Motor Vehicles	04 – 10 years
Empty Drums	02 years
Kitchen Equipment	10 years
Soft Furnishing, Crockery, Cutlery and Glassware	05 – 10 years
Speed Boats	05 years
Power Generation Plants	10 – 20 years or over the period of the power purchasing agreement

Power generating plants of some of the Group companies in the renewable energy segment that are not depreciated as above are depreciated on the unit of production basis. Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Capital Work-in-progress

Capital work-in-progress is stated at cost. These are expenses of a capital nature directly incurred in the construction of buildings, major plant and machinery, awaiting capitalisation.

Reclassification to investment property

When the use of a property changes from owner- occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment losses on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve. Any loss is recognised in profit or loss.

3.4.2 Leases

3.4.2.1 Group acting as a lessee

At commencement or modification of a contract that contains a lease component, the Group allocates consideration in the contract to each lease component on the basis of its stand-alone price.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The Group determines its incremental borrowing rate by analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of the lease asset.

- Lease payments included in the measurement of lease liability includes
- Fixed payments
- Variable lease payments that depend on an index or rate
- Amount expected to be payable under residual value guarantee
- The exercise price under a purchase option that the Company is reasonably certain to exercise

Lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable or if there is a fixed in substance lease payment.

When the lease liability is remeasured as such, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the profit or loss if the carrying amount of the right of-use asset has been reduced to zero.

The Group presents the right-of-use asset and the lease liability as separate line items in the Statement of Financial Position.

In the Statement of Cash Flows, lease payments are presented under financing activities, with both the interest and principal components included within this classification.

Short term leases and leases of low value assets

The Group elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets and short- term leases. The Group recognises the lease payments associated with these leases as an expense on the straight-line basis.

3.4.2.1 The Group acting as a lessor

When the Group acts as the lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of risks and rewards incidental to ownership of the underlying asset. If this is the case, lease is a finance lease; if not it is an operating lease.

3.4.3 Intangible Assets

An intangible asset is recognised if it is probable that future economic benefits will flow to the entity and the cost of the asset can be measured reliably in accordance with LKAS 38 “Intangible Assets”. Intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Goodwill acquired in a business combination is tested annually for impairment or more frequently if events or changes in circumstance indicate that it might be impaired and carried at cost less accumulated impairment losses.

Impairment losses on goodwill are not reversed.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which goodwill arose.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using straight- line basis over the estimated useful lives from the date that they are available for use, and is generally recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives for the current and comparative periods are as follows: Computer software 3 years.

3.4.4 Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of the business, use in the production or supply of goods or services or administrative purpose. Investment properties are initially measured at its cost including related transaction costs and subsequently at fair value with any change therein recognised in profit or loss.

Investment properties are derecognised when disposed or permanently withdrawn from use because no future economic benefits are expected. Any gains or losses on the retirement or disposal is recognised in the profit or loss in the year of retirement or disposal. Transfers are made to investment property, when there is a change in use. Where a Group company occupies in a significant portion of an investment property of a subsidiary, such investment properties are treated as property, plant & equipment the consolidated financial statements and accounted for as per LKAS 16 Property, Plant & Equipment unless such properties are originally acquired with the intention of capital appreciation.

3.4.5 Inventories

Inventories are measured at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses. The general basis on which cost is determined is: all inventory items, except manufactured inventories and work-in progress are measured at weighted average directly attributable cost.

Manufactured inventories and work in progress are measured at weighted average factory cost which includes all direct expenditure and appropriate shares of production overhead based on normal operating capacity.

3.4.6 Financial Instruments

3.4.6.1 Recognition and initial measurement

The Group initially recognises receivables and deposits on the date they are originated. All other financial assets are recognised initially on the trade date at which the Group becomes party to the contractual provision of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not an FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.4.6.2 Classification and subsequent measurement

3.4.6.2.1 Financial Assets

On initial recognition, a financial asset is classified as measured at; amortised cost; FVOCI –debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequently to their recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL;

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL;

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

On the initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial assets that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial Assets - Business Model Assessment

The Group makes an assessment of the objectives of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes;

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group's management. The risks that affect the performance of the business model (and the financial assets held within the business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the asset managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reason for such sale and expectation about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial Assets - Assessment whether contractual cash flows are solely payment of principal and interest:

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative cost), as well as a profit margin.

In assessing whether the contractual cash flows are solely payment of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers;

- Contingent events that would change the amount or timing of cash flows
- Terms that may adjust the contractual coupon rate, including variable rate features
- Prepayment and extension features; and
- Terms that limits the Group's claim to cash flows from specific assets (e.g. non-recourse features)

The prepayment feature is consistent with the solely payment of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable addition compensation for early termination of the contract.

B. Financial Liabilities

Financial Liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost of FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using effective interest method.

Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.4.6.2.2 Derecognition

Financial Assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial Liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any noncash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.4.6.3 Hedge accounting and cash flow hedge

'Hedging' is a process of using a financial instrument to mitigate all or some of the risk associated to a hedged item. 'Hedge accounting' changes the timing of recognising the gains and losses on either the hedged item or the hedging instrument so that both are recognised in profit or loss or other comprehensive income in the same accounting period in order to record the economic substance of the relationship between the hedged item and instrument.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on a prospective basis according to SLFRS 09 – 'Financial Instruments' requirements.

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

Cash Flow Hedge

A hedge of an exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset, liability or a highly probable forecast transaction that could affect the profit or loss is classified as a cash flow hedge.

When a non-derivative financial liability is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the non- derivative financial liability is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the non-derivative financial liability that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the non-derivative financial liability is recognised immediately in profit or loss.

If the hedge no longer meets the criteria for hedge accounting (after taking into account any rebalancing of the hedging relationship) or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of the hedging reserve are immediately reclassified to profit or loss.

3.4.7 Impairment Financial Assets

A Non-derivative financial assets

The Group recognises loss allowances for Expected Credit Loss (ECL) on:

- Financial assets measured at amortised cost;

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the bank balances for which credit risk has not increased significantly since initial recognition which are measured at 12-month ECLs:

Loss allowance for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligation to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The financial asset is more than 365 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade".

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e, the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e, the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset occurred.

Evidence that a financial asset is credit-impaired includes the following observable data;

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties

Presentation of allowance for ECL in the statement of financial position

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectation of recovering a financial asset in it's entirely or a portion thereof. The Group initially makes an assessment with respect to the timing and amount to write off based on whether there is a reasonable expectation of recovery.

B. Non Financial Assets

The carrying amounts of the Company's non-financial assets, other than, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discounting rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of the other assets or CGUs.

Impairment losses are recognised in Profit or Loss. Impairment losses recognised in respect of CGUs are allocated reduce the carrying amount of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.4.8 Stated Capital

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

3.4.9 Employee Benefits

(a) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid in cash as ex-gratia in the short term, if the Group has a present legal or constructive obligation to pay this amount as a result of past service rendered by the employee, and the obligation can be measured reliably.

(B) Defined contribution plan

A defined contribution plan is a postemployment benefit plan under which an entity pays a fixed employee benefit contribution into a separate entity and will have no further legal or constructive obligations to pay any additional amounts. Obligations for contributions to a defined contribution plan are recognised as an employee benefit expense in the income statement in the periods during which services are rendered by employees.

Provident fund and Employee trust fund – Sri Lanka

For employees in Sri Lanka the Group contributes a sum not less than 12% of the gross emoluments as provident fund benefits and a sum equivalent 3% of the gross emoluments as trust fund benefits.

Employees' Trust Fund (ETF)

The Group entities contributes 3% of the basic salary of each employee to the Employees' Trust Fund.

Pension scheme – Maldives

All Maldivian employees of the Group are members of the retirement pension scheme established in the Maldives. The Group contributes 7% of the pensionable wage of such employees to this scheme.

Provident fund – India

Group companies in South India contribute a sum of 12% of the basic salaries of for local employees and 12% of gross salary for foreign employees as provident fund benefits to the Employee Provident Organisation of India.

Provident fund – Fiji

Group companies in Fiji contribute a sum of 10% of the basic salaries of all employees as provident fund benefits to the Fiji National Provident Fund.

Defined Contribution Funds – Oman

Group companies in Oman contribute a sum of 13.5% of the Omani employee's gross salary and 1% from expat's employee's gross salary w.e.f. August 2024 in accordance with Social Security Insurance Law.

(c) Defined benefit plan

A defined benefit plan is a postemployment benefit plan other than a defined contribution plan.

Retiring Gratuity - Sri Lanka

The liability recognised in the statement of financial position in respect of defined benefit plans 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. Management's estimate of the defined benefit plan obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms of maturity approximating to the terms of the liability.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that related to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The provision for retirement benefits obligations for the year is based on both internally developed method as recommended by Sri Lanka Accounting Standard No 19 "Employee Benefits" and the actuarial valuation carried out by professionally qualified actuaries. Provision has been made in the financial statements for retiring gratuities from the first year of service for all employees.

The Group has made payments in accordance with Gratuity Act No.12 of 1983. Accordingly, the liability for payment to an employee arises only after the completion of 5 years continued service.

The liability is not externally funded.

The Group recognises all actuarial gains and losses arising from defined benefit plans immediately in other comprehensive income as they occur.

Retiring Gratuity – India

A liability is provided for employees in India based on a valuation made by an independent actuary using unit credit method for payment of gratuity at the rate of 15/26 times the monthly qualifying salary for each year of service.

Retiring Gratuity – Fiji

Retirement benefit liability is recognised for all permanent employees in Fiji based on four months salary plus four weeks pay for every year of service effective from the appointment date until retirement at 60 years. However, in order to be entitled for the gratuity payment, the employees should have completed minimum of 5 years continuous service preceding the date of retirement.

Retiring Gratuity – Oman

Gratuity is provided as per the labour law of Sultanate of Oman due to expatriate employees upon termination/ completion of employment which is computed based on one month's basic salary for each year of employment.

3.4.10 Provisions, Contingent Assets and Contingent Liabilities

Provisions are recognised, if as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

All the contingent liabilities are disclosed, as Notes to the Financial Statements unless the outflow of resources is made contingent assets if exits are disclosed when inflow of economic benefit is probable.

3.4.11 Commitments

All material commitments as at the reporting date have been identified and disclosed in the Notes to the Financial Statements.

3.5 Statement of Profit or Loss and Other Comprehensive Income

3.5.1 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Group recognises revenue when it transfers the promised good or service to a customer. Revenue is presented net of value added tax (VAT), rebates and discounts and after eliminating intragroup sales.

SLFRS 15 established a comprehensive framework for determining whether, how much and when to recognise revenue. Revenue is measured based on the consideration specified in a contract with a customer. Under SLFRS 15, the Group revenue is recognised when a customer obtains control of the goods or services. Standard also gives guidelines for determining the timing of the transfer of control ie: at a point in time or over time requires judgement.

Under SLFRS 15, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognition will not occur.

a. Sale of goods

Revenue from sale of goods is recognised on accrual basis at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties and free maintenance). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any)

b. Rendering of services

Revenue from rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period irrespective of whether the service is billed.

When another party is involved in providing goods or services to its customer, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Group is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer.

However, if the Group's role is only to arrange for another entity to provide the goods or services, then the Group is an agent and records the revenue at the net amount that it retains for its agency services.

c. Royalty Income

Royalty income is recognised on an accrual basis in accordance with the substance of the agreement.

d. Other Revenue

Rental income

Rental income arising from renting of property, plant and equipment and investment properties is recognised as revenue on a straight-line basis over the term of the hire.

Contract Balances

Contract Assets

Contract Assets represent group's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time (for example, the entity's future performance).

Contract Liabilities

Contract Liabilities represent group's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer (or the amount is due).

e. Dividend income

Dividend income is recognised in the income statement on the date that the Group's right to receive payment is established, which is generally when the dividend is declared.

3.5.2 Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except to the extent where borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that takes a substantial period of time to get ready for its intended use or sale is capitalised as part of that asset.

Borrowing costs that are not capitalised are recognised as expenses in the period which they are incurred and charged to the statement of profit or loss.

The amounts of the borrowing costs which are eligible for capitalisation are determined in accordance with the in LKAS 23 – 'Borrowing Costs'.

3.5.3 Finance Income and Expenses

Finance income comprises interest income on funds invested gains on the disposal of financial assets. Interest income is recognised as it accrues in the profit or loss, using the effective interest method.

Finance cost comprise interest expenses on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available for sale financial assets, impairment losses recognised on financial assets (other than trade receivables).

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 rate method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.5.4 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in equity, or other comprehensive income.

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

a. Current Income Tax

Current tax is the expected tax payable or recoverable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes. Current tax payable also includes any tax liability arising from the tax on dividend income.

Current tax assets and liabilities are offset only if certain criteria are met.

b. Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates to the extent that the

Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

A deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Temporary differences in relation to a right-of-use asset and lease liability are regarded as a net package (net of right- of- use asset and lease liability) for the purpose of recognising deferred tax.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset only if certain criteria are met.

3.6 Subsequent Events

All material post reporting date events have been considered and where appropriate adjustments or disclosures have been made in the respective Notes to the Financial Statements.

3.7 Earnings Per Share

The Group presents basic and diluted Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.8 Segment Reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (Business Segment) or in providing products or services within a particular economic environment (Geographical Segment), which is subject to risks and rewards that are different from those of other segments.

The activities of the segments are described in Note 05 to the Financial Statements.

3.9 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the ‘Indirect Method’ of preparing Cash Flows in accordance with the Sri Lanka Accounting Standard - LKAS 7 ‘Statement of Cash Flows.’ Cash and cash equivalents comprise short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change s in value.

3.10 Comparative Figures

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period for all amounts reported in the financial statements in order to enhance the understanding of the current period’s financial statements and to enhance the interpretation comparability.

Where necessary, comparative figures have been reclassified to conform to the current year’s presentation in order to provide a better presentation.

3.11 Grants and Subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. Grants and subsidies which intend to compensate an expense or loss already incurred or received for the purpose of immediate financial support with no future related costs, are recognised in the income statement in the period in which the grant becomes receivable.

Grants and subsidies related to assets are immediately recognised in the statement of financial position as deferred income, and recognised in the income statement on a systematic and rational basis over the useful life of the asset.

When the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and recognised in the income statement over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

When loans or similar assistance are provided by Governments or related institutions with an interest rate below the applicable market rate, the effect of this favourable interest is regarded as a Government grant.

3.12 Policies Specific to Plantation Sector

3.12.1 Biological Assets

3.12.1.1 Immature and Mature Plantations

Biological assets are classified into 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 specification. 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 plants, those that are not intended to be sold or harvested, however used to grow for harvesting agriculture produce. Consumable biological assets includes managed timber trees those that are to be harvested as agricultural produce from biological assets or sold as biological assets.The entity recognise the biological assets when, and only when, the entity controls the assets as a result of past event, it is probable that future economic benefits associated with the assets will flow to the entity and the fair value or cost of the assets can be measured reliably.

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" as per the ruling issue d by Institute of Chartered Accountants of Sri Lanka.

The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, inter planting and fertilising, etc., incurred between the time of planting and harvesting (when the planted area attains maturity), are classified as immature plantations. These immature plantations are shown at direct costs plus attributable overheads, including interest attributable to long- term loans used for financing immature plantations. The expenditure incurred on bearer biological assets (Tea, Rubber, Timber fields) which comes into bearing during the year, is transferred to mature plantations. Expenditure incurred on consumable biological assets is recorded at cost at initial recognition and thereafter at fair value at the end of each reporting period.

Permanent impairments to biological asset are charged to the statement of profit or loss in full and reduced to the net carrying amounts of such asset in the year of occurrence after ascertaining the loss.

The managed timber trees are measured on initial recognition and at the end of each reporting period at its fair value less cost to sell in terms of LKAS 41. The cost is treated as approximation to fair value of young plants as the impact on biological transformation of such plants to price during this period is immaterial. The fair value of timber trees are measured using DCF method taking 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. Key assumptions and sensitivity analysis are given in Note 18.2.1.

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

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

3.12.1.2 Infilling Cost on Bearer Biological Assets

The land development costs incurred in the form of infilling have been capitalised to the relevant mature field, if it increases the expected future benefits from that field, beyond its pre-infilling performance assessment. Infilling costs so capitalised 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 capitalised have been charged to the Income Statement in the year in which they are incurred.

3.12.1.3 Land Development Cost

These costs have been capitalised and amortised over the remaining lease period.

Permanent land development costs are those costs incurred in making major infrastructure development and building new access roads on leasehold lands.

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.

3.12.2 Depreciation and Amortisation

(a) Depreciation

Depreciation is recognised in statement of profit or loss on a straight-line basis over the estimated useful economic lives of each part of an item of property, plant & equipment. Assets held under finance leases are depreciated over the shorter of the lease term and the useful lives of equivalent owned assets unless it is reasonably certain that the Group 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:

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date on which the asset is classified as held for sale or is derecognised. Depreciation methods, useful lives and residual values are reassessed at the reporting date and adjusted prospectively, if appropriate. Mature plantations are depreciated over their useful lives or unexpired lease period, whichever is less. No depreciation is provided for immature plantations.

(b) Amortisation

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

	No. of years	Rate %
Buildings & Roads	40	2.5
Plant & Machinery	20/25	4.00/5.00
Motor Vehicles	15/20	5.00/6.67
Equipment	8/4	12.50/25
Furniture & Fittings	10	10
Water Sanitation's	20	5
Mature Plantations (Tea)	33 1/3	3
Mature Plantations (Rubber)	20	5
Coffee	10	10
Citrus	10	10
Bare land	53	1.89
Improvements to land	30	3.33
Buildings	25	4
Mini Hydro Scheme	10	10

3.12.3 Deferred Income

3.12.3.1 Grants and Subsidies

Government Grants and Subsidies Government grants are recognised where there is a reasonable assurance that the grant will be received, and all attached conditions will be complied with. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related assets. When the grants are related to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that are intended to compensate.

Grants related to Property, Plant and Equipment other than grants received for forestry are initially deferred and allocated to income on a systematic basis over the useful life of the related Property, Plant and Equipment. Grants received for forestry are initially deferred and credited to Statement of Profit or Loss and Other Comprehensive Income at once when the related blocks of trees are harvested.

3.13 Policies Specific to Insurance Sector

3.13.1 Insurance Contracts

As permitted by SLFRS 4 Insurance Contracts, the Group continues to apply the existing accounting policies for Insurance Contracts that were applied prior to the adoption of SLFRS.

Product Classification

SLFRS 4 requires contracts written by insurers to be classified as either "insurance contracts" or "investment contracts" depending on the level of insurance risk transferred.

Insurance contracts are those contracts when the Group (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

Investment contracts are those contracts that transfer significant financial risk and no significant insurance risk.

Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

All the products sold by the Group are insurance contracts and therefore classified as Insurance contracts under the SLFRS 4 – Insurance Contracts. Thus, the Group does not have any investment contracts within its product portfolio as at the reporting date.

3.13.2 Deferred Acquisition Costs (DAC)

Those direct and indirect costs incurred during the financial period arising from the writing or renewing of insurance contracts are deferred and amortised over the period in which the related revenues are earned. All other acquisition costs are recognised as an expense when incurred.

The DAC is applicable only to Non – Life Insurance Contracts. In line with the available regulatory guidelines from the Insurance Board of Sri Lanka (IBSL), the DAC is calculated based on the 365 days basis.

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognised in the statement of comprehensive income. No such indication of impairment was experienced during the year. DAC is derecognised when the related contracts are either settled or disposed- off.

3.13.3 Reinsurance

The Group cedes insurance risk in the normal course of business to recognised re-insurers through formal reinsurance arrangements. Reinsurance assets include the balances due from reinsurance companies for paid and unpaid losses and loss adjustment expenses. Amounts recoverable from re-insurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the re-insurer's policies and are in accordance with the related reinsurance contract.

Reinsurance is recorded gross in the statement of financial position unless a right to offset exists. Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group will receive from the re-insurer. The impairment loss, if any is recorded in the statement of profit or loss.

Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders. Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expire or when the contract is transferred to another party.

3.13.4 Premium Receivable

Insurance receivables are recognised when due and measured on initial recognition at the fair value of the consideration receivable. Collectability of premiums is reviewed on an ongoing basis.

According to the Premium Payment Warranty (PPW) directive issued by the Insurance Board of Sri Lanka (IBSL), all Non-Life insurance policies are issued subject to PPW and are cancelled upon the expiry of 60 days if not settled except some selected customers where Group has allowed extra period for settlements.

3.13.5 Insurance Provision – Non – Life Insurance

Non - Life Insurance contract liabilities include the outstanding claims provision including IBNR / IBNER and provision for unearned premiums.

The outstanding claims provision is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims handling costs and reduction for the expected value of salvage and other recoveries.

Delays can be experienced in the notification and settlement of certain types of claims, therefore, the ultimate cost of these cannot be known with certainty at the reporting date.

The valuation of Unearned Premium Reserve is measured in accordance with guidelines of the Regulation of Insurance Industry Act, No. 43 of 2000 (i.e. based on the 365 days basis). The Incurred But Not Reported (IBNR) and Incurred But Not Enough Reported (IBNER) claims reserve are actuarially computed. The liability is not discounted for the time value of money. No provision for equalisation or catastrophe reserves is recognised. The liabilities are derecognised when the obligation to pay a claim expires, is discharged or is cancelled.

Liability Adequacy Test (LAT)

As required by the SLFRS 4- Insurance Contracts, the Group performed a Liability Adequacy Test (LAT) in respect of Non - Life Insurance contract liabilities with the assistance of the external actuary.

3.13.6 Change in Insurance Contract Liabilities- Life Fund

Changes in the valuation of insurance contract liabilities are recognised in the statement of profit or loss under change in contract liabilities.

The Directors are satisfied with the provision relating to long term insurances contract liabilities of the company as at the year- end as certified by the appointed actuary following his annual valuation conducted on the life insurance fund. The actuarial valuation takes into account all liabilities and is based on assumptions recommended by the appointed actuary.

Liability Adequacy Test ("LAT")

A Liability Adequacy Test ("LAT") for insurance contract liability was carried out by WeDapt Services as at 31st December 2024 as required by SLFRS 4 - Insurance Contracts. The valuation is based on internationally accepted acturial methods and is performed on annual basis. According to the Consultant Actuary's report, the Company adequately satisfies the LAT as at 31st December 2024. No additional provision was required against the LAT as at 31st December 2024.

3.13.7 Revenue Recognition

3.13.7.1 Insurance Premiums

a) Non - Life Insurance Business

Gross written premiums - Non – Life Insurance comprise the total premiums received /receivable for the whole period of cover provided by contracts entered into during the accounting period. Gross Written Premium is generally recognised is written upon inception of the policy. Upon inception of the contract, premiums are recorded as written and are earned primarily on a prorate basis over the term of the related policy coverage.

Rebates that form part of the premium rate, such as no claim rebates, are deducted from the gross premium.

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated on 365 days basis in accordance with the Regulation of Insurance Industry Act, No. 43 of 2000. However, for those contracts for which the period of risk differs significantly from the contract period, premiums are earned over the period of risk in proportion to the amount of insurance protection provided. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums which is included under liabilities.

(b) Gross Written Premium (GWP) -Life insurance Business

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Benefits and expenses are provided against such revenue to recognize profits over the estimated life of the policies.

The Company recognizes revenue based on the probability of economic benefits flowing to the Company and the ability to reliably measure the revenue. Revenue from gross written premiums on life insurance contracts is recognized when payable by the policyholder, with policies within the 60-day grace period considered due for endowment products. Any premiums received in advance are not recorded as revenue but as a liability until the premium is due, unless the relevant policy conditions require them to be recognized as income. To recognize profits over the estimated life of the policies, benefits and expenses are provided against this revenue. For single premium business, revenue is Recognised on the effective date of the policy. All products sold by the Company are classified as insurance contracts, and there are no investment contracts in the Company's portfolio as of the reporting date. The premium income for the year, categorized by major classes of business.

c) Reinsurance Premiums

Gross reinsurance premiums on insurance contracts are recognised as an expense on the earlier of the date when premiums are payable or when the policy becomes effective.

Reinsurance premiums are decided based on rates agreed with re-insurers. Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks-attaching contracts (using 365 days basis in accordance with the Regulation of Insurance Industry Act, No. 43 of 2000).

3.13.6.2 Policy Income

Insurance contract policyholders are charged for policy administration services and other contract fees. These fees are recognised as revenue upon receipt or becoming due and is classified under other income.

3.13.8 Benefits, Claims and Expenses

a) Gross Benefits and Claims Non - Life Insurance Business

Non - Life insurance claims include all claims occurring during the year, whether reported or not together with claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years. Claims outstanding are assessed by review of individual claim files and estimating changes in the ultimate cost of settling claims.

The provision in respect of Claims Incurred But Not Reported (IBNR) and Claims Incurred But Not Enough Reported (IBNER) is actuarially valued to ensure a more realistic estimation of the future liability based on the past experience and trends. Actuarial valuations are performed on a semiannual basis. Whilst the Directors consider that the provisions for claims are fairly stated on the basis of information currently available, the ultimate liability will vary as a result of subsequent information and events.

This may result in adjustments to the amounts provided. Such amounts are reflected in the financial statements for that period.

The methods used to estimate claims and the estimates made are reviewed regularly.

b) Reinsurance Claims

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

(c) Premium Ceded to Re-insurers

Reinsurance premiums on life is recognised as an expense on the earlier of the date when premiums are payable or when the policy becomes effective. Value of the premiums are decided on the rates agreed with reinsurers and accounted on an accrual basis.

(d) Net insurance benefits and claims paid

Gross benefits and claims for life insurance contracts include the cost of all claims arising during the year including internal and external claims handling costs that are directly related to the processing and settlement of claims. Maturities and annuity payments are recorded when due. Death claims, accident, hospitalisation and surrenders are recorded on the basis of notifications received. Reinsurance recoveries Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

3.13.9 Net Deferred Acquisition Expenses

Acquisition expenses, representing commissions, which vary with and are directly related to the production of business, are deferred and amortised over the period in which the related written premiums are earned.

Reinsurance commission is also treated in the same manner within deferred acquisition costs.

3.13.10 Premium income (GWP) and other sundry sales related taxes

Revenue, expenses and assets are recognised net of the amount of sales taxes and premium taxes except where the premium or sales tax incurred on the purchase of assets services is not recoverable from the taxation authority, in which case, the sale tax is recognised as a part of the cost of acquisition of the asset or as a part of the expense item, as applicable.

3.14 Policies Specific to Telecommunication Sector

3.14.1 Depreciation

The estimated useful lives used are as follows;

Shelters and other equipment	5 years
Leasehold improvements	5 years
Leased equipment	3 – 10 years
Office/Other equipment	1 - 5 years
Digital Electronic Switches	10 years
Network Equipment	10 years
Towers	10 years
Customer premise equipment	1 – 10 years
FLAG project assets	5 – 15 years
WiMAX	5 – 10 years

3.14.2 Intangible Assets

3.14.2.1 License Fees and Access Rights

Separately acquired licenses and access rights are shown at historical cost. Expenditures on license fees and access rights that is deemed to benefit or relate to more than one financial year is classified as intangible assets and is being amortised over the agreement period on a straight line basis.

3.14.2.2 Amortisation

Amortisation is recognised in the statement of profit or loss on a straight line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

Computer software	3 – 5 years
FLAG access rights	15 years
Licenses	10 years

3.14.3 Revenue

Revenue from services rendered in the course of ordinary activities is measured at fair value of the consideration received or receivable net of trade discounts and volume rebates.

Revenue is recognised when persuasive evidence exist, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable and the amount of revenue can be measured reliably.

If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The revenue is recognised as follows:

3.14.3.1 Domestic and International Call Revenue, Rental Income

Revenue for call time usage by customers is recognised as revenue as services are performed on accrual basis.

Fixed rental is recognised as income on a monthly basis in relation to the period of the rental.

3.14.3.2 Revenue from other Network Operators and International Settlements

The revenue received from other network operators, local and international, for the use of the Group’s telecommunication network are recognised, net of taxes, based on usage taking the traffic minutes/ per second rates stipulated in the relevant agreements and regulations and based on the terms of the lease agreements for fixed rentals. Revenue arising from the interconnection of voice and data traffic between other telecommunications operators is recognised at the time of transit across the Group's network and presented on gross basis.

The relevant revenue accrued is recognised under income in the statement of profit or loss and interconnection expenses recognised under operating costs in the statement of profit or loss.

3.14.3.3 Revenue from Broadband

Revenue from broadband service is recognised on usage and the fixed rental on a monthly basis when it is earned net of taxes, rebates and discounts.

3.14.3.4 Revenue from other Telephony Services

The revenue from Data services and other telephony services are recognised on an accrual basis based on fixed rental contracts entered between the Group and subscribers.

3.14.3.5 Installation Revenue

The installation revenue relating to Code Divisional Multiple Access (CDMA) and non CDMA connections are deferred over the expected life of the customer on the network.

3.14.3.6 Service Agreements Revenue

Capacity contracts which convey the right to use a specified capacity in an identified fiber cable are accounted as service arrangements. Customers are charged on a monthly basis based on usage, and the contracts are for a short- term.

3.14.3.7 Prepaid Card Revenue

Revenue from the sale of prepaid card on CDM A, Internet is recognised upon activation of the said card as the period of expiry of the card and the non- refundable nature of the amounts are considered immaterial to the revenue recognition process

3.15 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This classification is made only when the sale is highly probable, the asset (or disposal group) is available for immediate sale in its present condition, and management is committed to the sale, which is expected to be completed within one year from the date of classification.

Assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Depreciation of such assets ceases upon classification as held for sale.

3.16 Discontinued operations

A discontinued operation is a component of the Group's business that has either been disposed of or ceased their operations or classified as held for sale, and represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of such a line of business or area of operations.

The results of discontinued operations are presented separately in the statement of profit or loss, net of tax, from continuing operations. Comparative figures are re-presented to classify operations that meet the criteria as discontinued in the current period.

4. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE AS AT THE REPORTING DATE

The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) has issued several new accounting standards and amendments/ improvements to existing standards. These new standards are set to become effective in the coming years. Early application of these standards are allowed, but the Group has not early adopted any of the new or amended standards in the preparation of these financial statements.

4.1. Lack of Exchangeability (Amendments to LKAS 21)

The amendments will require companies to provide new disclosures to help users to the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

the nature and financial impacts of the currency not being exchangeable; the spot exchange rate used; the estimation process; and risks to the company because the currency is not exchangeable.

Amendments to LKAS 21 is not expected to have a material impact on the financial statements.

4.2. Sustainability Disclosure Standard – SLFRS S1 on "General Requirements for Disclosure of Sustainability-related Financial Information" (SLFRS S1) and SLFRS S2 on "Climate-related Disclosures" (SLFRS S2)

Due to the investors growing demand for ESG information, the International Sustainability Standards Board (ISSB) released its first two sustainability disclosure standards, IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures).

As a local accounting standard setter, CA Sri Lanka issued the localised standards based on these IFRSs designated as SLFRS S1 and SLFRS S2 during the year 2024. The adoption of the Sri Lanka Sustainability Disclosure Standards, SLFRS S1 and SLFRS S2 will become effective for the Group from 1 January 2025 and no material financial impact is expected on the Group except for additional disclosures.

4.3 SLFRS 17 Insurance Contracts

SLFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features.' It introduces a model that measures groups of contracts based on the Company's estimates of the present value of future cash flows that are expected to arise as the Company fulfills the contracts, an explicit risk adjustment for non-financial risk and a CSM. Under SLFRS 17, insurance revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Company expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows. In addition, investment components are no longer included in insurance revenue and insurance service expenses.

SLFRS 17 introduces a new measurement model for insurance contracts and becomes effective on 1st January 2026.

SLFRS 17 is expected to have a significant impact, as the requirements of the new standard are complex and requires a fundamental change to accounting for insurance contracts as well as the application of significant judgment and new estimation techniques.

The effect of changes required to the Company's accounting policies as a result of implementing these standards are currently uncertain, but these changes can be expected to, among other things, alter the timing of profit recognition. Given the implementation of this standard is likely to involve significant enhancements to IT, actuarial and finance systems of the Company; it will also have an impact on the Company's expenses.

The Company initiated a road map in 2021 to implement SLFRS 17 after successfully completing the initial Gap Assessment. A professionally qualified internal team has set for the execution of implementation plan with the support of external accounting and actuarial consultants. Company is working towards upgrading and identifying new requirements on current actuarial and accounting systems to be in line with the SLFRS 17 new requirements.

On the regulatory front, the industry requested deferment of the implementation date for SLFRS 17 from 2023 to 2026. Considering the complexity of the standard and economic situation of the country, CA Sri Lanka has extended implementation date for SLFRS 17 till 1st January 2026.

Scope

An entity shall apply SLFRS 17 Insurance contracts to:

- Insurance contracts, including reinsurance contracts, it issues;
- Reinsurance contracts it holds; and
- Investment contracts with discretionary participation features issues provided the entity also issues insurance contracts.

Some contracts meet the definition of an insurance contract but have their primary purpose as provision of services for a fixed fee. Such issued contracts are in the scope of the Standard, unless an entity chooses to apply to them SLFRS 15 Revenue from Contracts with Customers and provided the following conditions are met:

a) the entity does not reflect an assessment of the risk associated with an individual customer in setting the price of the contract with that customer.

b) the contract compensates customers by providing a service, rather than by making cash payments to the customer; and

c) The insurance risk transferred by the contract arises primarily from the customer's use of service rather than from uncertainty over the cost of those services.

Recognition

Currently, all acquisition costs were recognised and presented as separate assets from the related insurance contracts ("deferred acquisition costs") until those costs were included in profit or loss and OCI. Under SLFRS 17, only insurance acquisition cash flows that arise and are tested for recoverability. These assets are presented in the carrying amount of the related portfolio of contracts and are derecognised once the related contracts have been recognised.

An entity shall recognise a group of insurance contracts it issues from the earliest of the following:

a) the beginning of the coverage period;

b) the date when the first payment from a policyholder becomes due; and when the group becomes onerous if facts and circumstances indicate that there is such a group

SLFRS — 17 specify three measurement approaches;

a) Building Block Approach (BBA)

b) Premium Allocation Approach (PAA)

c) Variable Fee Approach (VFA)

Building Block Approach (General Measurement Model) Measurement

On initial recognition, an entity shall measure a group of contracts at the total of:

a) The amount of fulfillment cash flows ("FCF"), which comprise:

I. estimates of future cash flows;

II. an adjustment to reflect the time value of money ("TVM") and the financial risks associated with the future cash flows; and

III. a risk adjustment for non-financial risk

b) The contractual service margin ("CSM").

An entity shall include all the cash flows within the boundary of each contract in the group. The entity may estimate the future cash flows at a higher level of aggregation and then allocate the resulting fulfillment cash flows to individual groups of contracts.

The estimates of future cash flows shall be current, explicit, unbiased, and reflect all the information available to the entity without undue cost and effort about the amount, timing and uncertainty of those future cash flows. They should reflect the perspective of the entity, provided that the estimates of any relevant market variables are consistent with observable market prices.

Discount rates

The discount rates applied to the estimate of cash flows shall:

a) reflect the time value of money (TVM), the characteristics of the cash flows and the liquidity characteristics of the insurance contracts;

b) be consistent with observable market prices of those financial instruments whose cash flow characteristics are consistent with those of the insurance contracts; and

c) exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts.

Risk Adjustment for Non-financial Risk

The estimate of the present value of the future cash flows is adjusted to reflect the compensation that the entity requires for bearing the uncertainty about the amount and timing of future cash flows that arises from non-financial risk.

Building Block Approach (General Measurement Model) Measurement (Continued)

Contractual Service Margin

The CSM represents the unearned profit of the group of insurance contracts that the entity will recognise as it provides services in the future. This is measured on initial recognition of a group of insurance contracts at an amount that, unless the group of contracts is onerous, results in no income or expenses arising from:

a) the initial recognition of an amount for the FCF;

b) the derecognition at that date of any asset or liability recognised for acquisition cash flows;and

c) any cash flows arising from the contracts in the group at that date.

Subsequent Measurement

On subsequent measurement, the carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of:

a) the liability for remaining coverage comprising:

  I. the FCF related to future services and;

  II. the CSM of the group at that date;

c) the liability for incurred claims, comprising the FCF related to past service allocated to the group at that date.

Onerous Contracts

An insurance contract is onerous at initial recognition if the total of the FCF, any previously recognised acquisition cash flows and any cash flows arising from the contract at that date is a net outflow. An entity shall recognise a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the FCF and the CSM of the group being zero. On subsequent measurement, if a group of insurance contracts become onerous (or more onerous), that excess shall be recognised in profit or loss. Additionally, CSM cannot increase and no revenue can be recognised, until the onerous amount previously recognised has been reversed in profit or loss as part of a service expense.

Premium Allocation Approach

An entity may simplify the measurement of the liability for remaining coverage of a group of insurance contracts using the Premium Allocation Approach (PAA) on the condition that, at the inception of the group:

a) the entity reasonably expects that this will be a reasonable approximation of the General Model, or

b) the coverage period of each contract in the group is one year or less

Where, at the inception of the group, an entity expects significant variances in the FCF during the period before a claim is incurred, such contracts are not eligible to apply the PAA. Using the PAA, the liability for remaining coverage shall be initially recognised as the premiums, if any, received at initial recognition, minus any insurance acquisition cash flows.

Subsequently the carrying amount of the liability is the carrying amount at the start of the reporting period plus the premiums received in the period, minus insurance acquisition cash flows, plus amortisation of acquisition cash flows, minus the amount recognised as insurance revenue for coverage provided in that period, and minus any investment component paid or transferred to the liability for incurred claims.

Modification and De-recognition

Modification of an insurance contract

If the terms of an insurance contract are modified. an entity shall derecognise the original contract and recognise the modified contract as a new contract if there is a substantive modification. based on meeting any of the specified criteria.

The modification is substantive if any of the following conditions are satisfied:

a) if, had the modified terms been included at contract's inception, this would have led to:

   I. exclusion from the Standard's scope;

   II. unbundling of different embedded derivatives;

   III. redefinition of the contract boundary; or

   1V. the reallocation to a different group of contracts; or

b) if the original contract met the definition of a direct participating insurance contracts, but the modified contract no longer meets that definition, or vice versa; or

c) the entity originally applied the PAA, but the contract's modifications made it no longer eligible for it.

De-recognition

An entity shall de-recognise an insurance contract when it is extinguished, or if any of the conditions of a substantive modification of an insurance contract are met.

Presentation in the Statement of Financial Position

An entity shall present separately in the statement of financial position the carrying amount of groups of:

a) insurance contracts issued that are assets;

b) insurance contracts issued that are liabilities;

c) reinsurance contracts held that are assets; and

d) reinsurance contracts held that are liabilities.

Recognition and Presentation in the statement(s) of financial performance

An entity shall disaggregate the amounts recognised in the statement(s) of financial performance into:

a) an insurance service result, comprising insurance revenue and insurance service expenses; and

b) insurance finance income or expenses.

Income or expenses from reinsurance contracts held shall be presented separately from the expenses or income from insurance contracts issued.

Insurance Service Result

An entity shall present in profit or loss revenue arising from the groups of insurance contracts issued, and insurance service expenses arising from a group of insurance contracts it issues, comprising incurred claims and other incurred insurance service expenses. Revenue and insurance service expenses shall exclude any investment components. An entity shall not present premiums in the profit or loss, if that information is inconsistent with revenue presented.

Insurance Finance Income or Expenses

Insurance finance income or expenses comprises the change in the carrying amount of the group of insurance contracts arising from:

a) the effect of the time value of many and changes in the time value of money; and

b) the effect of changes in assumptions that relate to financial risk; but

c) excluding any such changes for groups of insurance contracts with direct participating insurance contracts that would instead adjust the CSM.

An entity has an accounting policy choice between including all of insurance finance income or expense for the period in profit or loss, or disaggregating it between amount presented in profit or loss and amount presented in other comprehensive income ("OCI").

Under the general model, disaggregating means presenting in profit or loss an amount determined by a systematic allocation of the expected total finance income or expenses over the duration of the group of contracts. On derecognition of the groups amounts remaining in OCI are reclassified to profit or loss.

Insurance Finance Income or Expenses (Continued)

Under the VFA, for direct participating insurance contracts, only where the entity holds the underlying items, disaggregating means presenting in profit or loss as insurance finance income or expenses an amount that eliminates the accounting mismatches with the finance income or expenses arising on the underlying items. On derecognition of the groups, the amounts previously recognised in OCI remain there.

Disclosures

An entity shall disclose qualitative and quantitative information about:

a) the amounts recognised in its Financial Statements that arise from insurance contracts;

b) the significant judgements, and changes in those judgements, made when applying SLFRS 17; and

c) the nature and extent of the risks that arise from insurance contracts.

Effective Date

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted if both SLFRS 15 'Revenue from Contracts with Customers' and SLFRS 9 'Financial instruments' have also been applied. The Company intends to adopt the new standard on its mandatory effective date.

Transition

An entity shall apply the Standard retrospectively unless impracticable, in which case entities have the option of using either the modified retrospective approach or the fair value approach.

Under the modified retrospective approach, an entity shall utilise reasonable and supportable information and maximise the use of information that would have been used to apply a full retrospective approach, but need only use information available without undue cost or effort. Under this approach the use of hindsight is permitted, if that is the only practical source of information for the restatement of prior periods.

Under the fair value approach, an entity determines the CSM or the loss component at the transition date as the difference between the fair value of a group of insurance contracts at that date and the FCF measured at that date. Using this approach, on transition entity has a choice need for annual groups.

At the date of initial application of the Standard, those entities already applying SLFRS 9 may retrospectively re-designate and reclassify financial assets held in respect of activities connected with contracts within the scope of the Standard.

Entities can choose not to restate SLFRS 9 comparatives with any difference between the previous carrying amount of those financial assets and the carrying amount at the date of initial application recognised in the opening equity at the date of initial application. Any restatements of prior periods must reflect all the requirements of SLFRS 9.

The Company has completed a gap assessment for SLFRS 17 in consultation with external consultants of actuarial and finance and in the process of initiating an implementation plan. This will involve setting of accounting policies and developing application methodologies, establishing appropriate processes and controls, sourcing and implementing appropriate actuarial and finance system changes.

4.4 SLFRS 9 financial instruments and amendments to SLFRS 4 insurance contracts

SLFRS 9, issued in 2014, replaces the existing guidance in LKAS 39 Financial Instruments: Recognition and Measurement. SLFRS 9 includes revised guidance on the classification and measurement of financial Instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from LKAS 39.

Based on the proposed amendments to SLFRS 4 'Insurance contracts', the entities whose predominant activity is issuing insurance contracts are permitted to defer the full application of SLFRS 9 until the earlier of 2022 or adoption of SLFRS 17, which is currently expected to be effective from 2026.

An insurer may apply the temporary exemption from SLFRS 9 if, and only if:

(a) it has not previously applied any version of SLFRS 9,other than only the requirements for the presentation of gains and losses on financial liabilities designated as at fair value through profit or loss.

(b) its activities are predominantly connected with insurance, at its annual reporting date that immediately precedes 1 April 2016, or at a subsequent annual reporting date.

5 OPERATING SEGMENT INFORMATION

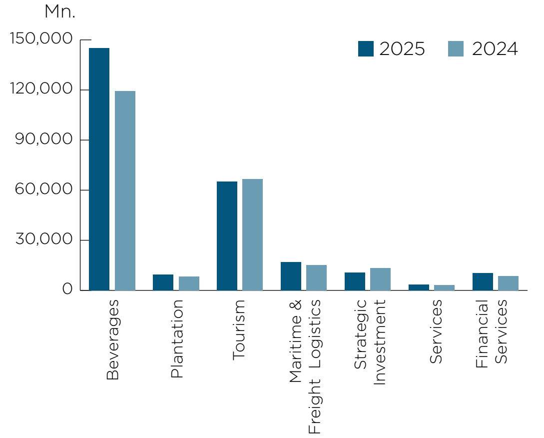
A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), which is subject to risks and rewards that are different from those of other segments.

Segmental information is presented in respect of the Group's business segments. The business segments are determined based on the Group's management and internal reporting structure. Inter-segment transfers are based on fair market prices. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5.1 Segment revenues

For the year ended 31 March,	External revenue	
	2025 Rs.'000	2024 Rs.'000
Beverages	145,191,378	119,158,729
Plantation	9,529,614	8,168,505
Tourism	65,034,984	66,605,031
Maritime & Freight Logistics	16,913,235	15,241,958
Strategic Investment	10,752,958	13,400,188
Services	3,321,903	2,999,991
Financial Services	10,187,336	8,404,563
Total gross revenue from continuing operations	260,931,408	233,978,965
Excise duty	(91,318,188)	(70,966,255)
Total net revenue from continuing operations	169,613,220	163,012,710

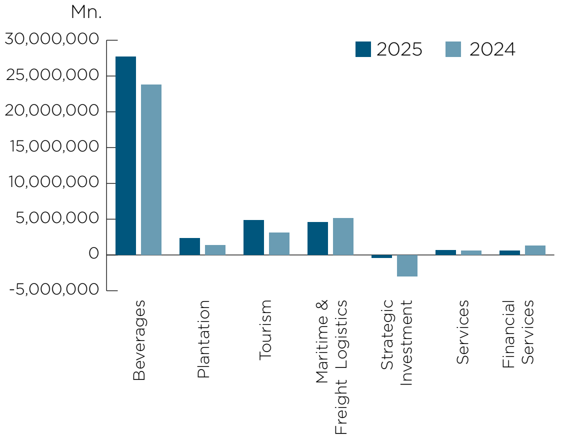
Business Segment Analysis - Revenue



5.2 Segment profits

For the year ended 31 March,	2025 Rs.'000	2024 Rs.'000
Beverages	27,720,048	23,807,258
Plantation	2,307,752	1,348,175
Tourism	4,845,889	3,126,869
Maritime & Freight Logistics	4,596,139	5,157,102
Strategic Investment	(401,062)	(2,986,217)
Services	640,816	576,582
Financial Services	565,280	1,299,725
Profit before income tax expense from continuing operations	40,274,862	32,329,494
Taxation	(18,045,681)	(16,804,678)
Profit for the year from continuing operations	22,229,181	15,524,816
Profit/ (loss) from discontinued operations (Net of Tax)	42,201	(2,806,964)
Profit after tax	22,271,382	12,717,852

Business Segment Analysis Profit/(Loss) for the Year



5.3 Other segmental information

For the year ended 31 March,	Reporting segment																Group Total	
	Beverages		Plantation		Financial Services		Tourism sector		Maritime and freight logistics sector		Strategic investments		Services sector		Discontinued Operations			
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Purchase of PPE	358,469	74,999	78,786	79,194	128,085	44,562	1,752,947	1,891,672	838,021	2,063,276	1,010,800	1,546,336	106,540	149,895	-	27,358	4,273,648	5,877,292
Additions to intangible assets	-	-	-	-	2,051	-	30,572	11,760	876	876	5,491	5,809	1,491	18,625	-	100,000	40,481	137,070
Depreciation of PPE	1,169,503	525,085	249,858	245,967	39,922	30,069	5,185,020	4,262,680	596,959	514,409	967,865	997,211	309,322	211,114	4,535	929	8,522,984	6,787,464
Amortisation and impairment of intangible assets	26,675	-	573	568	-	584	21,995	26,724	1,960	1,960	20,385	20,538	9,214	7,980	-	136	80,802	58,490
Amortisation of bearer biological assets at finance lease ((JEDB/ SLPC)	-	-	130,764	135,560	-	-	-	-	-	-	-	-	-	-		-	130,764	135,560
Interest expense	43,777	8,085	179,040	353,164	143,443	137,393	5,307,725	7,050,679	389,377	247,263	1,840,643	3,436,104	73,814	183,202	505,290	813,165	8,483,109	12,229,055

	Reporting segment																		Group Total	
	Beverages		Plantation		Financial Services		Tourism sector		Maritime and freight logistics sector		Strategic investments		Services sector		Discontinued Operations		Eliminations/ other consolidated adjustments			
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Property, plant and equipment	6,613,704	7,638,221	2,789,429	3,004,452	200,890	117,708	67,787,688	71,047,734	9,306,162	9,091,398	22,810,817	22,878,768	4,990,366	5,107,741	434,621	1,143,796	33,107,409	33,076,744	148,041,086	153,106,562
Intangible assets	28,589	55,084	682	1,255	11,585	5,000	709,235	22,539	382,766	3,805	426,079	50,658	33,787	22,875	-	-	4,753,818	6,316,172	6,346,541	6,477,388
Investment property	-	-	508,763	452,755	33,149	33,149	72,000	72,000	525,500	501,400	9,377,651	9,037,798	8,513,602	8,063,423	-	-	(10,130,070)	(9,360,051)	8,900,595	8,800,474
Biological assets	-	-	11,631,450	10,895,302	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,631,450	10,895,302
Right-of-use assets	155,393	582,429	645,777	550,026	143,182	160,100	12,885,700	14,274,358	992,774	1,278,753	947,298	984,798	16,552	31,170	23,684	380,728	406,073	(38,563)	16,216,433	18,203,799
Total assets	45,710,416	38,154,075	18,391,902	17,475,768	15,194,390	14,971,009	113,480,665	116,258,029	31,388,911	31,331,172	192,306,761	179,373,684	21,137,494	19,513,793	662,862	1,843,874	(61,785,713)	(58,732,324)	376,487,688	360,189,080
Total liabilities	25,057,684	26,103,764	14,807,890	14,725,023	9,906,085	9,612,820	78,107,880	84,724,033	9,585,560	10,334,151	51,843,870	43,292,536	6,710,102	6,082,775	17,015,413	20,570,487	(31,728,082)	(30,570,122)	181,306,402	184,875,467
Retirement benefit obligations	465,940	371,243	2,399,750	2,255,286	156,307	109,668	832,067	722,613	508,776	477,517	527,017	439,714	132,842	127,103	14,103	30,286	-	-	5,036,802	4,533,430
Deferred tax assets	569,676	717,359	1,030,260	1,186,146	123,056	121,484	481,827	440,260	462,449	437,974	641,621	1,106,255	193,675	183,766	7,150	7,150	3,910,694	3,888,706	7,420,408	8,089,100
Deferred tax liabilities	2,380,528	2,509,403	4,565,070	4,350,017	50,848	62,666	4,291,967	3,991,865	1,382,492	1,257,761	2,012,854	1,748,836	2,836,253	2,743,273	359,062	359,062	9,701,726	10,020,818	27,580,800	27,043,701
Income tax payable	4,392,006	3,266,114	-	956	167,177	291,525	717,107	377,739	291,678	409,543	224,819	346,106	48,761	38,956	598	884	-	-	5,842,146	4,731,823

6 REVENUE

6.1 Revenue Streams

For the year ended 31 March,	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Revenue from contracts with customers				
Sales of goods	162,180,734	135,229,852	-	-
Rendering of services	98,316,923	98,466,544	182,428	259,421
Other revenue	433,751	282,569	-	-
Total gross revenue (Note 6.2)	260,931,408	233,978,965	182,428	259,421

6.2 Business segment analysis of gross revenue

For the year ended 31 March,	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Beverages	145,191,378	119,158,729	-	-
Plantation	9,529,614	8,168,505	-	-
Tourism	65,034,984	66,605,031	-	-
Maritime & Freight Logistics	16,913,235	15,241,958	-	-
Strategic Investment	10,752,958	13,400,188	182,428	259,421
Services	3,321,903	2,999,991	-	-
Finance Services	10,187,336	8,404,563	-	-
Total gross revenue	260,931,408	233,978,965	182,428	259,421

6.3 Geographical segment analysis of gross revenue

For the year ended 31 March,	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Sri Lanka	218,019,740	191,037,723	182,428	259,421
Maldives	34,490,956	34,795,425	-	-
Other countries	8,420,712	8,145,817	-	-
Total gross revenue	260,931,408	233,978,965	182,428	259,421

6.4 Timing of revenue recognition

For the year ended 31 March,	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Products and services transferred at a point in time	163,177,211	136,032,723	-	-
Products and services transferred over time	97,754,197	97,946,242	182,428	259,421
Total gross revenue	260,931,408	233,978,965	182,428	259,421

6.5 Performance obligations

Information about the Group's performance obligations are summarised below;

Type of product/ services	Nature and timing of satisfaction of performance obligation	Revenue recognition
Rendering of services		
Telecommunication sector		
Monthly rental (Fixed)	The Company charges a rental from their customer for maintaining telephony packages and connections. It is charged on a monthly basis along with the monthly usage bill.	The fixed charge is recognised as an income on a monthly basis.
Call revenue	The Company charges a usage charge based on their customers call usage in a monthly basis.	Revenue is recognised when a call is made based on the usage at the rate determined for the package.
Broadband revenue	The Company charges a usage charge based on their Customers internet usage on a monthly basis.	The revenue is recognised based on the usage.
Installation revenue	The Company charges a non-refundable fee in part as compensation for costs incurred in setting up the connection.	The revenue is recognised based on the identified performance obligation. Performance obligation is deemed satisfied upon the completion of the installation.
Receipts from other network operators	The company charges other network operators, local and international, for the use of the Company's telecommunication network are recognised, net of taxes, based on usage taking the traffic minutes/per second rates stipulated in the relevant agreements and regulations and based on the terms of the lease agreements for fixed rentals.	Revenue is recognised at that time.
Flag and Site rental revenue	The Company lends the towers owned by the Company and sublends the FLAG cable to other network operators.	Rental income to be recognised over the period.
Diversified sector		
Tourism		
Hotel operation	Main revenue of the Group's hotel operation is provision of rooms for guest accommodation (apartment revenue). Apartment revenue is recognised on the rooms occupied on a daily basis over the period of the stay, while the revenue from other sources such as food and beverage sales, are accounted for at the time of consumption/service. Invoices to customers are raised on completion of the hotel stay.	Revenue recognition for the Group's hotel operation is at point of time.
Hotel management services	Consists of fees for providing management and marketing services to hotels. Fees for Hotel management services are calculated as a percentage of revenue and operating profit of the hotels.	Revenue for hotel management services is recognised at each month end.

Type of product/ services	Nature and timing of satisfaction of performance obligation	Revenue recognition
Inbound and outbound travels	Main activity of the Group companies in the inbound and outbound travel segment is selling of tour packages and other destination management services. Customers are invoiced for the services at the commencement of the tour and the revenue is recognised at that point in time.	Revenue from sale of tour packages is recognised on the start date of the tour.
Airline General Sales Agent (GSA)	Overriding Commission from the Airlines is recognised on flown basis where as the ticketing commission from the airline is recorded on the date of the sale.	Revenue recognition at point in time.
Maritime and logistics		
Maritime and port services	Operations of the Group's maritime segment includes provision of services of a shipping agent, supply of marine lubricants, representation of liner shipping agencies and global container services as an agent of the principal shipping line. Revenue for segment represents the commission derived from the services rendered to the shipping lines. Revenue from the port operation and management services performed by the Group is recognised on the completion of the operation.	Commission income is recognised upon the departure of the vessel.
	Revenue from the port operation and management services performed by the Group is recognised on the completion of the operation	Revenue is recognised at a point in time on completion of the port services.
Freight forwarding and courier	Revenue from freight forwarding and courier operations of the Group is recorded when the cargo is loaded to the vessel.	Revenue recognition for the freight forwarding and courier operation is at the point in time.
Integrated logistics	Revenue for the Group's Integrated Logistics sector, the Container Freight Station (CFS) and Inland Container Depot (ICD) is recognized when a container departs the facility. For the Transport, Distribution, and Special Operations (SPO) divisions, revenue is recognized upon completion of the agreed contractual activity. Revenue from the Warehousing and Mobile Storage Solutions (MSS) divisions is recognized over time, whereas the Container Repair division records revenue once the service is confirmed as complete and ready.	At a point in time for CFS, depot, transport, distribution, container repair and other special operations and over the period of time for warehouse and mobile storage solutions.
Airline GSA (Cargo)	Commission income from airline GSA is recognised when cargo is handed over to the airline.	Revenue recognition at point in time.
Strategic investments		
Power generation	Revenue from thermal power generation is recognised based on the actual amount of electricity generated and supplied to the national grid as a variable component and a fixed component referred to as capacity charge calculated based on the minimum guaranteed energy amount as specified in the power purchase agreement (PPA), while the Revenue from renewable power, namely wind, hydro and waste, is recorded based on a fixed tariff in terms of the respective PPAs. Invoices for the generation of power are raised on a monthly basis.	Revenue is recognised on the last day of the month based on the power generated during the month.

Type of product/ services	Nature and timing of satisfaction of performance obligation	Revenue recognition
Services		
Elevator agency	Revenue on installation of elevators are recognised in the income statement by reference to the stage of completion at the reporting date. Stage of completion is measured by reference to the percentage of work done to date. Revenue for free maintenance inbuilt in the contract is deferred until installation is completed and there after recognised monthly once the maintenance period commences. However, invoices to customers are raised as per the contract terms.	Revenue is recognised over time as the services are provided. The stage of completion for determining the amount of revenue to recognise is assessed based on estimate of work completed.
Property management (Renting of property)	Income for the property management companies are derived from renting of properties owned by them. Invoices for renting of property are issued on a monthly basis over the period of the rental agreement.	Revenue is recognised over time during the period of the rent agreements
Water bottling operation for the use in the hotel sector	Customers obtain control of bottled water upon sale of the item. Invoices are generated and revenue is recognised at the point in time when the bottles are dispatched from the Group's warehouse.	Revenue is recognised when the water bottles are dispatched from the Group's warehouse.
Printing and packaging (Supply of value added printing and packaging products and services)	Customers obtain control of goods when the goods are delivered to them. Some contracts permit the customer to return an item. Returned goods are exchanged only for new goods. Invoices are generated and revenue is recognised at the point in time when the goods are delivered.	Revenue is recognised when the goods are delivered and have been accepted by customers at their premises.
Financial Services		
Life Insurance contracts	Insurance coverage (death, survival, health, disability) and related services are provided over the policy term. Policyholder benefits and claims are serviced as they arise.	Revenue is recognised under SLFRS 17 over time, as services are provided, based on the release of the liability for remaining coverage. Premiums received are not recognised as revenue at inception.
Unit-linked contracts (investment component with insurance coverage)	The Group provides insurance coverage and ongoing investment management services. Performance obligation is satisfied over the contract period.	Insurance service revenue recognised under SLFRS 17 over time; investment management fees are recognised under SLFRS 15 as services are rendered.
Policy administration and other fees	Services (such as policy maintenance, fund switching, loan processing) are provided at a point in time or over time depending on the nature of service.	Revenue recognised under SLFRS 15 either at a point in time (e.g., processing fees) or over time (e.g., annual policy servicing fees).
General Insurance contracts	Insurance coverage for risks such as motor, fire, health, marine and other short-duration risks. Obligations are satisfied continuously over the coverage period (generally 12 months).	Premium revenue is recognised under SLFRS 17 over time, in proportion to the pattern of coverage provided. Unearned premiums are recognised as a liability until coverage is provided.

Type of product/ services	Nature and timing of satisfaction of performance obligation	Revenue recognition
Claims handling and related services	Handling and settlement of claims arising during the policy coverage period.	Revenue recognised under SLFRS 17 over the period when claims-handling services are provided.
Reinsurance contracts held	Risk coverage provided by reinsurers over the contractual period.	Income from reinsurance contracts is recognised under SLFRS 17 over time, consistent with the recognition of reinsured risks.
Inward money transfer	The inward money transfer segment of the Group acts as a representative of the Western Union Network (France) SAS. Representative base compensation is recognised by the Company upon the completion of the inward money transfer.	Revenue is recorded at the point when inward money transfer is completed.
Insurance brokering	Commission income on the sale of insurance policies are recognised upon collection of the insurance premium while revenue from survey and other insurance services are recognised upon completion of the professional service.	Revenue recognised for commission income and fees for professional services is at point in time.
Sale of goods		
Beverages		
Liquor Bottles	Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or services to a contract.	Revenue from the sale of goods is recognised on the point which the goods are handed over to the customer.
Plantation		
Sale of produce from plantation	Black tea produce is sold at the Colombo tea Auction and the highest bidder whose offer is accepted shall be the buyer, and a sale shall be completed at the fall of the hammer, at which point control is transferred to the customer.	Revenue from sale of other crops are recognised 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.
Strategic Investment		
Manufacturing of apparels	Customers obtain control of goods when the garments are handed over to the nominated freight forwarding company who is an agent of the customer. Invoices are generated and revenue is recognised at that point in time	The Group recognises revenue when the manufactured garments are handed over to the nominated freight forwarding company.

7 COST OF SALES AND NET BENEFITS PAID

This includes all the directly attributable costs of sale of goods and rendering of services. Further, net insurance benefits and claims paid, net change in insurance claims outstanding and underwriting and net acquisition costs in insurance businesses are included.businesses are included.

8 OTHER OPERATING INCOME

For the year ended 31 March,	Note	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Gain on change in fair value of biological assets	18.3	763,735	1,020,256	-	-
Amortisation of Government grants	34.1	17,205	16,566	-	-
Gain on sale of property, plant and equipment		77,176	61,226	-	-
Gain on acquisition of investment property		-	31,835	-	-
Gain on termination of ROU asset		2,392	1,066	-	-
Fees and commission income		75,060	59,270	-	-
Rent income		151,884	135,903	-	-
Laboratory commissions		39,078	65,379	-	-
Sale of timber		1,826	941	-	-
Sundry income	8.1	408,706	370,101	33,765	13
Dividend income from subsidiary companies		-	-	11,601,406	15,890,725
Dividends from equity securities – at FVOCI		820,320	271,299	589,158	271,297
Dividends from equity securities – at FVTPL		7,269	150,715	113	145,239
(Gain/loss) on disposal of fair value through profit and loss investments		38,730	(27,459)	-	-
Gain from Changes in Fair Value of Investment Properties	17	262,551	250,630	456,463	377,587
Gain on disposal of shares of subsidiaries		-	-	-	2,827
Reversal of provision for impairment		776,377	30,542	-	-
Gain on Disposal of Assets Held for Sale		-	-	-	-
Reversal of long outstanding liabilities and provisions		-	-	-	-
Gain on disposal of Joint ventures		9,493	-	45,318	-
		3,451,802	2,438,270	12,726,223	16,687,688

8.1 Sundry income

Sundry income, presented within Other Operating Income, primarily comprises miscellaneous income items that are not specifically identifiable and are individually immaterial to the respective subsidiaries

9 OTHER OPERATING EXPENSES

For the year ended 31 March,	Note	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Net impairment of financial assets measured at amortised cost		2,102	459,605	-	223
Provision for Impairment of amounts receivable from subsidiaries		-	-	879,166	1,997,615
Bad debts written-off		-	-	-	-
Loss on disposal of property plant and equipment		12,306	20,320	-	-
Loss on retirement of investment properties / assets held for sale		256,510	-	256,510	-
Impairment of investment in subsidiaries	20.3	-	-	197,509	203,242
Impairment of investment in joint ventures / associates	21.1 / 21.2	25,319	-	-	320,803
Impairment of goodwill on acquisition of subsidiaries	16.3	81,816	-	-	-
Impairment of immature biological assets	18.1.2	105,975	96,052	-	-
Write-off of bearer biological assets	18.1.2	-	9,336	-	-
Other expenses		52,314	97,545	-	-
Impairment of Property Plant and Equipment and intangible assets		-	13,803	-	-
Loss on disposal of fair value through profit and loss investments		68	-	68	-
		536,410	696,661	1,333,253	2,521,883

10 FINANCE INCOME AND FINANCE COSTS

10.1 Recognised in profit or loss

10.1.1 Finance income

For the year ended 31 March,	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Interest income and net change in fair value of government securities classified as FVTPL	303,059	92,063	-	-
Interest income on financial assets measured at FVOCI	22,368	25,103	-	-
Interest income on financial assets measured at amortised cost	2,681,974	4,330,313	1,086,906	1,675,878
Reversals of impairment losses on financial investments	251	2,074	-	-
Foreign exchange gain	525,493	882,869	-	-
Gain on change in fair value of financial assets at fair value through profit or loss	91,163	56,811	27,074	-
	3,624,308	5,389,233	1,113,980	1,675,878

10.1.2 Finance costs

For the year ended 31 March,	Note	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Interest expense on lease liabilities	32	916,151	1,031,179	953	1,498
Interest on bank overdraft and Long/short term borrowings		6,879,343	10,536,937	172,068	379,644
Interest on related party current accounts		-	-	351,812	709,651
Other finance charges		440,941	405,286	-	-
Foreign exchange loss		1,200,301	3,512,726	-	-
Loss on change in fair value of financial assets at fair value through profit or loss		8,278	5,959	-	3,797
		9,445,014	15,492,087	524,833	1,094,590
Net finance (costs)/income recognised in profit or loss		(5,820,706)	(10,102,854)	589,147	581,288

10.1.3 The above finance income and finance costs include the following interest income and expense in respect of assets (liabilities) not at fair value through profit or loss:

For the year ended 31 March,	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Total interest income on financial assets	3,007,401	4,447,479	1,086,906	1,675,878
Total interest expense on financial liabilities	7,795,494	11,568,116	524,833	1,090,793

10.2 Recognised in other comprehensive income

For the year ended 31 March,	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Equity investments at FVOCI – net change in fair value	9,582,484	12,281,401	7,770,249	11,454,718

11 PROFIT BEFORE INCOME TAX EXPENSE

Profit before income tax expense is stated after charging all expenses including the following;

For the year ended 31 March,	Note	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Remuneration to directors and fees		998,701	945,849	20,563	18,195
Auditor's remuneration					
Audit - KPMG		64,511	58,576	1,330	1,120
- Other auditors		18,397	22,623	-	-
Non-audit - KPMG		20,344	20,472	519	652
- Other auditors		26,524	17,653	-	-
Personnel costs	11.1	28,728,281	26,293,613	312,848	244,954
Depreciation and amortisation		-	-	-	-
Depreciation of property plant and equipment	15	8,522,984	6,787,464	3,225	3,408
Amortisation of intangible assets	16	80,802	58,490	105	258
Amortisation of bearer biological assets	18	130,764	135,560	-	-
Amortisation of Right of Use Assets assets	19	2,107,792	1,830,356	7,305	7,304
Donations		16,950	15,708	16,100	14,371
Loss on revaluation of Property Plant and Equipment		-	21,178	-	-
Direct Operating expenses relating to Investment Properties		22,980	16,690	14,139	9,531

11.1 Personnel costs

For the year ended 31 March,	Note	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Salaries, wages and other benefits		26,030,322	23,653,477	278,882	217,800
Employee benefits		-	-	-	-
Defined contribution plans- EPF and ETF		1,818,485	1,655,102	25,078	20,165
Defined benefit plans	33.1.1	879,474	985,034	8,888	6,989
Total		28,728,281	26,293,613	312,848	244,954

12 TAXATION

For the year ended 31 March,	Note	Group		Company	
		2025	2024	2025	2024
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Current tax expense	12.1	17,191,983	15,970,893	275,311	398,956
Deferred tax charged	22.1.1.1	853,698	833,785	77,780	138,743
		18,045,681	16,804,678	353,091	537,699

12.1 Current tax expense

For the year ended 31 March,	Note	Group		Company	
		2025	2024	2025	2024
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Current tax charge	12.1.1	14,964,761	12,911,838	275,311	413,133
(Over)/under provision in respect of previous years		(11,951)	56,043	-	(14,177)
Withholding tax on dividends paid by subsidiaries		2,239,173	3,003,012	-	-
Write off of tax receivables		-	-	-	-
		17,191,983	15,970,893	275,311	398,956

12.1.1 Numerical reconciliation of accounting profits to income tax expense

For the year ended 31 March,	Note	Group		Company	
		2025	2024	2025	2024
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Profit before income tax expense		40,274,862	32,329,494	11,684,612	14,601,593
Share of results of equity accounted investees		(1,418,429)	(984,653)	-	-
Dividend income from group companies		11,601,406	15,890,725	-	-
Other consolidation adjustments		(12,960)	(385,161)	-	-
Profit before income tax after adjustments		50,444,879	46,850,405	11,684,612	14,601,593
(-) Income not subject to tax		(15,121,737)	(19,934,668)	(12,719,532)	(16,687,676)
(-) Income from other sources		(2,418,365)	(3,679,806)	(1,086,906)	(1,675,877)
(+) Disallowable expenses		14,526,198	18,629,979	2,057,893	3,552,124
(-) Allowable deductions		(13,380,379)	(14,731,962)	(105,269)	(88,932)
(+) Tax losses incurred		10,625,719	14,298,983	169,202	298,768
Taxable profit from business		44,676,315	41,432,931	-	-
Taxable profit from business		44,676,315	41,432,931	-	-
(+) Income from other sources		2,418,365	3,679,806	1,086,906	1,675,877
(-) Tax losses utilised		(4,458,105)	(6,872,805)	(169,202)	(298,768)
Taxable income		42,636,575	38,239,932	917,704	1,377,109

For the year ended 31 March,	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Income tax at,				
Standard rate of 30%	1,985,441	2,308,909	275,311	413,133
Special rate of 40% on liquor business	11,685,485	9,577,131	-	-
Concessionary rates	52,897	47,762	-	-
Varying rates on off - shore profits	1,240,938	978,036	-	-
Total current tax charge	14,964,761	12,911,838	275,311	413,133
Average statutory income tax rate (%)	35.10%	35.63%	30.00%	30.00%

12.1.2 Effective tax rate

For the year ended 31 March,	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Effective tax rate	12.1.2.1	29.67%	27.56%	2.36%	2.83%

12.1.2.1 Reconciliation of effective tax rate

For the year ended 31 March,	Group			
	2025		2024	
	Rs.'000	%	Rs.'000	%
Profit before income tax after adjustments	50,444,879	-	46,850,406	-
Income tax expense at the average statutory income tax rate	17,705,352	35.10%	16,691,119	35.63%
Income not subject to tax	(5,307,490)	-10.52%	(4,531,513)	-9.67%
Disallowable expenses	5,098,465	10.11%	733,153	1.56%
Allowable expenses	(4,696,301)	-9.31%	(37,504)	-0.08%
Tax losses incurred	3,729,459	7.39%	60,281	0.13%
Tax losses utilised	(1,564,724)	-3.10%	(60,281)	-0.13%
Qualifying payments	-	0.00%	-	0.00%
Current tax expense	14,964,761	29.67%	12,911,838	27.56%

For the year ended 31 March,	Company			
	2025		2024	
	Rs.'000	%	Rs.'000	%
Profit before income tax after adjustments	11,684,612	0.00%	14,601,593	0.00%
Income tax expense at the average statutory income tax rate	3,505,381	30.00%	4,380,481	30.00%
Income not subject to tax	(3,815,857)	-32.66%	(5,006,306)	-34.29%
Disallowable expenses	617,367	5.28%	1,065,638	7.30%
Allowable expenses	(31,581)	-0.27%	(26,680)	-0.18%
Current tax expense	275,311	2.36%	413,133	2.83%

12.2 Applicable Rates and exemptions, Concessions or holidays granted on income tax

The income tax provision for Melstacorp PLC, its subsidiaries and equity accounted investees which are resident in Sri Lanka is calculated in accordance with the Inland Revenue Act No. 24 of 2017 and its amendments thereto.

In terms of the above, the income tax provisions of companies have been calculated on their adjusted profits at the standard rate of 30%, except for Companies with specified sources which are exempt from tax or subject to concessionary tax rates as set out below.

- Companies with specified sources exempt from income tax are given in note 12.2.1.
- Companies with specified sources liable to income tax at concessionary rates under the BOI Law are given in note 12.2.2
- Companies incorporated in Sri Lanka and operating outside Sri Lanka are given in note 12.2.3

- Distilleries Company of Sri Lanka PLC, Periceyl (Pvt) Ltd, and DCSL Breweries Lanka Limited are subject to income tax at the standard rate of 40% on gains and profits derived from the manufacture and sale, or the import and sale, of any liquor. In accordance with the provisions of the Inland Revenue Act No. 2 of 2025, certified on 20 March 2025, this rate was increased to 45% with effect from 1 April 2025

Income tax expense for the year includes, Advance Income Tax (AIT) of 15% deducted on the dividend distributions made by resident companies of the Group from their taxable profits.

Deferred tax expense on companies resident in Sri Lanka are calculated based on the tax rates specified in Inland Revenue Act No. 24 of 2017 and its amendments thereto.

The deferred tax expense associated with the revaluation of non-depreciable assets, such as land, takes into account the tax implications that would arise upon the sale of those assets. Furthermore, the Group recognises deferred tax expense for the taxes that are applicable to the undistributed profits of its subsidiary companies.

Tax losses carried forward

The Inland Revenue Act No. 24 of 2017 and its amendments thereto specifies that any unclaimed tax losses incurred during the year from business or investment could be carried forward for further six years under Section 19. In addition, the Investment Incentives specified under Second Schedule to the Act, grants unrelieved tax losses due to enhanced capital allowances to be carried forward for an extended period of 10 years.

Companies in the Group have evaluated the recoverability of unclaimed losses through taxable profit forecasts and deferred tax assets have been recognised accordingly. Deferred tax assets recognised on tax losses would be reviewed at each reporting date based on the taxable profit forecasts and would be reduced to the extent of recoverable amount.

IFRIC 23 "Uncertainty over income tax treatments" provides guidance on determining taxable profits, tax bases, unused tax losses, unused tax credits and tax rates, when there is an uncertainty over the income tax treatment. The Group has applied significant judgement in identifying uncertainties over income tax treatments for the year and the Group has determined that there were no uncertainties in tax treatments that has an impact on the income tax expense or warrants any disclosure.

12.2.1 Companies with specified sources exempt from income tax

Company	Basis	Statute Reference	Period
Port City BPO (Pvt) Ltd	BPO services to offshore clients	Section 53 of the Colombo Port City Economic Commission Act No. 11 of 2021 and the Extraordinary Gazette issued to the company thereon	25 years ending 2049/50
Ahungalla Resorts Ltd	Construction and operation of a tourist hotel	Section 17A of the Inland Revenue (Amendment) Act No. 08 of 2012	12 years ending 2029/2030
Negombo Beach Resorts (Pvt) Ltd	Construction and operation of a tourist hotel	Section 17A of the Inland Revenue (Amendment) Act No. 08 of 2012	12 years ending 2029/2030
Sagasolar Power (Pvt) Ltd	Construction and operation of a solar power plant	Section 17A of the Inland Revenue (Amendment) Act No. 08 of 2012	10 years ending 2027/2028

In addition, the Inland Revenue Act No. 24 of 2017 and its amendments thereto specifies the following income tax exemptions, which are available to companies operating in the Group.

Company	Basis	Period	Period
Aitken Spence Elevators (Private) Limited Aitken Spence Hotel Managements (Pvt) Ltd Aitken Spence Hotel Managements Asia (Pvt) Ltd Aitken Spence Hotels International (Pvt) Ltd Aitken Spence International Consulting (Pvt) Limited Aitken Spence PLC Aitken Spence Ports International Ltd Aitken Spence Travels (Pvt) Ltd Royal Spence Aviation (Pvt) Ltd	Gains and profits from any service rendered in or outside Sri Lanka to any person to be utilised outside Sri Lanka, where the payment for such services is received in foreign currency and remitted to Sri Lanka through a bank. Gains and profits from any foreign source (other than above) derived in foreign currency and remitted to Sri Lanka through a bank.	Paragraph (u)(iii) of the Third Schedule – Exempt Amounts Paragraph (u)(iv) of the Third Schedule – Exempt Amounts	Ended 31.03.2025*
All companies incorporated in Sri Lanka	Interest derived in foreign currency on any foreign currency account opened in any commercial bank or in any specialised bank, with the approval of the Central Bank of Sri Lanka. Dividend paid by a resident company to a member to the extent that dividend payment is attributable to, or derived from, another dividend received by that resident company or another resident company. Dividends remitted to Sri Lanka from and gains on the realisation of shares in a non-resident company with substantial participation in the non-resident company	Paragraph (i)(iii) of the Third Schedule – Exempt Amounts Paragraph (ooo)(ii) of the Third Schedule – Exempt Amounts Paragraph (r) of the Third Schedule – Exempt Amounts	Open Ended

* Income tax exemptions on service exports and foreign sources income have been removed with effect from 01st April 2025 as per Inland Revenue (Amendment) Act No. 02 of 2025. From 1st April 2025 such income would be liable to tax at the concessionary tax rate of 15% and companies are entitled to deduct income tax paid in foreign jurisdictions as foreign tax credits.

12.2.2 Companies with specified sources liable to income tax at concessionary rates under the BOI Law

Company	Basis	Income Tax Rate*
Ace Power Embilipitiya (Pvt) Ltd	Construction and operation of a thermal power generation plant	15%
Aitken Spence Apparels (Pvt) Ltd	Set up and operate a project to manufacture garments and exports	15%
Logilink (Pvt) Ltd	Operation of a warehousing facility	20%
Ace Wind Power (Pvt) Ltd	Construction and operation of a wind power plant	20%
Aitken Spence Property Developments (Pvt) Ltd	Construction and operation of a luxury office building complex	20%
Branford Hydropower (Pvt) Ltd	Construction and operation of a hydro power plant	20%

* Concessionary income tax rates referred to above are granted after the initial tax exemption period, in terms of Section 17 of BOI Law No. 4 of 1978.

12.2.3 Companies incorporated in Sri Lanka and operating outside Sri Lanka

Company	Countries Operated	Tax Status
Aitken Spence Hotels International (Pvt) Ltd	Maldives	Income derived from Maldives is subject to 10% withholding tax.
Aitken Spence Hotel Managements Asia (Pvt) Ltd	Maldives, Oman	Business profits arising in Oman is liable to tax at 15% and income derived from Maldives is subject to 10% withholding tax.
Aitken Spence Ports International Ltd	Mozambique, Fiji	Income derived from Fiji and Mozambique are subject to withholding tax at 15% and 20% respectively.

Profits and income referred to above are exempt from income tax in Sri Lanka up to 31st March 2025, as per Inland Revenue (Amendment) Act No. 02 of 2025. From 1st April 2025 such income would be liable to tax at the concessionary tax rate of 15% and companies are entitled to deduct income tax paid in foreign jurisdictions as foreign tax credits

12.2.4 Overseas Operations

Companies incorporated and operating outside Sri Lanka are liable for income tax in accordance with the provisions of the foreign jurisdictions applicable to the respective companies. Set out below are the Income tax rates applicable for the companies in the relevant foreign jurisdictions.

Country	Company	Income Tax Rate
British Virgin Islands	Crest Star (B.V.I.) Ltd	Nil
Oman	Aitken Spence Resorts (Middle East) LLC	15%
Maldives	Ace Aviation Services Maldives Pvt Ltd	15%
	Ace Resorts Pvt Ltd	15%
	A.D.S. Resorts Pvt Ltd	15%
	Cowrie Investment Pvt Ltd	15%
	Interlifts International Pvt Ltd	15%
	Jetan Travel Services Company Pvt Ltd	15%
	Spence Maldives Pvt Ltd	15%
	Unique Resorts Pvt Ltd	15%
Singapore	Aitken Spence International Pte. Ltd	17%
Cambodia	Aitken Spence Cargo (Cambodia) Co., Ltd	20%
Fiji	Fiji Ports Terminal Ltd	25%
	Fiji Ports Corporation Ltd	25%
	Fiji Ships Heavy Industries Ltd	25%
Myanmar	Aitken Spence Travels Myanmar Ltd	22%
	Ace Aviation Myanmar Ltd	22%
India	Aitken Spence Hotel Services Pvt Ltd	25.17%
	PR Holiday Homes Pvt Ltd	25.17%
	Perumbalam Resorts (Pvt) Ltd	25.17%
	Aitken Spence Hotel Managements (South India) Pvt Ltd	25.17%
Bangladesh	Ace Bangladesh Ltd	27.50%

- Dividends paid by companies registered in India, Maldives, Cambodia and Bangladesh are subject to withholding tax of 7.5%, 10%,14% and 15% respectively as per provisions of the respective Tax Treaties between countries, Income Tax Acts and the regulations issued thereto.
- Dividends paid by companies registered Fiji, Singapore, Oman, Myanmar and British Virgin Islands are not subject to withholding tax as per provisions of the respective Income Tax Acts and the regulations/directives issued thereto.

12.3 Tax losses

	Group		Company	
For the year ended 31 March,	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Losses brought forward	68,992,769	60,014,132	-	-
Adjustments due to finalisation of taxes of previous year	(2,479,215)	(477,739)	-	-
Tax losses incurred during the year	11,275,877	17,092,721	169,202	298,768
Losses utilised	(4,458,251)	(6,919,240)	(169,202)	(298,768)
Write off of unclaimable tax losses	(874,951)	(717,105)	-	-
Loss carried forward	72,456,229	68,992,769	-	-

As specified above, some companies in the Group have carried forward tax losses which are available to be set off against the future tax profits of those companies. Deferred tax assets not accounted in respect of these losses amounted to Rs. 16,309.7 million (2023/2024 - Rs. 10,367 million) since utilization against future taxable profits are not probable.

13 EARNINGS PER SHARE

13.1 Basic earnings per share

Basic earnings per share has been calculated by dividing the profit attributable to ordinary share holders of the Group/ Company by the weighted average number of ordinary shares outstanding during the year.

For the year ended 31 March,	Group					
	2025			2024		
	Contnuing Operations	Discontinued operations	Total	Contnuing Operations	Discontinued operations	Total
Profit attributable to equity holders of the company (Rs.'000)	17,251,389	(157,245)	17,094,144	12,319,841	(2,724,550)	9,595,291
Weighted average numbers of ordinary shares (000)	1,165,397,072	1,165,397,072	1,165,397,072	1,165,397,072	1,165,397,072	1,165,397,072
Basic earnings per share (Rs.)	14.80	(0.13)	14.67	10.57	(2.34)	8.23

For the year ended 31 March,	Company	
	2025	2024
Profit attributable to equity holders of the company (Rs.'000)	11,331,521	14,063,894
Weighted average numbers of ordinary shares (000)	1,165,397,072	1,165,397,072
Basic earnings per share (Rs.)	9.72	12.07

13.2 Diluted earnings per share

There were no potential dilutive ordinary shares outstanding at any time during the year. Therefore, diluted Earnings per Share is same as Basic Earnings per Share shown above.

14 DIVIDEND PER SHARE

14.1 Equity dividend on ordinary shares proposed and paid during the year

For the year ended 31 March,	Company			
	2025		2024	
	Per share Rs.	Total Rs.'000	Per share Rs.	Total Rs.'000
Third interim Dividend 2022/23	-	-	2.71	3,158,226
First Interim Dividend 2023/24	-	-	4.27	4,976,246
Second Interim Dividend 2023/24	-	-	2.00	2,330,794
Third interim Dividend 2023/24	2.00	2,330,794	-	-
First Interim Dividend 2024/25	3.00	3,496,191	-	-
Second Interim Dividend 2024/25	2.60	3,030,033	-	-
		8,857,018		10,465,266

On 22 August 2025, the Board of Directors approved a third interim dividend of Rs. 1.72 per share for the financial year ended 31 March 2025. The Board has confirmed compliance with the solvency test requirements under Sections 56 and 57 of the Companies Act No. 7 of 2007. For the purpose of computing dividend per share, this dividend has been taken into consideration

15 PROPERTY, PLANT AND EQUIPMENT

		Cost or valuation											
		At the beginning of the year	Additions during the year	Revaluation during the year	Disposals/ write-offs	Transfers/ Reclassifications	Transferred (to) Intangible Assets	Classified as held for sale	Capitalisation of depreciation (property, plant and equipment and right-of-use assets)	Transferred (to)/ From Investment Properties	Disposal of Subsidiary	Exchange Difference	At the end of the year
	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Freehold													
Land	15.2	34,400,282	994	596,883	(1,342)	845,405	-	-	-	49,081	-	(179,874)	35,711,429
Land improvements		180,096	15	-	-	-	-	-	-	-	-	-	180,111
Buildings	15.2	96,076,476	385,980	97,672	(257,590)	394,420	-	-	-	50,419	-	(981,177)	95,766,200
Improvements to Buildings		940,570	1,678	-	-	(795,152)	-	-	-	-	-	-	147,096
Civil constructions		748,353	-	-	-	-	-	-	-	-	-	-	748,353
Plant, machinery & other equipment	15.7	55,622,765	1,616,059	-	(275,080)	379,180	(18,341)	(1,614,799)	-	-	(13,137)	(366,764)	55,329,883
Motor vehicles		6,313,703	306,585	-	(141,780)	7,618	-	-	-	-	(1,029)	(22,609)	6,462,488
Furniture, fittings & office equipment	15.7	8,232,439	325,779	-	(77,399)	32,471	-	-	-	-	(5,050)	(58,007)	8,450,233
Computer equipment & software	15.7	425,699	84,893	-	(10,005)	-	-	-	-	-	-	-	500,587
Electro mechanical equipment		301,114	-	-	(661)	-	-	-	-	-	-	-	300,453
Digital electronic Switches	15.7	1,573,373	-	-	-	-	-	-	-	-	-	-	1,573,373
Medical equipment	15.7	773,201	45,220	-	(69,196)	-	-	-	-	-	-	-	749,225
Network equipment	15.7	2,341,905	-	-	-	-	-	-	-	-	-	-	2,341,905
Towers	15.7	1,038,547	-	-	(288,469)	-	-	-	-	-	-	-	750,078
Customer premise equipment		3,793,302	-	-	-	-	-	-	-	-	-	-	3,793,302
Returnable packing materials		1,415,037	261,684	-	(254,761)	88,128	-	-	-	-	-	-	1,510,088
Water projects & sanitation		86,490	-	-	-	-	-	-	-	-	-	-	86,490
Shelters and other equipment	15.7	525,328	-	-	(11,622)	-	-	-	-	-	-	-	513,706
FLAG project	15.7	41,505	-	-	(41,505)	-	-	-	-	-	-	-	-
LTE Project	15.7	2,682,132	-	-	(507,576)	-	-	-	-	-	-	-	2,174,556
WI-Max		232,535	-	-	-	-	-	-	-	-	-	-	232,535
Fire fighting equipment		4,883	-	-	-	-	-	-	-	-	-	-	4,883
Oil storage tanks		315	-	-	-	-	-	-	-	-	-	-	315
Vats & casks		72,918	-	-	-	-	-	-	-	-	-	-	72,918
Drums		80	-	-	-	-	-	-	-	-	-	-	80
Total freehold property, plant & equipment		217,823,048	3,028,887	694,555	(1,936,986)	952,070	(18,341)	(1,614,799)		99,500	(19,216)	(1,608,431)	217,400,287
Leasehold													
Furniture, fittings & equipment		14,028	-	-	-	-	-	-	-	-	-	-	14,028
Immovable (JEDB/SLSPC) assets on finance lease	15.1	636,202	-	-	-	-	-	-	-	-	-	-	636,202
Leasehold improvements		-	-	-	-	-	-	-	-	-	-	-	-
Total leasehold property, plant & equipment		650,230	-	-	-	-	-	-		-	-	-	650,230
Capital work in progress	15.7	1,477,518	1,244,761	-	(79,349)	(952,070)	-	-	8,558	95,325	-	(4,091)	1,790,652
Total property, plant & equipment		219,950,796	4,273,648	694,555	(2,016,335)	-	(18,341)	(1,614,799)	8,558	194,825	(19,216)	(1,612,522)	219,841,169
- Recognised under non-current													
- Recognised under current*													

The exchange difference has arisen as a result of the translation of property, plant and equipment of foreign operations which are accounted for in foreign currencies and translated to thea reporting currency at the reporting date.

Accumulated depreciation, amortisation and impairment										Carrying value	
At the beginning of the year	Charge for the year	Impairment during the year	Other transfers	Disposals / write-offs	Transferred (to) Intangible Assets	Disposal of Subsidiary	Transfer to Assets Held for Sale	Exchange Difference	At the end of the year	As at 31 March 2025	As at 31 March 2024
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
-	-	-	-	-	-	-	-	-	-	**35,711,429**	34,400,282
101,068	4,798	-	-	-	-	-	-	-	105,866	**74,245**	79,028
8,570,282	4,086,913	-	16,915	(180)	-	-	-	(247,015)	12,552,902	**83,213,298**	87,506,194
222,475	41,708	-	-	-	-	-	-	-	138,196	**8,900**	718,095
399,033	37,418	-	-	-	-	-	-	-	436,451	**311,902**	349,320
30,761,984	3,120,809	98	(33,716)	(249,533)	(14,860)	(11,428)	(1,074,589)	(265,728)	32,233,037	**23,096,846**	24,860,781
5,045,772	303,921	-	(7,996)	(128,704)	-	(1,029)	-	(18,802)	5,193,162	**1,269,326**	1,267,931
6,149,503	496,013	340	24,797	(67,671)	-	(4,575)	-	(40,447)	6,557,960	**1,892,273**	2,082,936
387,742	25,031	282	-	(9,807)	-	-	-	-	403,248	**97,339**	37,957
179,975	15,683	-	-	(661)	-	-	-	-	194,997	**105,456**	121,139
1,573,373	-	-	-	-	-	-	-	-	1,573,373	**-**	-
536,277	58,079	17,574	-	(60,014)	-	-	-	-	551,916	**197,309**	236,924
2,341,905	-	-	-	-	-	-	-	-	2,341,905	**-**	-
1,038,547	-	-	-	(288,469)	-	-	-	-	750,078	**-**	-
3,793,302	-	-	-	-	-	-	-	-	3,793,302	**-**	-
1,089,148	306,618	-	-	-	-	-	-	-	1,395,766	**114,322**	325,889
82,490	842	-	-	-	-	-	-	-	83,332	**3,158**	4,000
525,328	-	-	-	(11,622)	-	-	-	-	513,706	**-**	-
41,505	-	-	-	(41,505)	-	-	-	-	-	**-**	-
2,682,132	-	-	-	(507,576)	-	-	-	-	2,174,556	**-**	-
232,535	-	-	-	-	-	-	-	-	232,535	**-**	-
4,821	62	-	-	-	-	-	-	-	4,883	**-**	62
315	-	-	-	-	-	-	-	-	315	**-**	-
70,501	334	-	-	-	-	-	-	-	70,836	**2,082**	2,417
80	-	-	-	-	-	-	-	-	80	**-**	-
65,830,093	8,498,229	18,294		(1,365,742)	(14,860)	(17,032)	(1,074,589)	(571,992)	71,302,401	**146,097,885**	151,992,955
-	-	-	-	-	-	-	-	-	-	**-**	-
14,028	-	-	-	-	-	-	-	-	14,028	**-**	-
433,313	24,755	-	-	-	-	-	-	-	458,068	**178,134**	202,889
-	-	-	-	-	-	-	-	-	-	**-**	-
447,341	24,755	-		-	-	-	-	-	472,096	**178,134**	202,889
16,303	-	-	-	-	–	-	-	-	16,303	**1,774,349**	1,461,215
66,293,737	8,522,984	18,294		(1,365,742)	(14,860)	(17,032)	(1,074,589)	(571,992)	71,790,800	**148,050,369**	153,657,059
										148,041,086	153,106,562
										9,283	550,497
										148,050,369	153,657,059

* Consequent to the expiry of the short-term power purchase agreement (PPA) signed between Ace Power Embilipitiya (Pvt) Ltd., a subsidiary company and the Ceylon Electricity Board (CEB) on 04th March 2024 and the direction received from the Board of Directors of Aitken Spence PLC (refer note 28) the financial statements of Ace Power Embilipitiya (Pvt) Ltd., have been prepared on a non-going concern basis, and therefore the remaining property, plant and equipment of the company continue to be treated under current assets.

15 PROPERTY, PLANT AND EQUIPMENT

Cost / Valuation

Company	Motor Vehicle Rs.'000	Computer Equipment Rs.'000	Furniture and Fittings Rs.'000	Office Equipment Rs.'000	Tools Equipment Rs.'000	Total 2025 Rs.'000	Total 2024 Rs.'000
Balance as at 1st April 2024	11,550	11,619	6,725	4,866	4,370	39,130	37,347
Additions during the year	-	3,505	548	1,153		5,207	1,783
Balance as at 31st March 2025	11,550	15,124	7,273	6,019	4,370	44,336	39,130

Accumulated Depreciation

Company	Motor Vehicle Rs.'000	Computer Equipment Rs.'000	Furniture and Fittings Rs.'000	Office Equipment Rs.'000	Tools Equipment Rs.'000	Total 2025 Rs.'000	Total 2024 Rs.'000
Balance as at 1st April 2024	11,550	9,349	4,577	3,377	1,325	30,178	26,770
Charged during the year	-	1,858	532	398	437	3,225	3,408
Balance as at 31st March 2025	11,550	11,207	5,109	3,775	1,762	33,403	30,178

Carrying Amount

Company	Motor Vehicle Rs.'000	Computer Equipment Rs.'000	Furniture and Fittings Rs.'000	Office Equipment Rs.'000	Tools Equipment Rs.'000	Total 2025 Rs.'000	Total 2024 Rs.'000
As at 31 March 2024	-	-	2,272	2,148	1,489	8,952	10,577
As at 31 March 2025	-	-	3,917	2,164	2,244	10,933	8,952

15.1 Immovable (JEDB/SLSPC) assets on finance lease

Group

For the year ended 31 March,	2025								2024
	Unimproved lease land Rs.'000	Improvement to land Rs.'000	Other vested assets Rs.'000	Buildings Rs.'000	Plant & Machinery Rs.'000	Water Supply Scheme Rs.'000	Mini Hydro Scheme Rs.'000	Total Rs.'000	Total Rs.'000
Capitalised value (June 1992)									
Balance at the beginning of the year	5,317	15,702	151,815	29,981	420,747	3,347	9,293	636,202	636,202
Balance at the end of the year	5,317	15,702	151,815	29,981	420,747	3,347	9,293	636,202	636,202
Amortisation									
As at beginning of the year	3,161	15,702	151,815	29,981	220,013	3,347	9,293	433,312	408,556
Amortisation for the year	101	-	-	-	24,655	-	-	24,756	24,757
At the end of the year	3,262	15,702	151,815	29,981	244,668	3,347	9,293	458,068	433,313
Carrying amount									
As at beginning of the year	2,156	-	-	-	200,734	-	-	202,890	227,646
As at the end of the year	2,055	-	-	-	176,079	-	-	178,134	202,889

In terms of the ruling of the UITF of the Institute of Chartered Accountants of Sri Lanka, all immovable assets in these estates under finance leases have been taken into the books of the Company retroactive to 18 June 1992. For this purpose, the Board of Directors of the Company decided, that these assets be stated at their book values as they appear in the books of the JEDB/SLSPC, on the day immediately preceding the date of formation of the Company. These assets are taken into the Statement of Financial Position as at 18 June, 1992.

15.2 Revaluation of Land and Buildings

15.2.1 Details of land and building stated at valuation

Distilleries Company of Sri Lanka PLC

A Valuation of freehold Lands and Buildings of Distilleries Company of Sri Lanka PLC was carried out by independent Professional valuer Mr. S. Sivaskanthan as at 31st March 2024 using "Comparable market value" method and incorporated in the financial statements of the company. The surplus on revaluation of Land and Buildings has been credited to the revaluation reserve while loss has been charged to Profit and Loss. The directors of the Company are of the view that carrying amounts of there lands and buildings have not changed significantly compared to the fair value as at 31st March 2025.

Location	Revalued Amount Rs.'000		Number of Buildings	Land Extent	Building Area Sq.Ft.	Significant Unobservable Inputs		Range of estimates for unobservable input		Sensitivity of fair value to unobservable inputs
	Land	Buildings				Land	Buildings	Per perch Land (Rs)	Per sq. ft Buildings (Rs)	
No.18,Sri Saddatissa Road , Kaluhara North, Kaluthara	56,730	-	-	1A - 0R - 23P	-	Estimated price per perch	-	310,000	-	Positively correlated sensitivity
No.375/1 -2, Dutugamunu Mawatha, Mawilmada, Kandy	21,000	-	-	0A - 1R - 20P	-	Estimated price per perch	-	350,000	-	Positively correlated sensitivity
No.35/12, Bandarawaththa Road, Seeduwa.	1,785,419	2,230,854	15	15A - 2R - 17P	184,377	Estimated price per perch	Estimated price per Square feet	714,768	3,250-17,000	Positively correlated sensitivity
No.65/84, Distillery Road, Seeduwa.	581,815	291,687	22	5A - 2R - 15.10P	101,446	Estimated price per perch	Estimated price per Square feet	650,000	3,000-6,250	Positively correlated sensitivity
No.35/13, Distillery Road, Seeduwa.	13,336	-	-	0A - 0R - 16.7P	-	Estimated price per perch	-	798,563	-	Positively correlated sensitivity
No.35/13B, Distillery Road, Seeduwa.	13,336	-	-	0A - 0R - 16.7P	-	Estimated price per perch	-	798,563	-	Positively correlated sensitivity
No.37/8A, Distillery Road, Seeduwa.	10,600	-	-	0A - 0R - 13.25P	-	Estimated price per perch	-	800,000	-	Positively correlated sensitivity
No.37/20A, Distillery Road, Seeduwa.	5,600	-	-	0A - 0R - 8P	-	Estimated price per perch	-	700,000	-	Positively correlated sensitivity
Hatton - Norwood Road,Dickoya	-	136,811	4	-	18,286	Estimated price per perch	Estimated price per Square feet	-	4,000-10,000	Positively correlated sensitivity
1st Lane, New Nuge Road, Peliyagoda.	-	57,500	4	-	15,406	Estimated price per perch	Estimated price per Square feet	-	4,250-6,500	Positively correlated sensitivity
No.375,Dutugemunu Mawatha, Mawilmada, Kandy.	67,340	-	-	1A - 3R - 16P	15,406	Estimated price per perch	Estimated price per Square feet	210,438	-	Positively correlated sensitivity

DCSL Breweries Lanka Limited

A Valuation of freehold Lands and Buildings of DCSL Breweries Company Limited was carried out by independent valuer Mr. S. Sivaskanthan as at 31st March 2024 using “Comparable market value” method and “Depreerated Replacement Cost” method incorporated in the financial statements of the Group. The Board of Directors of the Group are of the view that the fair values of lands and buildings based on the revaluation carried out as at 31st March 2024 represent the market value of the properties at the date of acquisition of the subsidiary. Therefore, revaluation surplus related to these properties were considered as a part of the fair value of identifiable assets at the date of acquisition. The directors of the Company are of the view that carrying amounts of there lands and buildings have not changed significantly compared to the fair value as at 31st March 2025.

Location	Revalued Amount Rs.'000		Number of Buildings	Land Extent	Building Area Sq.Ft.	Significant Unobservable Inputs		Range of estimates for unobservable input		Sensitivity of fair value to unobservable inputs
	Land	Buildings				Land	Buildings	Per perch Land (Rs)	Per sq. ft Buildings (Rs)	
Arankele - Doluwa road, Hakirilla, Wewalagama.	2,400	-	-	1A - 2R - 20P	-	Estimated price per perch	-	9,375	-	Positively correlated sensitivity
Millawa, Kurunegala.	2,800	-	-	0A - 0R - 28P	-	Estimated price per perch	-	100,000	-	Positively correlated sensitivity
Kandy road, Kottikapola, Mawathagama.	-	501,000	10	-	98,214	Estimated price per perch	Estimated price per Square feet	195,000	4,000-17,500	Positively correlated sensitivity

Melstacorp PLC

Free hold Land and Building of the company were revalued by Mr. S. Sivaskanthan, F.I.V (Sri Lanka) an independent professional valuer on 31st March 2025 on "contractor's Principle Basis" and incorporated in the financial statements of the company. The surplus on revaluation credited to revaluation reserve while loss has been charged to Profit and Loss in the consolidated financial statements. As these assets are leased out among subsidiaries, the company has classified these properties as investment properties.

Location	Revalued Amount Rs.'000		Number of Buildings	Land Extent	Building Area Sq.Ft.	Significant Unobservable Inputs		Range of estimates for unobservable input		Sensitivity of fair value to unobservable inputs
	Land	Buildings				Land	Buildings	Per perch Land (Rs)	Per sq. ft Buildings (Rs)	
No 140/1, Munidasa Kumaratunga Mawatha, Bandarawatta, Seeduwa.	17,300.00	-	-	0A-0R-19.75P		Estimated price per perch	-	875,000	0	Positively correlated sensitivity
No 136, Munidasa Kumaratunga Mawatha, Bandarawatta, Seeduwa.	269,664.00	-	-	1A-1R-24.72P		Estimated price per perch	-	1,200,000	0	Positively correlated sensitivity
No 16 & 18, Bandarawatta Road, Seeduwa.	132,600.00	3,200.00	-	0A-2R-22P	930 sq.ft	Estimated price per perch	-	1,300,000	7,000	Positively correlated sensitivity
Residential Premises at Medagama Road, Welikamulla, Badulla	21,430.00	2,020.00	1	0A-3R-37.20P	1,522 sq.ft	Estimated price per perch	Construction cost per Square feet	127,500-150,000	5,250	Positively correlated sensitivity
Industrial Premises at Seed Station Road, Nawalayathanna, Katugastota	37,639.00	70,905.00	8	0A-2R-27.54P	13,214.5 sq.ft	Estimated price per perch	Depreciated construction cost	350,000	5,750-9,250	Positively correlated sensitivity
Industrial Premises at Seed Station Road, Nawalayathanna, Katugastota	244,648.00	170,678.00	13	5A-0R-4.16P	34,050 sq.ft	Estimated price per perch	Depreciated construction cost	300,000-325,000	3,750-8,750	Positively correlated sensitivity
Commercial premises at Dambulla road, Muththetugala, Kurunegala.	109,000.00	49,270.00	2	0A-2R-29P	10,122.5 sq.ft	Estimated price per perch	Depreciated construction cost	1,000,000	2,700-8,500	Positively correlated sensitivity
No 165, Harichandra Mawatha, Anuradhapura.	98,945.00	73,371.00	3	0A-3R-21.35P	11,301 sq.ft	Estimated price per perch	Construction cost per Square feet	700,000	4,850-8,000	Positively correlated sensitivity
No 152, Munidasa Kumaratunga Mawatha, Bandarawatta, Seeduwa.	47,630.00	113,370.00	2	1R-3.3P	18,920 sq.ft	Estimated price per perch	Depreciated construction cost	1,100,000	5,250-8,000	Positively correlated sensitivity
No 152/2, Munidasa Kumaratunga Mawatha, Bandarawatta, Seeduwa.	9,250.00	11,050.00	1	10P	1,975 sq.ft	Estimated price per perch	Depreciated construction cost	925,000	8,000	Positively correlated sensitivity

Location	Revalued Amount Rs.'000		Number of Buildings	Land Extent	Building Area Sq.Ft.	Significant Unobservable Inputs		Range of estimates for unobservable input		Sensitivity of fair value to unobservable inputs
	Land	Buildings				Land	Buildings	Per perch Land (Rs)	Per sq. ft Buildings (Rs)	
No 59, Distilleries Road, Bandarawatta, Seeduwa.	28,860.00	3,940.00	1	24.05P	980 sq.ft	Estimated price per perch	Depreciated construction cost	1,200,000	8,000	Positively correlated sensitivity
No 61 & 61/1 Distilleries Road, Bandarawatta, Seeduwa.	15,951.00	12,649.00	1	12.27P	1,910 sq.ft	Estimated price per perch	Depreciated construction cost	1,300,000	8,000	Positively correlated sensitivity
No 150/1 & 150/1A, Munidasa Kumaratunga Mawatha, Bandarawatta, Seeduwa.	35,625.00	9,875.00	1	37.5P	1,625 sq.ft	Estimated price per perch	Depreciated construction cost	950,000	7,500	Positively correlated sensitivity
No 150, Munidasa Kumaratunga Mawatha, Bandarawatta, Seeduwa.	20,625.00	17,675.00	2	18.75P	2,771 sq.ft	Estimated price per perch	Depreciated construction cost	1,100,000	7,500	Positively correlated sensitivity
No 144, Munidasa Kumaratunga Mawatha, Bandarawatta, Seeduwa.	25,135.00	6,865.00	1	22.85P	1,470 sq.ft	Estimated price per perch	Depreciated construction cost	1,100,000	8,000	Positively correlated sensitivity
Factory Premises at Habarakada Road, Nawagamuwa, Ranala, Kaduwela.	300,000.00	157,900.00	1	10A-0R-0P	56,530 sq.ft	Estimated price per perch	Depreciated construction cost	187,500	6,250-8,000	Positively correlated sensitivity
No 68 & 68A, Attidiya Road, Ratmalana.	329,350.00	153,250.00	3	1A-0R-28.2P	30,113 sq.ft	Estimated price per perch	Depreciated construction cost	1,750,000	4,250-7,750	Positively correlated sensitivity
No 459, Wackwella Road, Kalegana, Galle.	77,000.00	34,522.00	3	0A-1R-37P	8,129 sq.ft	Estimated price per perch	Depreciated construction cost	1,000,000	6,300-8,000	Positively correlated sensitivity
Industrial Premises at Galle Road, Beruwala.	331,202.25	137,943.75	8	2A-1R-19.08P	15,279 sq.ft	Estimated price per perch	Depreciated replacement cost	850,000-1,000,000	5,000-15,750	Positively correlated sensitivity
No 823 & 823/1-4 Srimavo Bandaranayake Mawatha, Colombo 14.	1,215,825.00	-	-	2A-1R-14.10P	-	Estimated price per perch	Depreciated replacement cost	3,250,000	-	Positively correlated sensitivity
No 161, 161A & 161B, Tangalle Road, Ambalantota.	44,912.00	40,788.00	6	0A-1R-24.16P	7,657 sq.ft	Estimated price per perch	Construction cost per Square feet	700,000	4,750-8,000	Positively correlated sensitivity
Gampaha Road, Udugampola	170,289.00	76,411.00	2	1A-3R-35.35P	18,124 sq.ft	Estimated price per perch	Estimated price per Square feet	540,000	7,500-8,000	Positively correlated sensitivity

Melsta Properties (Pvt) Ltd

Free hold Land and Building of the company were revalued by Mr. S. Sivaskanthan, F.I.V (Sri Lanka) an independent professional valuer on 31st March 2025 on “contractor’s Principle Basis” and incorporated in the financial statements of the company. In this valuation technique, the valuer has used the contractors cost method as a reference price to value properties. The surplus on revaluation credited to revaluation reserve while loss has been charged to profit and loss.

Location	Revalued Amount Rs.’000		Number of Buildings	Land Extent	Building Area Sq.Ft.	Significant Unobservable Inputs		Range of estimates for unobservable input		Sensitivity of fair value to unobservable inputs
	Land	Buildings				Land	Buildings	Per perch Land (Rs)	Per sq. ft Buildings (Rs)	
No 110, Norris Canal Road, Colombo 10.	3,066,600	195,100	2	1A-1R-15.20P	30,000 sq.ft	Estimated price per perch	Depreciated replacement cost	14,250,000	8,000-12,250	Positively correlated sensitivity
No 133, Temple Road, Deshashtra, Kaluthara	282,820	184,280	22	04A - 00R –33.38P	61,402 sq.ft	Estimated price per perch	Depreciated replacement cost	420,000	2,500-9,450	Positively correlated sensitivity
No 69/1, Rajapaksha Broadway, Negombo	206,250	46,450	3	0A - 1R – 28.75P	8,576 sq.ft	Estimated price per perch	Depreciated replacement cost	3,000,000	6,400-8,400	Positively correlated sensitivity
No 68/1, Saravanai Road, Batticola.	213,602	51,498	5	3A - 0R - 11.04P	10,921.5 sq.ft	Estimated price per perch	Depreciated replacement cost	435,000	2,100-8,500	Positively correlated sensitivity
No 87, Station Road, Vavunia	172,901	76,299	5	0A - 3R - 33.69P	12,300 sq.ft	Estimated price per perch	Depreciated replacement cost	1,125,000	3,750-6,850	Positively correlated sensitivity
No 41, Old Ferry Road, Deshashtra, Kaluthara	94,986	54,014	11	01A - 1R - 04.27P	22,686 sq.ft	Estimated price per perch	Depreciated replacement cost	465,000	2,250-9,400	Positively correlated sensitivity
No 156,Orr's Hill Road, Trincomalee.	64,911	29,189	4	0A - 1R –38.68P	5,168.25 sq.ft	Estimated price per perch	Depreciated replacement cost	825,000	5,000-9,000	Positively correlated sensitivity
No 215/9, Jayamalapura, Nawalapitiya, Gampola.	107,984	49,316	4	0A - 3R-38.8P	7,737 sq.ft	Estimated price per perch	Depreciated replacement cost	680,000	6,500-8,400	Positively correlated sensitivity
No 118,120, Kunupallela Road, Badulla.	97,504	28,796	10	0A - 2R - 08.67P	9,950 sq.ft	Estimated price per perch	Depreciated replacement cost	1,100,000	2,250-8,400	Positively correlated sensitivity
Dummalakotuva, Kurunegala Road, Dankotuva.	89,550	4,950	3	2A - 1R – 38.0P	8,083.5 sq.ft	Estimated price per perch	Depreciated replacement cost	225,000	550-5,000	Positively correlated sensitivity
Teak Store Warehouse, Palathota, Kaluthara South.	46,272	24,828	12	01A 0R 32.8P	15,551 sq.ft	Estimated price per perch	Depreciated replacement cost	240,000	4,250-9,450	Positively correlated sensitivity
Mirishena Warehouse, Ethanamadala Road, Kaluthara North.	71,253	22,247	10	01A - 02R –23.90P	10,335 sq.ft	Estimated price per perch	Depreciated replacement cost	270,000	4,250-9,400	Positively correlated sensitivity
No 7/11, Kandy Road, Kaithadi.	71,300		-	2A - 0R - 11.59P	-	Estimated price per perch	-	215,000	-	Positively correlated sensitivity

Location	Revalued Amount Rs.'000		Number of Buildings	Land Extent	Building Area Sq.Ft.	Significant Unobservable Inputs		Range of estimates for unobservable input		Sensitivity of fair value to unobservable inputs
	Land	Buildings				Land	Buildings	Per perch Land (Rs)	Per sq. ft Buildings (Rs)	
No 150, Coastal Road, Thalwila, Marawila.	43,200	-	-	2A - 0R -00.0P	-	Estimated price per perch	-	135,000	-	Positively correlated sensitivity
No 669, Beach Road, Gurunagar, Jaffna.	42,500	-	-	3R – 12.96P	-	Estimated price per perch	-	320,000	-	Positively correlated sensitivity
No 125, Norwood Road, Dickoya.	20,700	-	-	0A - 3R-9.60P	-	Estimated price per perch	-	160,000	-	Positively correlated sensitivity
Pradeshiya Sabha Road, Kaithadi.	9,000		-	0A - 1R – 8.70	-	Estimated price per perch	-	185,000	-	Positively correlated sensitivity

Browns Beach Hotel PLC

Freehold land of the company was revalued by Mr. K.C.B Condegama (A.I.V. Sri Lanka) an independent professional valuer on 20th March 2024 on "Current Fair Value Market Value" as at the 31st March 2024 and revaluation surplus has been credited to the revaluation reserve.

Freehold buildings of the company was revalued by Mr. J.M.J.Fernando (F.I.V. Sri Lanka) a Chartered Valuation Surveyor on 20th February 2024 on "Current Fair Market Value" as at the 31st March 2024 has been credited to the revaluation reserve. The directors of the Company are of the view that carrying amounts of there lands and buildings have not changed significantly compared to the fair value as at 31st March 2025.

Location	Revalued Amount Rs.'000		Number of Buildings	Land Extent	Building Area Sq.Ft.	Significant Unobservable Inputs		Range of estimates for unobservable input		Sensitivity of fair value to unobservable inputs
	Land	Buildings				Land	Buildings	Per perch Land (Rs)	Per sq. ft Buildings (Rs)	
No. 175 Lewis Place, Negombo	1187920	3,493,690	4	6A-1R-27.73P	233,697	Estimated price per perch	Depreciated replacement cost	1,155,000	7000-22000	Positively correlated sensitivity

Melsta Hospitals Ragama (Pvt) Ltd

The fair value of the land and buildings were determined by an external independent properly valuer, having appropriate recognised professional qualifications and experience in the category of the property being valued. The valuer has used the cost approach where the current construction cost of similar properties have been considered in determining the fair values. The directors of the Company are of the view that carrying amounts of there lands and buildings have not changed significantly compared to the fair value as at 31st March 2025.

Location	Revalued Amount Rs.'000		Number of Buildings	Land Extent	Building Area Sq.Ft.	Significant Unobservable Inputs		Range of estimates for unobservable input		Sensitivity of fair value to unobservable inputs
	Land	Buildings				Land	Buildings	Per perch Land (Rs)	Per sq. ft Buildings (Rs)	
No 43, Mahabage Road, Ragama.	653,310	951,690	8	1A – 1R – 17.77P	55,413 sq.ft	Estimated price per perch	Depreciated replacement cost	1,300,000	7,500-11,500	Positively correlated sensitivity

Madulsima Plantations PLC

The fair value of the Building was determined by an external independent property valuer, having appropriate recognised professional qualifications and experience in the category of the property being valued. The valuer provides the fair value of the property. The directors of the Company are of the view that carrying amounts of there lands and buildings have not changed significantly compared to the fair value as at 31st March 2025.

Location (Region)	Estate	Revalued Amount	No of Buildings	Significant Unobservable Inputs	Range of Estimates for unobservable inputs(Estimated Price per sq.ft)	Sensitivity of fair value to unobservable inputs
Madulsima	Battawatte	50,669,373	552	Estimated Replacement cost per Sq.Ft.	850-3,500	Positively correlated sensitivity
Metigahatenne	Cocogalla	49,419,438	303	Estimated Replacement cost per Sq.Ft.	850-4,500	Positively correlated sensitivity
Madulsima	Galloola	40,692,764	260	Estimated Replacement cost per Sq.Ft.	500-4,500	Positively correlated sensitivity
Madulsima	Mahadowa	84,413,345	737	Estimated Replacement cost per Sq.Ft.	800-3,000	Positively correlated sensitivity
Madulsima	Uvakellie	12,144,942	303	Estimated Replacement cost per Sq.Ft.	850-2,850	Positively correlated sensitivity
Madulsima	Verellapatna	71,839,795	438	Estimated Replacement cost per Sq.Ft.	850-3,250	Positively correlated sensitivity
Passara	El Teb	72,475,733	1,030	Estimated Replacement cost per Sq.Ft.	1,200-3,500	Positively correlated sensitivity
Pitamaruawa	Roeberry	76,127,258	918	Estimated Replacement cost per Sq.Ft.	1,200-3,000	Positively correlated sensitivity
Bogawantalawa	Kew	52,044,665	613	Estimated Replacement cost per Sq.Ft.	1,800-4,000	Positively correlated sensitivity
Bogawantalawa	Kirkoswald	132,483,547	1,182	Estimated Replacement cost per Sq.Ft.	500-4,000	Positively correlated sensitivity
Bogawantalawa	Theresia	51,740,490	639	Estimated Replacement cost per Sq.Ft.	850-3,500	Positively correlated sensitivity
Norwood	Venture	77,131,361	572	Estimated Replacement cost per Sq.Ft.	750-3,750	Positively correlated sensitivity
Badulla	Head Office	6,361,215	2	Estimated Replacement cost per Sq.Ft.	1,820-1,840	Positively correlated sensitivity

Balangoda Plantations PLC

Buildings of the Company are stated based on a valuation performed by Mr.W.M Chandrasena, R I C S (Sri Lanka) an external, independent Chartered Valuer, as at 31 December 2020 using "Depreciation Replacement Cost" method. The details of which are as follows, The directors of the Company are of the view that carrying amounts of there lands and buildings have not changed significantly compared to the fair value as at 31st March 2025.

Region	Estate	Location	Valuation of Building Rs.	No of Buildings	Extent Building (Sq. Ft)	Significant Unobservable Inputs	Range of estimates for unobservable inputs	Significant Unobservable Inputs
Rathnapura	Galatura	Galatura Estate, Kiriella	83,729,690	25	46,592	Estimated replacement cost of a Sq., Ft. adjusted for wear and tear	Rs.700-8,000	Positively correlated sensitivity
Rathnapura	Mahawela	Mahawela Estate, Ratnapura	74,477,370	43	89,433	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.500-7,000	Positively correlated sensitivity
Rathnapura	Mutwagalla	Mutwagalla Estate, Kiriella	31,203,470	32	43,819	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.700-4,000	Positively correlated sensitivity
Rathnapura	Millawitiya	Millawitiya Estate, Ratnapura	9,957,537	14	16,686	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.600-2,700	Positively correlated sensitivity
Rathnapura	Palmgarden	Palmgarden Estate, Ratnapura	78,551,642	46	147,912	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.700- 3,000	Positively correlated sensitivity
Rathnapura	Rambukkande	Rambukkande Estate, Ratnapura	43,834,853	27	44,096	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.850-7,500	Positively correlated sensitivity
Balangoda	Balangoda	Balangoda Estate, Balangoda	79,218,183	48	102,313	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	RS.1,000-3,500	Positively correlated sensitivity
Balangoda	Cecilton	Cecilton Estate, Balangoda	58,993,479	24	67,151	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.750-3,250	Positively correlated sensitivity
Balangoda	Meddakande	Meddakande Estate, Balangoda	56,816,679	37	79,985	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	RS.700-3,000	Positively correlated sensitivity
Balangoda	Non Pareil	Non Pareil Estate, Belihuloya	43,912,047	35	67,082	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.750-4,500	Positively correlated sensitivity

Region	Estate	Location	Valuation of Building Rs.	No of Buildings	Extent Building (Sq. Ft)	Significant Unobservable Inputs	Range of estimates for unobservable inputs	Significant Unobservable Inputs
Balangoda	Pettiagalla	Pettiagalla Estate, Balangoda	44,430,088	22	52,145	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.1,000-3,250	Positively correlated sensitivity
Balangoda	Rasagalla	Rasagalla Estate , Balangoda	75,775,788	45	100,200	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.750-3,000	Positively correlated sensitivity
Balangoda	Rye/Wikilliya	Rye/Wikiliya Estate, Balangoda	20,929,730	27	40,004	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.1,000-3,000	Positively correlated sensitivity
Balangoda	Walaboda	Walaboda Estate, Balangoda	9,292,261	10	12,309	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.1,000-3,500	Positively correlated sensitivity
Badulla	Cullen	Cullen Estate, Badulla	16,517,550	22	24,480	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.600-4,500	Positively correlated sensitivity
Badulla	Gowerakelle	Gowerakelle Estate, Badulla	14,140,847	20	27,709	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.1,500-2,500	Positively correlated sensitivity
Badulla	Glen Alpin	Glen Alpin Estate, Badulla	106,926,463	61	129,968	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.600-3,000	Positively correlated sensitivity
Badulla	Spring Valley	Spring Valley Estate, Badulla	148,483,468	76	193,989	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.500-3,500	Positively correlated sensitivity
Badulla	Telbedde	Telbedde Estate, Badulla	106,482,761	80	151,870	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.700-3,000	Positively correlated sensitivity
Badulla	Ury	Ury Estate, Badulla	105,888,553	52	136,174	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.700-3,500	Positively correlated sensitivity
Badulla	Wewesse	Wewesse Estate, Badulla	69,141,986	43	91,390	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs.500-3,200	Positively correlated sensitivity

Aitken Spence PLC

Company	Location	Last revaluation date	Estimated price per perch (Significant unobservable inputs) Rs.	Extent	Carrying amount as at 31.03.2025 Rs.'000	Revaluation surplus Rs.'000	Carrying amount at cost Rs.'000
Aitken Spence PLC (a)	315, Vauxhall Street, Colombo 02	31.12.2022	12,500,000	1 A 0 R 12.78 P	**2,154,224**	2,153,067	1,157
	316, K. Cyril C. Perera Mw., Colombo 13	30.09.2022	4,250,000	1 A 0 R 20.37 P	**747,028**	742,037	4,991
	170, Sri Wickrema Mw., Colombo 15	10.12.2022	1,500,000	3 A 3 R 31.00 P	**942,350**	899,389	42,961
	Moragalla, Beruwala	13.12.2022	475,000	10 A 1 R 23.97 P	**790,000**	789,046	954
	290/1, Inner Harbour Road, Trincomalee	17.10.2022	525,000	0 A 1 R 4.95 P	**23,500**	23,500	-
Ace Containers (Pvt) Ltd (a)	775/5, Negombo Road, Wattala	22.12.2022	625,000	22 A 0 R 24.88 P	**2,215,500**	2,120,947	94,553
	385, Colombo Road, Welisara	22.12.2022	725,000	8 A 3 R 12.23 P	**1,023,000**	936,327	86,673
	No.377, Negombo Road, Welisara, Ragama	22.12.2022	750,000	1 A 1 R 17.80 P	**163,000**	75,935	87,065
Ace Distriparks (Pvt) Ltd (a)	80, Negombo Road, Wattala	22.12.2022	1,750,000	2 A 2 R 17.03 P	**729,800**	360,238	369,562
Ahungalla Resorts Ltd (a)	"Ahungalla Resorts", Galle Road, Ahungalla	24.12.2022	" 523,500 - 600,000 "	12 A 3 R 35.21 P	**1,113,500**	213,623	899,877
Aitken Spence (Garments) Ltd (a)	222, Agalawatte Road, Matugama	20.12.2022	125,000	2 A 3 R 0 P	**55,000**	49,840	5,160
Aitken Spence Hotel Holdings PLC (a)	"Heritance Ahungalla", Galle Road, Ahungalla	24.12.2022	475,000	11 A 3 R 34.02 P	**825,000**	806,798	18,202
	"Heritance Ahungalla", Galle Road, Ahungalla	24.12.2022	475,000	0 A 0 R 39.26 P	**18,500**	13,293	5,207
Aitken Spence Hotel Managements (South India) Ltd (b)	144/7, Rajiv Gandhi Salai, Kottivakkam, OMR, Chennai, India	11.11.2022	13,000,000	0 A 3 R 15.14 P	**1,636,358**	839,700	796,658
Aitken Spence Property Developments Ltd (a)	90, St.Rita's Estate, Mawaramandiya	14.12.2022	325,000	3 A 0 R 25.08 P	**164,000**	139,572	24,428
	100, St.Rita's Estate, Mawaramandiya	25.01.2024	370,000	1 A 0 R 0.00 P	**59,000**	4,761	54,239
Aitken Spence Resorts (Middle East) LLC (c)	Al Hamriya, Sultanate of Oman	15.02.2022	7,500,000	5 A 0 R 8.00 P	**5,965,841**	785,966	5,179,875
Branford Hydropower (Pvt) Ltd (a)	225, Gangabada Road, Kaludawela, Matale	08.10.2022	60,000	2 A 0 R 14.00 P	**20,000**	9,467	10,533

Company	Location	Last revaluation date	Estimated price per perch (Significant unobservable inputs) Rs.	Extent	Carrying amount as at 31.03.2025 Rs.'000	Revaluation surplus Rs.'000	Carrying amount at cost Rs.'000
Clark Spence and Company (Pvt) Ltd (a)	24-24/1, Church Street, Galle	20.12.2022	5,500,000	0 A 1 R 27.90 P	**373,450**	373,415	35
Heritance (Pvt) Ltd (a)	Moragalla, Beruwala	13.12.2022	375,000	5 A 3 R 6.80 P	**347,500**	336,420	11,080
Kandalama Hotels Ltd (a)	Kandalama, Dambulla	18.10.2022	370	169 A 2 R 22.00 P	**10,000**	2,616	7,384
Logilink (Pvt) Ltd (a)	309/4 a, Negombo Road, Welisara	22.12.2022	525,000	2 A 1 R 9.50 P	**193,500**	111,009	82,491
Meeraladuwa (Pvt) Ltd (a)	Meeraladuwa Island, Balapitiya	27.12.2022	43,500 - 86,500	29 A 2 R 9.00 P	**226,350**	126,088	100,262
Neptune Ayurvedic Village (Pvt) Ltd (a)	Ayurvedic village - Moragalla, Beruwala	13.12,2022	252,000	0 A 0 R 19.30 P	**4,860**	796	4,064
Perumbalam Resorts (Pvt) Ltd (d)	Cochin - Kerala, India	23.01.2023	171,000	4 A 0 R 9.00 P	**98,260**	96,852	1,408
PR Holiday Homes (Pvt) Ltd (d)	Cochin - Kerala, India	22.01.2023	172,000	14 A 0 R 7.52 P	**367,770**	188,668	179,102
Turyaa (Pvt) Ltd (a)	418, Parallel Road, Kudawaskaduwa, Kalutara	13.12,2022	550,000	5 A 1R 37.90 P	**440,000**	420,235	19,765
	49, Sea Beach Road, Kalutara	13.12,2022	700,000	0 A 1R 30.32 P	**39,775**	38,287	1,488
	Kudawaskaduwa, Kalutara	13.12,2022	550,000	1 A 3 R 33.20 P	**172,000**	115,221	56,779
	Kudawaskaduwa, Kalutara	13.12,2022	550,000	0 A 1 R 34.30 P	**40,000**	30,826	9,174
Vauxhall Investments Ltd (a)	316, K. Cyril C. Perera Mw., Colombo 13	30.09.2022	4,250,000	0 A 1 R 21.08 P	**252,972**	231,133	21,839
Vauxhall Property Developments Ltd (a)	305, Vauxhall Street, Colombo 02	31.12.2022	12,500,000	0 A 2 R 24.73 P	**1,305,776**	1,291,045	14,731
					22,517,814	14,326,117	8,191,697

The above lands have been revalued on the basis of current market value by independent, qualified valuers who have recent experience in the location and category of property being valued.

a Valuation of the land was carried out by Mr. K.C.B Condegama, F.I.V (Sri Lanka).
b Valuation of the land was carried out by CBRE South Asia Pvt. Ltd, India.
c Valuation of the land was carried out by R. Tulsian Global, Oman.
d Valuation of the land was carried out by Mr. T.T. Kripananda Singh, B.Sc.(Engg.) Civil, FIE, FIV, C.(Engg.) (India).

Melsta Logistics (Pvt) Ltd

Free hold Land and Building of the company were revalued by Mr. S. Sivaskanthan, F.I.V (Sri Lanka) an independent professional valuer on 31st March 2025 on "contractor's Principle Basis" and incorporated in the financial statements of the group. In this valuation technique, the valuer has used the contractors cost method as a reference price to value properties. The surplus on revaluation credited to revaluation reserve while loss has been charged to profit and loss.

Location	Revalued Amount Rs.'000 Buildings	Number of Buildings	Building Area Sq.Ft.	Significant Unobservable Inputs Buildings	Range of estimates for unobservable input Per sq. ft Buildings (Rs)	Sensitivity of fair value to unobservable inputs
Seed Farm Road, Nawayalthenna, Katugastota,Kandy	373,000	5	37,547 sq.ft	Depreciated construction cost	8,250-12,275	Positively correlated sensitivity
No.160,Negombo Road, Seeduwa,	152,500	5	44,136 sq.ft	Depreciated construction cost	4,000-8,750	Positively correlated sensitivity

15.3 Gross carrying value of fully depreciated assets

The cost of the fully depreciated assets of the Group and the Company amounts to Rs.42,067Mn. (Rs.33,297Mn-2023/24) and Rs.31 Mn (Rs.26 Mn-2023/24) respectively as at reporting date.

15.4 Property plant and equipment that have been pledged

The property plant and equipment that are pledged for long term borrowings are disclosed in Note 43 to these financial statements.

15.5 Borrowing cost - capitalised

Borrowing cost capitalised during the year is disclosed in Note 31 to these financial statements.

15.6 The carrying amount of revalued land and buildings if they were carried at cost less depreciation would be as follows;

	Group			
	2025		2024	
For the year ended 31 March,	Land Rs.'000	Building Rs.'000	Land Rs.'000	Building Rs.'000
Cost	10,435,680	80,575,305	10,435,680	80,628,979
Accumulated depreciation and impairment	-	(26,061,323)	-	(23,724,663)
Carrying value	10,435,680	54,513,982	10,435,680	56,904,316

15.7 Provision for impairment of Property, plant and equipment

(a) Melsta Laboratories (Private) Limited

Melsta Laboratories (Private) Limited is a fully owned subsidiary of Melsta Health (Private) Limited. Considering the continuous losses, obsolescence of medical equipments and the decline in operations of the Company, the Board of Directors of Melsta Laboratories (Private) Limited assessed its Property, Plant and Equipment for impairment as at 31st March 2025. As such, following provisions for impairment were recognised in the financial statements as at 31st March 2025.

Description	Impairment amount Rs.'000
Furniture, fittings	22
Office equipment	98
Computer equipment & software	52
Medical equipment	17,574
	17,746

Considering the specialized nature of these equipments, the Board of Directors of the Group has assumed the recoverable value to be zero.

(b) Texpro Industries Limited

Texpro Industries Limited is a subsidiary of Melstacorp PLC. Considering the continuous losses, Considering the continuous losses, obsolescence of medical plant and meshinary and the decline in operations of the Company, the Board of Directors of Texpro Industries Limited assessed its Property, Plant and Equipment for impairment as at 31st March 2025. As such, following provisions for impairment were recognised in the financial statements as at 31st March 2025.

Description	Impairment amount Rs.'000
Furniture, fittings & office equipment	318
Computer equipment	230
	548

Considering the specialized nature of these equipments, the Board of Directors of the Group has assumed the recoverable value to be zero.

16 INTANGIBLE ASSETS

For the year ended 31 March,	Group							
	2025							2024
	License fees	FLAG cable	Software cost and implementation	Software cost and implementation (WIP)	Goodwill on acquisition (Note 16.3)	Other	Total	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost/carrying value								
Balance at the beginning of the year	1,487,266	2,797,761	1,466,901	6,374	7,314,012	10,020	13,082,334	11,969,809
Acquisitions/(disposals) of subsidiaries during the year	-	-	-	-	-	-	-	1,154,986
Exchange Difference	-	-	(3,875)	-	(12,517)	-	(16,392)	(89,037)
Additions	-	-	38,430	2,051	-	-	40,481	37,070
Other transfers	-	-	(480,490)	-	-	-	(480,490)	-
Transferred to Assets Held for Sale	-	-	-	-	-	-	-	-
Transfers from property, plant and equipment	-	-	18,341	-	-	-	18,341	10,802
Disposals	-	-	-	-	-	-	-	(1,296)
Balance at the end of the period	1,487,266	2,797,761	1,039,307	8,425	7,301,495	10,020	12,644,274	13,082,334
Accumulated amortisation and impairment								
Balance at the beginning of the year	1,487,266	2,797,761	1,312,486	-	997,840	9,593	6,604,946	6,102,869
Exchange Difference	-	-	(3,790)	-	(411)	-	(4,201)	(19,582)
Acquisitions/(disposals) of subsidiaries during the year	-	-	-	-	-	-	-	453,815
Amortised during the year	-	-	80,802	-	-	-	80,802	58,490
Impaired during the year	-	-	-	-	81,816	-	81,816	-
Other transfers	-	-	(480,490)	-	-	-	(480,490)	-
Transferred to Assets Held for Sale	-	-	-	-	-	-	-	-
Transfers from property, plant and equipment	-	-	14,860	-	-	-	14,860	10,650
Disposals	-	-	-	-	-	-	-	(1,296)
Balance at the end of the period	1,487,266	2,797,761	923,868	-	1,079,245	9,593	6,297,733	6,604,946
Carrying value								
As at beginning of the year	-	-	154,415	6,374	6,316,172	427	6,477,388	5,866,940
As at end of the year	-	-	115,439	8,425	6,222,250	427	6,346,541	6,477,388

For the year ended 31 March,	Company			
	2025			2024
	Software cost and implementation Rs.'000	Software cost and implementation (WIP) Rs.'000	Total Rs.'000	Total Rs.'000
Cost/carrying value				
Balance at the beginning of the year	6,676	1,374	8,050	7,732
Additions during the year	-	-	-	318
Balance at the end of the period	6,676	1,374	8,050	8,050
Accumulated amortisation and impairment				
Balance at the beginning of the year	6,416	-	6,416	6,158
Amortised during the year	105	-	105	258
Balance at the end of the period	6,521	-	6,521	6,416
Carrying value				
As at beginning of the year	260	1,374	1,634	1,574
As at end of the year	155	1,374	1,529	1,634

16.1 License fees

(i) License fee represents the operator license fee of Rs. 408Mn paid as a renewal of operating licence fee and it is amortised over 10 years commencing from 1st March 2016.

(ii) The External Gateway License fee of Rs. 102Mn is amortised over a period of 10 years, commencing from 28th February 2013.

(iii) The Wi-Max 2365-2380 MHz License Fee of Rs. 510.2Mn was paid in 2011/12 and 2012/13 and operations commenced on 1st July 2013.

Considering the decline in operations, these license are fully impaired as at the reporting date.

16.2 FLAG cable

FLAG cable represents the expenditure incurred on under sea fibber optic cable link and the landing station , which enables the Company to offer direct global connectivity and a complete end-to-end data connectivity solution. The total expenditure is amortised over the license period of 15 years on a straight line basis from August 2008.

16.3 Goodwill on acquisition

The Goodwill on acquisition represents following amounts

For the year ended 31 March,	Group	
	2025 Rs.'000	2024 Rs.'000
Diversified sector	5,504,302	5,598,224
Plantation sector	71,862	71,862
Beverage sector	447,998	447,998
Real Estate sector	198,088	198,088
	6,222,250	6,316,172

16.3.1 Impairment of goodwill

Impairment during the year

The Group has assessed the goodwill on acquisition for impairment in accordance with LKAS 36 - "Impairment of Assets" and as per the assessmentthe group has recognised an impairment of Rs. 81.8 Mn during the year ended 31st March 2025 (2024: Nil).

The recoverable amount of the Hotel-Oman CGU was determined based on its value in use calculation, established by discounting the future cashflows to be generated from the continuing use of the CGU. The carrying amount of the CGU was identified to be higher than its recoverable amount of OMR 8.5 million. Hence an impairment loss of OMR 105,751 (equivalent to Rs. 81.8 million) has been recognised during the financial year 2024/2025 (2023/2024 - Nil). Total of impairment loss was allocated to goodwill and recognised in the income statement under depreciation, amortisation and impairment losses of non-financial assets.

Impairment Assessment

16.3.1.1 Diversified Sector

The recoverable amount of the components within the diversified sector was determined with reference to their fair value less costs of disposal as at 31 March 2025. In determining fair value less costs of disposal, the Group applied the Sum-of-the-Parts (SOTP) valuation methodology, which is commonly used to value companies operating across multiple industries. Under this method, the independently valued business units are aggregated to arrive at a total equity value for the Group. Each business unit was valued using the most appropriate methodology for its industry.

The following table summarizes the SOTP valuation approach:

Relative Price to Book Value (PBV) Method

Net Book Value (NBV) Method

Business Segment	Valuation Methods	Key Assumptions
Cargo & Logistics	P/BV and NBV	Maritime & Logistics Sector Multiple = 1.28x
Apparel	P/BV	Implied Apparel Sector P/BV = 1.15x
Power	P/BV and NBV	Implied Power Sector P/BV = 1.80x
Tourism	P/BV and NBV	Applicable Transaction Multiple = 2.11x
Plantations	P/BV and NBV	Applicable Trading Multiple = 3.28x
Property	NBV	–
Others	NBV	–

Key assumptions applied in determining the fair value less costs of disposal include the following:

The Group has no commitments that would require significant time to be fulfilled prior to a potential disposal of the sector.

Costs of obtaining necessary approvals are not considered material.

16.3.1.2 Healthcare Sector

Consequent to the Group's assessment of impairment on Goodwill on Consolidation, a full provision of impairment amounting to Rs. 352.6 Mn was recognised for the Goodwill of Healthcare Sector during the year ended 31st March 2022. The recoverable value of this CGU was determined with reference to its Fair Value less cost to sell measured using the net assets value of the sub-group. Fair Value determined under this approach could be classified as a Level-3 Fair Value measurement. In estimating the recoverable value of the Group assumed that costs related to realisation of the recoverable value as immaterial.

16.3.1.3 Plantation sector

Recoverable value of plantation sector has been determined based on fair value less cost to sell calculation that considers the market values of these companies adjusted appropriately to reflect the conditions applicable to the cash generating unit. Fair value estimated under this method could be classified as a Level 3 fair value measurement. Following key assumptions were used in the estimation.

Control premium 10% - 15%

Costs related to sale of the investment is not material.
Regulatory approvals will be granted for the transaction.

The applicable control premium has been determined based on comparable historical transactions.

16.3.1.4 Beverage sector

The recoverable amount of the component in beverage sector was determined based on its value in use calculation, established by discounting the future cashflows to be generated from the continuing use of the CGU.

Key assumptions used in value in use computation

Discounting factor 17.00%

Terminal Growth Rate 3.1%

16.3.1.5 Real estate sector

The recoverable amount of the cash-generating unit (CGU) within the real estate sector was determined as at 31 March 2025, based on fair value less costs of disposal. Fair value was measured using an asset-based valuation approach, reflecting the market value of the CGU's principal assets (investment properties), as determined by an independent external valuer.

17 INVESTMENT PROPERTY

	Group				
	Land	Building	Capital Work In Progress	Total	
As at 31 March,				2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Valuation					
Balance at the beginning of the year	7,675,772	1,029,377	95,325	8,800,474	7,483,058
Acquisition of Subsidiary	-	-	-	-	759,000
Additions during the year	23,154	9,241	-	32,395	295,947
Change in fair value during the year	162,733	99,818	-	262,551	250,630
Provision for Impairment	-	-	-	-	(13,803)
Transfers from/ (to) property, plant and equipment	(49,081)	(50,419)	(95,325)	(194,825)	25,642
Balance at the end of the period	7,812,578	1,088,017	-	8,900,595	8,800,474

As at 31 March,	Company				
	Land	Building	Capital Work In Progress	Total	
				2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost/Valuation					
Balance at the beginning of the year	5,863,805	1,614,736	-	**7,478,541**	7,100,954
Additions	-	-	119,365	**119,365**	-
Change in fair Value	401,081	55,382	-	**456,463**	377,587
Assets retired	-	(256,510)	-	**(256,510)**	-
Balance at the end of the period	6,264,886	1,413,608	119,365	**7,797,859**	7,478,541

17.1 Revaluation of Investment Properties

17.1.1 Valuation details

Melstacorp PLC

A valuation of investment properties of Melstacorp PLC was carried out by Independent valuers Mr. Sivaskanthan F.I.V (Sri Lanka) by using "Contractor's Principle Method" and incorporated in the financial statements of the group as at 31st March 2025.

Location	Revalued Amount Rs.'000		Number of Buildings	Land Extent	Building Area Sq.Ft.	Significant Unobservable Inputs		Range of estimates for unobservable input		Sensitivity of fair value to unobservable inputs
	Land	Buildings				Land	Buildings	Per perch Land (Rs)	Per sq. ft Buildings (Rs)	
No 451, Galle Road, Kollupitiya, Colombo 03	581,000	-	-	0A-0R-20.38P	-	Estimated price per perch	-	28,500,000	-	Positively correlated sensitivity
No 146 & 146/1, Munidasa, Kumaratunga Mawatha, Bandarawatta, Seeduwa	34,590	10,160	2	25.94P	5,642	Estimated price per perch	Depreciated construction cost	950,000	4,750-7,000	Positively correlated sensitivity
No. 63, Norris Canal Road, Maradana, Colombo 10.	285,340	22,490	1	0A-0R-19.9P	12,768	Estimated price per perch	Depreciated construction cost	11,000,000	7,750-8,000	Positively correlated sensitivity
No.04,Alfred House Garden, Colombo 03 (Geethajalie Place)	532,325	101,675	1	39.75P	9,652	Estimated price per perch	Depreciated construction cost	26,750,000	13,250	Positively correlated sensitivity
No.453, Galle Road, Colombo 03.	1,073,250	32,850	2	0A-1R-38P	17,332	Estimated price per perch	Depreciated construction cost	27,000,000	8,000	Positively correlated sensitivity
No.20. Bandarawatte Road, Seeduwa	175,500	100,750	2	0A-0R-36.41P	2,284	Estimated price per perch	Depreciated construction cost	2,250,000	7,500	Positively correlated sensitivity

Aitken Spence PLC

The open market value of the below property was determined based on director's valuation as at 31st March 2025.

Location	Significant Unobservable Inputs	Extent	Original Cost Rs.'000	Revalued Amount Rs.'000
Irakkakandi Village, VC Road, Nilaweli	77,000 - 260,000	113A-1R-1P	1,631,904	2,569,000

Melsta Tower (Pvt) Ltd

Free hold Land and Buildings classified as investment properties of this subsidiary were revalued by Mr.S.Sivaskanthan, F.I.V (Sri Lanka) an independent professional valuer on 31st March 2025 on "contractor's Principle Basis".

Location	Revalued Amount Rs.'000		Number of Buildings	Land Extent	Building Area Sq.Ft.	Significant Unobservable Inputs		Range of estimates for unobservable input		Sensitivity of fair value to unobservable inputs
	Land	Buildings				Land	Buildings	Per perch Land (Rs)	Per sq. ft Buildings (Rs)	
No 136, Vipulasena Mw,Colombo 10.	1,110,300		-	0A-2R-38.75P	-	Estimated price per perch	-	9,350,000	-	Positively correlated sensitivity
No 140/1, Vipulasena Mw,Colombo 10.	142,800		-	0A-0R-15.27P	-	Estimated price per perch	-	9,350,000	-	Positively correlated sensitivity
No 128, Vipulasena Mw,Colombo 10.	391,765	16,535	2	0A-1R-1.90P	3,255	Estimated price per perch	Depreciated construction cost	9,350,000	6,800-8,650	Positively correlated sensitivity
No 140, Vipulasena Mw,Colombo 10.	203,403	7,098	1	0A-0R-20.65P	1,920	Estimated price per perch	Depreciated construction cost	9,850,000	8,650-6,750	Positively correlated sensitivity

Melsta House (Pvt) Ltd

Free hold Land and Buildings classified as investment properties of this subsidiary were revalued by Mr.S.Sivaskanthan, F.I.V (Sri Lanka) an independent professional valuer on 31st March 2025 on "contractor's Principle Basis".

Location	Revalued Amount Rs.'000		Number of Buildings	Land Extent	Building Area Sq.Ft.	Significant Unobservable Inputs		Range of estimates for unobservable input		Sensitivity of fair value to unobservable inputs
	Land	Buildings				Land	Buildings	Per perch Land (Rs)	Per sq. ft Buildings (Rs)	
No. 210, De Saram Place, Colombo 10	529,375	278,325	1	0A-0R-38.50P	25653	Estimated price per perch	Depreciated construction cost	13,750,000	14,000	Positively correlated sensitivity
No. 195, De Saram Place, Colombo 10	149,530	9,370	1	0A-0R-10.68P	5205	Estimated price per perch	Depreciated construction cost	14,000,000	6,000	Positively correlated sensitivity

Balangoda Plantations PLC

Investment Property of the Company are stated based on a valuation performed by Mr.W.M Chandrasena, R I C S (Sri Lanka) an external, independent Chartered Valuer, as at 31 December 2024 using Depreciation Replacement Cost method. The details of which are as follows

Region	Estate	Location	Revalued Amount (Rs) Buildings	Number of Buildings Nos	Building Area Sq.Ft	Significant Unobservable Inputs	Range of estimates for unobservable input Buildings(Rs)	Significant Unobservable Inputs
Rathnapura	Mutwagalla	Tea Factory-Mutwagalla Estate, Kiriella	61,098,370	8	40,556	Estimated replacement cost per Sq.Ft adjusted for wear and tear	2,500-5,000	Positively correlated sensitivity
Rathnapura	Millawitiya	Tea Factory-Millawitiya Estate, Ratnapura	44,505,330	4	34,475	Estimated replacement cost per Sq.Ft adjusted for wear and tear	1,000-5,000	Positively correlated sensitivity
Rathnapura	Palmgarden	Restaurant-Palmgarden Estate,Ratnapura	14,992,994	2	4,500	Estimated replacement cost per Sq.Ft adjusted for wear and tear	2,500-5,000	Positively correlated sensitivity
Balangoda	Rye/ Wikilliya	Tea Factory- Rye/ Wikiliya Estate, Balangoda	221,387,224	19	139,052	Estimated replacement cost per Sq.Ft adjusted for wear and tear	1,800-5,500	Positively correlated sensitivity
Badulla	Gowerakelle	Tea Factory-Gowerakelle Estate, Badulla	81,080,107	3	37,030	Estimated replacement cost per Sq.Ft adjusted for wear and tear	4,200-5,200	Positively correlated sensitivity
Balangoda	Non-Perial	Holiday Bungalow-Non-Perial Estate Balangoda	13,884,035	1	4,465	Estimated replacement cost per Sq.Ft adjusted for wear and tear	7,000	Positively correlated sensitivity
Rathnapura	Palmgarden	Tea Factory-Palmgarden Estate, Rathnapura	52,691,424	1	45,168	Estimated replacement cost per Sq.Ft adjusted for wear and tear	1,200-5,500	Positively correlated sensitivity
Balangoda	Agarsland	Tea Factory-Agarsland Estate, Rasagalla Balangoda	19,123,948	1	19,228	Estimated replacement cost per Sq.Ft adjusted for wear and tear	2,500-3,800	Positively correlated sensitivity

17.1.2 Sensitivity of assumptions employed in investment property valuation

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the investment property valuation.

Melstacorp PLC

For the year ended 31 March,	Increase/ (Decrease) in Land & Building at Melstacorp	2025			
		Land		Building	
		Sensitivity Effect on Statement of profit or loss Increase/ (Reduction) in results for the year (Rs.'000)	Sensitivity Effect on Statement on Investment Property Increase/ (Decrease) in results in the assets (Rs.'000)	Sensitivity Effect on Statement of profit or loss Increase/ (Reduction) in results for the year (Rs.'000)	Sensitivity Effect on Statement on Investment Property Increase/ (Decrease) in results in the assets (Rs.'000)
No 451, Galle Road, Kollupitiya, Colombo 03	5%	29,050	29,050	-	-
	-5%	(29,050)	(29,050)	(29,050)	(29,050)
No 146 & 146/1, Munidasa, Kumaratunga Mawatha, Bandarawatta, Seeduwa	5%	1,729	1,729	508	508
	-5%	(1,729)	(1,729)	(1,729)	(1,729)
No 63, Norris Canal Road, Maradana, Colombo 10.	5%	14,267	14,267	1,125	1,125
	-5%	(14,267)	(14,267)	(14,267)	(14,267)
No.04,Alfred House Garden, Colombo 03 (Geethajalie Place)	5%	26,616	26,616	5,084	5,084
	-5%	(26,616)	(26,616)	(26,616)	(26,616)
No.453, Galle Road, Colombo 03. (Green Cabin)	5%	53,663	53,663	1,643	1,643
	-5%	(53,663)	(53,663)	(53,663)	(53,663)
No.20, Bandarawatta Road, Seeduwa.	5%	8,775	8,775	5,038	5,038
	-5%	(8,775)	(8,775)	(8,775)	(8,775)

Melsta Tower (Pvt) Ltd

For the year ended 31 March,	Increase/ (Decrease) in Land & Building at Melsta Tower (Pvt) Ltd	2025			
		Sensitivity Effect on Statement of profit or loss Increase/ (Reduction) in results for the year (Rs.'000)	Sensitivity Effect on Statement on Investment Property Increase/ (Decrease) in results in the assets (Rs.'000)	Sensitivity Effect on Statement of profit or loss Increase/ (Reduction) in results for the year (Rs.'000)	Sensitivity Effect on Statement on Investment Property Increase/ (Decrease) in results in the assets (Rs.'000)
No.136, Vipulasena Mw, Colombo 10	5%	55,515	55,515	-	-
	-5%	(55,515)	(55,515)	(55,515)	(55,515)
No.128, Vipulasena Mw, Colombo 10.	5%	7,140	7,140	-	-
	-5%	(7,140)	(7,140)	(7,140)	(7,140)
No.140, Vipulasena Mw, Colombo 10.	5%	19,588	19,588	827	827
	-5%	(19,588)	(19,588)	(19,588)	(19,588)
No.140/1, Vipulasena Mw, Colombo 10.	5%	10,170	10,170	355	355
	-5%	(10,170)	(10,170)	(10,170)	(10,170)

Melsta House (Pvt) Ltd

For the year ended 31 March,	Increase/ (Decrease) in Land & Building at Melsta Tower (Pvt) Ltd	2025			
		Sensitivity Effect on Statement of profit or loss Increase/ (Reduction) in results for the year (Rs.'000)	Sensitivity Effect on Statement on Investment Property Increase/ (Decrease) in results in the assets (Rs.'000)	Sensitivity Effect on Statement of profit or loss Increase/ (Reduction) in results for the year (Rs.'000)	Sensitivity Effect on Statement on Investment Property Increase/ (Decrease) in results in the assets (Rs.'000)
No.201 ,De Saram Place, Colombo 10	5%	529,375	529,375	13,916	13,916
	-5%	(529,375)	(529,375)	(529,375)	(529,375)
No. 195, De Saram Place, Colombo 10	5%	7,477	7,477	469	469
	-5%	(7,477)	(7,477)	(7,477)	(7,477)

17.1.3 The fair value measurement for all investment properties have been categorized as level 3 fair value based on the inputs to the valuation techniques used

18 BIOLOGICAL ASSETS

As at 31 March,	Note	Group 2025 Rs.'000	Group 2024 Rs.'000
Bearer biological assets	18.1	2,864,790	2,919,429
Consumer biological assets	18.2	8,766,660	7,975,873
		11,631,450	10,895,302

18.1 Bearer biological assets

As at 31 March,	Note	Group 2025 Rs.'000	Group 2024 Rs.'000
On finance lease (JEDB/SLSPC)	18.1.1	1,016	5,100
Investments after formation of the plantation company/ in new Plantation	18.1.2	2,863,774	2,914,329
		2,864,790	2,919,429

18.1.1 On finance lease (JEDB/SLSPC)

In terms of the ruling of the UITF of the Institute of Chartered Accountants of Sri Lanka prevailed at the time of privatisation of plantation estates, all immovable assets in these estates under finance leases have been taken into the books of the Company retroactive to 18th June 1992. For this purpose, the Board decided at its meeting on 8th March, 1995, that these assets be stated at their book values as they appear in the books of the JEDB/SLSPC, on the day immediately preceding the date of formation of the Company.

For the year ended 31 March,	Mature Plantations 2025 Total Rs.'000	Mature Plantations 2024 Total Rs.'000
Cost		
Balance as at the beginning of the year	417,888	417,888
Balance as at the end of the year	417,888	417,888
Accumulated amortisation		
Balance as at the beginning of the year	412,788	401,704
Amortisation for the year	4,084	11,084
Balance as at the end of the year	416,872	412,788
Carrying amount	1,016	5,100

18.1.2 Investments after formation of the plantation companies/ in new Plantation

For the year ended 31 March,	2025			2024
	Immature Plantations Rs.'000	Mature Plantations Rs.'000	Total Rs.'000	Total Rs.'000
Cost				
Balance as at the beginning of the year	1,727,656	3,187,745	4,915,401	4,711,369
Additions/ Transfers in during the year	182,182	-	182,182	219,446
Disposals/ Transfers out	(302,349)	302,349	-	-
Write-off during the year	-	(82)	(82)	(15,414)
Balance as at the end of the year	1,607,489	3,490,012	5,097,501	4,915,401
Accumulated amortisation and impairment				
Balance as at the beginning of the year	814,425	1,186,647	2,001,072	1,786,622
Charge for the year	-	126,680	126,680	124,476
Provision for impairment	105,975	-	105,975	96,052
Write-off During the year	-	-	-	(6,078)
Balance as at the end of the year	920,400	1,313,327	2,233,727	2,001,072
Carrying amount at the end of the year	687,089	2,176,685	2,863,774	2,914,329

Investments in bearer plants since the formation of the Balangoda Plantations PLC and Madulsima Plantations PLC have been classified as shown above and mainly includes tea and rubber plantations. Bearer plants are stated at cost less accumulated depreciation and impairment in accordance with LKAS 16 – "Property, plant and equipment".

The immature plants are classified as mature plants when they are ready for commercial harvesting.

18.1.2.1 Impairment of bearer biological assets

The Company has performed an impairment assessment on immature biological assets and identified that some of immature plantations are non existing and / or untappable. Accordingly, the management has performed a calculation of provision for impairment on such immature fields based on the costs incurred after considering the recoverable amount of untappable trees based on fair value less cost to sell.

18.1.3 Produce on Bearer Biological Assets

For the year ended 31 March,	Group	
	2025 Rs.'000	2024 Rs.'000
Balance as at the beginning of the year	13,108	17,968
Change in fair value less cost to sell	1,050	(4,860)
Balance as at the end of the year	14,158	13,108

The volume of produce growing on bearer plants are measured using the estimated crop of the last harvesting cycle of the year as follows:

Tea – Three days crop (50% of 6 days cycle)

Rubber – One days crop (50% of 2 days cycle)

Produce that grows on mature bearer plantations are measured at fair value less cost to sell. The value of the unharvested green leaves is measured using the Tea Commissioner's formula for bought leaf and rubber crop is fair valued using RSS prices.

18.2 Consumable biological assets

As at 31 March,	Group	
	2025 Rs.'000	2024 Rs.'000
Balance as at the beginning of the year	7,975,873	6,917,259
Increase due to development	28,102	33,498
Decrease due to harvest/transfer	-	-
Gain/(loss) arising from changes in fair value less cost to sell	762,685	1,025,116
Balance as at the end of the year	8,766,660	7,975,873

18.2.1 Information about Fair value measurements using significant unobservable inputs (Level 3)

Balangoda Plantations PLC

The valuation of consumable biological assets was carried by Mr Chadrasena Weerasinghe, an independent Chartered Valuation Surveyor, using Discounted Cash Flows (DCF) methods. The Valuation Report dated 31 December 2024 has been prepared based on the physically verified timber statistics provided by the Company. The future cash flows are determined by reference to current timber prices. The fair value measurement for the consumable biological assets has been categorised as Level 3 fair value based on the inputs to the valuation technique used.

Valuation techniques and significant unobservable inputs

Type Valuation	Technique Used	Significant Unobservable Inputs	Inter-relationship between key unobservable inputs and fair value measurement
Standing timber	Discounted cash flows	Determination of Timber Content	
Standing timber older than 4 years.	The valuation model considers present value of future net cash flows expected to be generated by the plantation from the timber content of managed timber plantation on a tree-per- tree basis. Expected cash flows are discounted using a risk adjusted discount rate of 16.5% (2023: 17%)	Timber trees in inter-crop areas and pure crop areas have been identified field-wise and species were identified and harvestable trees were separated, according to their average girth and estimated age.	The estimated fair value would increase/ (decrease) if; • the estimated timber content were higher/(lower). • the estimated timber prices per cubic meter were higher/(lower). • the estimated selling related costs were lower/(higher). • the estimated maturity age were higher/(lower). • the risk-adjusted discount rate were lower/(higher).
		Timber trees that have not come up to a harvestable size are valued working out the period that would take for those trees to grow up to a harvestable size.	
		Determination of Price of Timber	
		Trees have been valued as per the current timber prices per cubic meter based on the price list of the State Timber Corporation and prices of timber trees sold by the estates and prices of logs sawn timber at the popular timber traders in Sri Lanka.	
		In this exercise, following factors have been taken into consideration. a) Cost of obtaining approval of felling. b) Cost of felling and cutting into logs. c) Cost of transportation. d) Sawing cost. e) Cost of sale. f) Exclusion of trees located in restricted area specialised in the circular no 2019/01 dated on 6 November 2019 issued by the Ministry of Plantation Industries.	
		Accordingly, prices falling within the range of Rs. 150 - 50,000 per cubic ft. has been considered in the valuation	
		Risk-adjusted discount rate	
		2024 - 16.5% (Risk Premium 4.5%) 2023 - 17% (Risk Premium 3.5%)	

Madulsima Plantations PLC

The valuation of consumable biological assets was carried by Mr Weerasinghe Chadrasena, an independent Incorporated Valuation Surveyor, using Discounted Cash Flows (DCF) methods. The Valuation Report dated 31 December 2024 has been prepared based on the physically verified timber statistics provided by the Company. The future cash flows are determined by reference to current timber prices. The fair value measurement of the consumable biological assets have been categorised as level 3 fair value based on the inputs to the valuation technique used.

Valuation techniques and significant unobservable inputs

Non Financial Assets	Valuation Techniques	Unobservable Inputs	Range of Unobservable Inputs	Relationship pf Unobservable inputs to Fair Value
Standing timber older than 4 years	Discounted Cash Flow Method The valuation model considers present value of future net cash flows expected to be generated by the plantation from the timber content of managed timber plantation on a tree per- tree basis.	Discounting factor	16.5% (2023-17%)	The higher the discount rate, the lower the fair value
		Optimum rotation (Maturity)	25-35 years	Lower the rotation period, the higher the fair value
		Price per cu.ft	Rs.150/- Rs.700/- per Cu.Ft	The higher the price per cu.ft, the higher the fair value
Young plants (Age less than 4 years)	Cost Techniques The cost techniques consider the cost of creating a comparable plantation, taking in to account the cost of infrastructure, cultivation and preparation, buying and planting young trees with an estimate profit that would apply to this activity.	Estimated cost of cultivation and preparation per hectare	Rs. 250,000 - Rs. 350,000	The estimated fair value would increase (decrease) if; The estimated cost of infrastructure, cultivation and preparation and buying and planting trees were higher/ (lower).
		Estimated cost of buying and planting young plants per hectare	Rs. 62,000 - Rs. 65,000	

In determining the fair value, highest and best use of timber, current condition of the trees and expected timber content at harvesting have been considered. Also, the valuers have made reference to market evidence of transaction prices of the each company, and the market prices of timber corporation, with appropriate adjustments for size and location. The appraised fair values are rounded within the range of values.

The biological assets of the Group are mainly cultivated in leased lands. When measuring the fair value of the biological assets, it was assumed that these concessions can and will be renewed at normal circumstances. Timber content expects to be realised in future and is included in the calculation of the fair value that takes into account the age of the timber plants and not the expiration date of the lease.

The Group is exposed to the following risks relating to its timber plantations.

Regulatory and environmental risks

The Company is subject to laws and regulations in Sri Lanka. The Company has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

Supply and demand risk

The Company is exposed to risks arising from fluctuations in the price and sales volume of timber. When possible the Company manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analysis to ensure that the Company's pricing structure is in line with the market and to ensure that projected harvest volumes are consistent with the expected demand.

Climate and other risks

The Company's timber plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The Company has extensive processes in place aimed at monitoring and mitigating those risks, including regular forest health inspections and industry pest and disease surveys. The Company also insures itself against natural disasters such as floods, land slides and hurricanes.

Key assumptions used in the valuation

1. The harvesting is approved by the PMMD and Forest Department based on the forestry development plan
2. The prices adopted are net of expenditure
3. Though the replanting is a condition precedent for harvesting , yet the cost are not taken in to consideration.

18.2.2 Sensitivity Analysis

Sensitivity variation sales price

Managed Timber	-10% Rs.'000	10% Rs.'000
As at 31st December, 2024	(894,528)	894,528
As at 31st December, 2023	(815,226)	815,225

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 discount rate has the following effect on the net present value of biological assets:

Managed Timber	-1% Rs.'000	1% Rs.'000
As at 31st December, 2024	321,080	(294,513)
As at 31st December, 2023	322,229	(294,159)

18.3 Gain / (Loss) on fair value of biological assets

		Group	
For the year ended 31 March,	Note	2025 Rs.'000	2024 Rs.'000
From Consumable biological assets	18.2	**762,685**	1,025,116
From produce on bearer biological assets	18.1.3	**1,050**	(4,860)
		763,735	1,020,256

19 RIGHT-OF-USE ASSETS

19.1 Movement during the year

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as right-of-use ass

As at 31 March,	Group				
	2025				2024
	Right-of-Use Land Rs.'000	Right-of-Use buildings Rs.'000	Right-of-Use Motor Vehicles Rs.'000	Total Rs.'000	Total Rs.'000
Cost					
Balance at the beginning of the year	29,932,132	4,837,947	60,275	34,830,354	36,912,017
Acquisition of subsidiaries	-	-	-	-	168,292
Exchange difference	(358,658)	(119,364)	-	(478,022)	(2,873,259)
Termination of leases	-	(70,696)	-	(70,696)	(30,036)
Operating leases pre-paid	-	7,128	-	7,128	103,128
Remeasurement during the year	136,828	-	-	136,828	173,073
Additions	16,844	217,231	-	234,075	412,888
Other transfers	44,484	(44,484)	-	-	-
Disposals	(5,290)	(65,686)	-	(70,976)	(35,749)
Balance at the end of the year	29,766,340	4,762,076	60,275	34,588,691	34,830,354
Accumulated depreciation					
Balance at the beginning of the year	13,158,816	3,420,190	47,006	16,626,012	16,139,290
Remeasurement during the year	-	-	-	-	(23,913)
Acquisition of subsidiaries	-	-	-	-	113,268
Exchange difference	(169,687)	(90,617)	-	(260,304)	(1,391,678)
Charge for the year	1,971,672	122,851	13,269	2,107,792	1,830,356
Capitalised under property, plant and equipment	8,558	-	-	8,558	5,705
Termination of leases	-	(42,959)	-	(42,959)	(20,249)
Other Transfers	55,266	(55,266)	-	-	-
Disposals	(5,290)	(61,551)	-	(66,841)	(26,767)
Balance at the end of the year	15,019,335	3,292,648	60,275	18,372,258	16,626,012
Carrying amount as at 31st March					
Recognised under non-current	14,747,005	1,469,428	-	16,216,433	18,203,799
Recognised under current *	-	-	-	-	543
Carrying amount as at 31st March	14,747,005	1,469,428	-	16,216,433	18,204,342

As at 31 March,	Company		
	2025		2024
	Right-of-Use buildings Rs.'000	Total Rs.'000	Total Rs.'000
Cost			
Balance at the beginning of the year	36,521	36,521	36,521
Balance at the end of the year	36,521	36,521	36,521
Accumulated depreciation			
Balance at the beginning of the year.	21,912	21,912	14,608
Charge for the year	7,305	7,305	7,304
Balance at the end of the year	29,217	29,217	21,912
Carrying amount as at 31st March	7,304	7,304	14,609

* Consequent to the expiry of power purchase agreement signed between Ace Power Embilipitiya (Pvt) Ltd., and the Ceylon Electricity Board (CEB) on the 6th April 2021, after the date of the statement of financial position, the right-of-use assets of Ace Power Embilipitiya (Pvt) Ltd., was transferred to current assets.

19.2 Amounts recognised in profit or loss on SLFRS 16 - Leases

		Group		Company	
	Note	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Depreciation expense of right-of-use assets	19.1	2,107,792	1,830,356	7,305	7,304
Interest on lease liabilities	32	930,654	1,060,071	953	1,498
Expenses relating to short term leases and leases of low value assets		546,490	560,504	-	-

19.3 Amounts recognised in statement of cash flows on SLFRS 16 - Leases

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Total cash outflow for leases	3,056,501	3,123,630	8,739	8,743

19.4 Details of right-of-use assets relating to leased properties

Company	Nature of the leasing activity	Location of the leased property	Unexpired lease periods as at 31.03.2025
Ace Apparels (Pvt) Ltd	Land	Koggala - Sri Lanka	39 years
Ace Containers (Pvt) Ltd	Yard and Warehouse facilities	Wattala - Sri Lanka	29 years
Ace Container Terminals (Pvt) Ltd	Land	Katunayake - Sri Lanka	3 - 5 years
Ace Distriparks (Pvt) Ltd	Land	Mihinthale - Sri Lanka	63 years
Ace Distriparks (Pvt) Ltd	Warehouse facilities	Welisara and Wattala - Sri Lanka	18 years
Ace Power Embilipitiya (Pvt) Ltd	Land	Embilipitiya - Sri Lanka	1 - 3 years
Ace Windpower (Pvt) Ltd	Land	Ambewela - Sri Lanka	07 years
Aitken Spence Agriculture (Pvt) Ltd	Land	Dambulla - Sri Lanka	18 years
Aitken Spence Cargo (Pvt) Ltd	Warehouse facilities	Mulleriyawa - Sri Lanka	1 year
Aitken Spence Hotel Managements (Pvt) Ltd	Warehouse facilities	Colombo 02 - Sri Lanka	04 years
Aitken Spence Property Developments (Pvt) Ltd	Land	Colombo 02 - Sri Lanka	01 year
Global Parcel Delivery (Pvt) Ltd	Warehouse facility	Ingiriya - Sri Lanka	02 years
Hethersett Hotels Ltd	Land	Nuwara Eliya - Sri Lanka	70 years
Kandalama Hotels (Pvt) Ltd	Land	Dambulla - Sri Lanka	18 years
Waltrim Hydropower (Pvt) Ltd	Land and building	Nuwara Eliya - Sri Lanka	16 years
Western Power Company (Pvt) Ltd	Land	Muthurajawela - Sri Lanka	22 years
ADS Resorts (Pvt) Ltd	Island	North Male' Atoll - Maldives	11 years
Cowrie Investments (Pvt) Ltd	Island	Raa Atoll - Maldives	23 years
Cowrie Investments (Pvt) Ltd	Island	Raa Atoll - Maldives	40 years
Jetan Travel Services Company (Pvt) Ltd	Island	South Male' Atoll - Maldives	18 years
Unique Resorts (Pvt) Ltd	Island	South Male' Atoll - Maldives	20 years
Fiji Ports Terminal Ltd	Wharfs used for ports operations	Suva - Fiji	04 years
Melstacorp PLC	Buildings	Colombo 10 Sri Lanka	1 year

The Group leases office space, office equipment, motor vehicles e.t.c with contract terms of one to five years. These leases are either short term (term leases than one year) and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

19.5 Right to use of land-Madulsima Plantations PLC and Balangoda Plantations PLC

The Right of Use - Lands consist of the lease rights on Janatha Estates Development Board/Sri Lanka State Plantations Corporation Estates. Leases have been executed for a period of 53 years. All of these leases are retroactive to 18 June 1992 the date of formation of the Company. The leasehold right to the land on all of these estates have been taken into the books of the Company on 18 June 1992 immediately after formation of the Company, in terms of the ruling obtained from the Urgent Issues Task Force (UITF) of the Institute of Chartered Accountants of Sri Lanka.

19.5.1 Leasehold rights to bare land of JEDB / SLSPC estate assets and immovable (JEDB / SLSPC) estate assets of finance lease acquired by the Government of Sri Lanka

The Government of Sri Lanka has initiated actions under provisions of the Land Acquisition Act No.28 of 1964, to acquire lands from lands leased to the Company in Agarsland Estate, Cecilton Estate, Rasagalla Estate, Non Pareil Estate, Balangoda Estate and Rye Wikiliya Estate located in Balangoda region; Mutuwagala Estate, Palmgarden Estate, Millawitiya Estate, Galauthura Estate and Rambukkanda Estate located in Ratnapura region, and Glen Alpin Estate, Telebedde Estate, Ury Estate and Wewesse Estate located in Badulla region.

The Government of Sri Lanka has already acquired a total land extent of 200.87 hectares (refer Note A below) and also in the process of acquiring a further total land extent of 2.02 hectares as detailed in Note B below.

19.5.1 Leasehold rights to bare land of JEDB / SLSPC estate assets and immovable (JEDB / SLSPC) estate assets of finance lease acquired by the Government of Sri Lanka

(A) List of lands acquired by the Government as at 31 December 2022

Company	Region	Estate	Purpose of Acquisition	Extent (Hectares)
Balangoda Plantations PLC	Balangoda	Cecilton Estate	Expansion of an Village	7.21
	Balangoda	Non Perial Estate	Construction of R/Non Paeril Tamil Vidyalaya	0.81
	Balangoda	Non Perial Estate	Construction of Army camp	36.18
	Balangoda	Non Perial Estate	Construction of R/Karagastalawa Maha Vidyalaya	1.21
	Balangoda	Non Perial Estate Widening of Road 0.38	Widening of Road	0.38
	Balangoda	Non Perial Estate	Widening of Road	0.3
	Balangoda	Non Perial Estate	Village Alienation	12.09
	Balangoda	Agarsland Estate	Construction of R/Wellawala Mukalana Tamil School	0.81
	Balangoda	Agarsland Estate	Village Alienation	6.79
	Balangoda	Rasagalla Estate	Village Alienation	7.87
	Balangoda	Rasagalla Estate	Village Alienation	4.34
	Balangoda	Rasagalla Estate	Village Alienation	2.37
	Balangoda	Rasagalla Estate	Construction of Estate Hospital – Rasagalla	0.81
	Balangoda	Rye Wikiliya Estate	Construction of Balangoda Pinnawala Police Station	1
	Balangoda	Rye Wikiliya Estate	Village Alienation	2.02
	Ratnapura	Mutwagala Estate	Construction of North Karadana Police Post	0.06
	Ratnapura	Palmgarden Estate	Construction of an Industrial Estate	34.49
	Ratnapura	Palmgarden Estate	Village Alienation	5.26
	Badulla	Glen Alpin Estate	Expansion of Uva Wellassa University	10.1
	Badulla	Glen Alpin Estate	Construction of an Industrial Zone	9.49
	Badulla	Telebedde Estate	Construction of a Lake	1.62
	Badulla	Ury Estate	Village Alienation	2.9
	Badulla	Wewesse Estate	Expansion of Uva Wellassa University	17.81
	Ratnapura	Galuthara Estate	Construction of Houses for Flood Victims	1.18
	Ratnapura	Millawitiya Estate	Village Alienation	11.86
	Ratnapura	Mutwagala Estate	Village Alienation	4.9
	Ratnapura	Rambukkanda Estate	Construction of Houses for Flood Victims	3.49

Company	Region	Estate	Purpose of Acquisition	Extent (Hectares)
	Ratnapura	Rambukkanda Estate	Construction of Houses for Flood Victims	4.78
	Balangoda	Balangoda Estate	Build a Mini Hydro Project	0.66
	Badulla	Ury Estate	Construction of Peradeniya Badulla Highway	0.01
	Badulla	Wewesse Estate	Construction of Peradeniya Badulla Highway	2.91
	Badulla	Telbedde Estate	Construction of a Rural Hospital	0.37
	Badulla	Glen Alpin Estate	Relocation of Diyangalla Tamil School	0.4
	Ratnapura	Palmgarden Estate	Relocation of Ratnapura Tamil Maha Vidyalaya	2.02
Madulsima Plantations PLC	Madulsima	El-Teb	Lower Division No 01 Tamil School	0.81
	Madulsima	Mahadowa	Lower Division No 01 Tamil School	0.44
	Madulsima	Mahadowa	Hospital Development	0.81
	Madulsima	Mahadowa	Chengaladi Road Expansion	0.12
	Madulsima	Uvakellie	Tamil School	0.8
	Madulsima	Veralapatana	Expansion of Madulsima town	0.81
	Madulsima	Veralapatana	Police Station & Quarters	0.6
				202.89

No adjustments have been made to the financial statements in respect of these lands acquired as the compensation receivable on these acquisitions are not known and the Government Valuation is pending as at 31 December 2023. Accordingly, the transactions pertaining to those acquisitions are incomplete as at 31 December 2023.

20 INVESTMENTS IN SUBSIDIARIES

As at 31 March,	Note	Company 2025 Rs.'000	Company 2024 Rs.'000
Quoted Investments	20.1	57,324,187	57,324,187
Unquoted Investments	20.2	11,506,993	11,529,493
		68,831,180	68,853,680
Less: Provision for impairment of investments in subsidiaries	20.3	(4,866,885)	(4,691,876)
		63,964,295	64,161,804

20.1 Quoted Investments

As at 31 March,	2025				2024			
	Number of shares	Effective holding	Market Value Rs.'000	Cost Rs.'000	Number of shares	Effective holding	Market Value Rs.'000	Cost Rs.'000
Balangoda Plantations PLC	35,268,300	74.61%	2,380,610	2,188,449	35,268,300	74.61%	1,766,942	2,188,449
Browns Beach Hotel PLC	54,273,234	41.88%	1,020,337	726,399	54,273,234	41.88%	705,552	726,399
Distilleries Company of Sri Lanka PLC	4,252,264,664	92.44%	154,782,434	31,527,517	4,252,264,664	92.44%	114,385,919	31,527,517
Aitken Spence PLC	208,410,213	51.33%	26,624,405	21,858,971	208,410,213	51.33%	27,145,430	21,858,971
Madulsima Plantations PLC	94,429,833	55.71%	1,152,044	1,022,851	94,429,833	55.71%	934,855	1,022,851
			185,959,830	57,324,187			144,938,698	57,324,187

20.2 Unquoted Investments

As at 31 March,	2025			2024		
	Number of shares	Effective holding	Cost Rs.'000	Number of shares	Effective holding	Cost Rs.'000
Milford Holdings (Pvt) Limited	333,067,925	98.36%	3,350,000	333,067,925	98.36%	3,350,000
Periceyl (Pvt) Limited	240,000,000	100.00%	6,750	240,000,000	100.00%	6,750
Continental Insurance Lanka Limited	120,000,007	100.00%	1,164,000	120,000,007	100.00%	1,164,000
Melsta Logistics (Pvt) Limited	90,000,000	100.00%	571,486	90,000,000	100.00%	571,486
Bogo Power (Pvt) Limited	993,000,000	99.30%	993,250	993,000,000	99.30%	993,250
Bellvantage (Pvt) Limited	5,000,100	100.00%	75,000	5,000,100	100.00%	75,000
Melsta Properties (Pvt) Limited	158,994,901	100.00%	1,589,949	158,994,901	100.00%	1,589,949
Melsta Tower (Pvt) Limited	65,751,636	100.00%	657,516	65,751,636	100.00%	657,516
Melsta Technologies (Pvt) Limited	1,000,000	100.00%	10,000	1,000,000	100.00%	10,000
Melsta Health (Pvt) Ltd	197,600,002	100.00%	1,976,000	197,600,002	100.00%	1,976,000
Timpex (Pvt) Limited	15,611,662	51.03%	156,897	15,611,661	51.03%	156,897
Splendor Media (Pvt) Limited	100,002	100.00%	50,686	100,002	100.00%	50,686
Texpro Industries Limited (a)	-	0.00%	-	2,250,002	3.85%	22,500
Melsta House (Pvt) Ltd	419,443	100.00%	905,459	419,443	100.00%	905,459
			11,506,993			11,529,493

20.3 Provision for impairment of investment in subsidiaries

As at 31 March,	Company	
	2025 Rs.'000	2024 Rs.'000
Balance at the beginning of the year	4,691,876	4,488,633
Provision made during the year	197,509	203,243
Reversal of ompairement on disposal of subsidiaries	(22,500)	-
Balance at the end of the year	4,866,885	4,691,876

The provision for impairment of investments in subsidiary companies as at 31st March 2025 are attributable to followings.

As at 31 March,	Company	
	2025 Rs.'000	2024 Rs.'000
Milford Holdings (Pvt) Limited	3,350,000	3,350,000
Splendor Media (Pvt) Limited	50,686	50,686
Timpex (Pvt) Ltd	156,897	156,897
Melsta Health (Pvt) Ltd	1,309,302	1,111,793
Texpro Industries Limited	-	22,500
	4,866,885	4,691,876

20.3.1 Milford Holdings (Pvt) Limited

The recoverable value of Milford Holdings (Pvt) Limited was calculated with reference to its net assets value (Rs: Nil) held as at 31st March 2025. (Level 3 Valuation)

20.3.2 Splendor Media (Pvt) Limited

The recoverable value of Splendor Media (Pvt) Limited was calculated with reference to its net assets value (Rs: Nil) held as at 31st March 2025. (Level 3 Valuation)

20.3.3 Balangoda Plantations PLC / Madulsima Plantations PLC

Recoverable values for the plantation sector companies were estimated based on the fair value less cost to sell the investment which are calculated with reference to the market prices of equity securities as at 31st March 2025 (Level 1 valuation).

20.3.4 Timpex (Pvt) Ltd/ Texpro Industries Limited

The recoverable value of Timpex (Pvt) Ltd and Texpro Industries Limited were calculated with reference to its net assets value (Rs: Nil) held as at 31st March 2025. (Level 3 Valuation)

20.3.5 Browns Beach Hotel PLC

The recoverable value of Browns Beach Hotel PLC was calculated with reference to its Market value. held as at 31st March 2025 (Level-1 Valuation)

20.3.6 Melsta Health (Private) Limited

The recoverable value of Melsta Health (Private) Limited was calculated with reference to its net assets value (Rs. 666.7 Mn) held as at 31st March 2025 (Level 3Valuation).

During the year, the Company recognized an impairment loss of Rs. 197.5 million in respect of its investment in Melsta Health (Pvt) Ltd.

The impairment was recognized as the carrying amount of the investment exceeded its recoverable amount, primarily due to the continuing operating losses of certain subsidiaries owned by Melsta Health (Pvt) Ltd.

20.4 Group holdings in subsidiaries

	Subsidiary		Sector	Principal Activity	Reporting period	Reason for using a different period	Indirectly holding through	2025	
								No. of shares	Effective ownership interest
1	Aitken Spence PLC	SPEN	TOU /MFL/ SER/PLT/ FS	Diversified Holding	31-Mar	-		208,410,213	51.33%
2	Balangoda Plantations PLC	BPL	PLT	Cultivation and processing of Tea & Rubber	31-Dec	To comply with the rules and regulations in the Plantation sector		35,268,300	74.61%
3	Bell Solutions (Pvt) Ltd	BSL	TEL	"Information & Communication Technology"	31-Mar	-	LB	100,000	98.36%
4	Bellvantage (Pvt) Ltd	BV	SER	BPO,KPO & Software Development	31-Mar	-		5,000,100	100.00%
5	Bogo Power (Pvt) Ltd	BP	SI	"Generation and sale of Hydro Electric Energy"	31-Mar	-		993,000,000	99.50%
6	Browns Beach Hotel PLC	BBH	TOU	Leisure-Hospitality services	31-Mar	-	SPENCE	102,900,337	56.22%
7	Continental Insurance Lanka Limited	CIL	FS	General Insurance Services	31-Dec	To comply with the rules and regulations in the Insurance sector		120,000,007	100.00%
8	Lanka Bell Ltd	LB	TEL	Telecommunication Services	31-Mar	-	MH	50,719,061	98.36%
9	Distilleries Company of Sri Lanka PLC	DCSL	BEV	Distilling, Manufacturing and distribution of Hard Liquor	31-Mar	-		4,252,264,664	92.44%
10	Melsta Logistics (Pvt) Ltd	ML	MFL	Logistics	31-Mar	-		90,000,000	100.00%
11	Milford Holdings (Pvt) Ltd	MH	SI	Investment Holding Company	31-Mar	-		333,067,925	98.36%
12	Negombo Beach Resorts (Pvt) Ltd	NBR	TOU	Leisure-Hospitality services	31-Mar	-	BBH	91,400,001	56.22%
13	Periceyl (Pvt) Ltd	PCL	BEV	"Distribution of locally manufactured Foreign Liquor"	31-Dec	To operate in line with foreign strategic alliances		240,000,000	100.00%
14	Splendor Media (Pvt) Ltd	SM	SER	Media Buying & Creative Services	31-Mar	-		100,002	100.00%
15	Bell Active (Pvt) Ltd	BA	TEL	Telecommunication Services	31-Mar	-	LB	100,000	98.36%
16	Texpro Industries Ltd	TEXP	SI	Dyeing and Printing Woven Fabrics	31-Mar	-	TIM & DCSL	49,086,526	79.25%
17	Timpex Ltd	TIM	SI	Investment Holding Company	31-Mar	-		15,611,661	51.03%

	Subsidiary		Sector	Principal Activity	Reporting period	Reason for using a different period	Indirectly holding through	2025	
								No. of shares	Effective ownership interest
18	Melsta Properties (Pvt) Ltd	MP	SER	Management of Real Estate	31-Mar	-		158,994,901	100.00%
19	Melsta Tower (Pvt) Limited	Tower	SER	Management of Real Estate	31-Mar	-		65,751,636	100.00%
20	Melsta Technology (Pvt) Limited	TECH	SER	IT Services	31-Mar	-		1,000,000	100.00%
21	Madulsima Plantations PLC	MPL	PLT	Cultivation and processing of Tea	31-Dec	-		94,429,833	55.71%
22	Melsta Health (Pvt) Ltd	HEALTH	SER	Investment holding company	31-Mar	-		197,600,002	100.00%
23	Melsta Laboratories (Pvt) Ltd	MLAB	SER	Dianostic services	31-Mar	-	HEALTH	30,000,001	100.00%
24	Hospital Management Melsta (Pvt) Ltd	HMM	SER	Healthcare services	31-Mar	-	HEALTH	25,225,001	100.00%
25	Melsta Healthcare Colombo (Pvt) Ltd	MHCOL	SER	Healthcare services	31-Mar	-	HEALTH	13,000,000	100.00%
26	Melsta Hospitals Ragama (pvt) Ltd	MHR	SER	Healthcare services	31-Mar	-	MHCOL	180,725,000	100.00%
27	Melsta Healthcare Colombo North (Pvt) Ltd	MHNC	SER	Healthcare services	31-Mar	-	MHR	25,362,500	100.00%
28	Melsta Pharmacuiticals (Pvt) Ltd	PHARMA	SER	Healthcare services	31-Mar	-	HEALTH	1,700,000	100.00%
29	Formula World (Pvt) Ltd	FWORLD	MFL	Automobile Servicing and Logistics	31-Dec	-	CIL	1,000,000	100.00%
30	Continental Insurance Life Lanka Ltd	CLIFE	FS	Life Insurance services	31-Dec	To comply with the rules and regulations in the Insurance sector	CIL	50,000,000	100.00%
31	Melsta House (Pvt) Ltd	MHOUSE	SER	Management of Real Estate	31-Mar	-		153,958,709	100.00%
32	DCSL Breweries Lanka Limited	DBL	BEV	Brewing and distribution of soft Liquor	31-Dec	To operate in line with foreign strategic alliances had before the acquisition	DCSL	1,991,585,000	92.05%
33	DCSL Group Marketing (Pvt) Ltd	DGMKT	BEV	Marketing of liquor products	31-Mar	-	DCSL	1	92.44%

Sectors - Beverage - **BEV**/ Tourism-**TOU** / Maritime Freight & Logistics - **MFL** / Strategic investment - **SI** / Services - **SER** / Plantation - **PLT** / Financial Services - **FS** / Telecommunication - **TEL**

20.5 Acquisition of subsidiaries

20.5.1 Acquisition of Heineken Lanka Limited (Currently known as DCSL Breweries Lanka Limited)

On 10th of January 2024, Distilleries Company of Sri Lanka PLC aqquired 99.42 % of the shares and voting interest in DCSL Breweries Lanka Limited (formally known As Heineken Lanka Limited). For the consolidation purpose the Group has announced the effective date of aquisition as 31st December 2023.

20.5.1.1 Considaration Trasnferred

The following table summaries the acquisition date fair value of each major class of consideration transferred.

	Note	Amount Rs.000
Cash		803,962
Settlement of Existing Liability in the company	20.5.1.1.1	3,366,016
Total Considaration Transferred		4,169,978

20.5.1.1.1 Settlement of Existing Liability in the company

The Group has settled external debts amounting to Rs. 3.37 Bn of DCSL Breweries Lanka Limited as an consideration transferred on the acquisition of the company.

20.5.1.1.2 Acquisition - related costs

The Company has incurred acquisition related costs of Rs. 2 Mn on legal fees and due diligence.These costs have been included in “administrative expenses.

20.5.1.1.3 Identifiable assets acquired and liabilities assumed

The following table summerises the recognized amounts of assets acquired and liabilies assumed at the date of acquisition.

	Note	Amount Rs. 000
Property, plant and equipment	15	2,280,247
Right of use asset	19	55,024
Intangible assets	16	55,084
Inventory		983,423
Trade and other receivables		1,793,677
Cash and Cash equivalents		14,613
Deffered Tax Liability	22	(177,379)
Lease Liabilities	32	(66,608)
Retirement benefit obligations	33	(67,045)
Trade and other payables		(805,820)
Bank overdrafts		(15,376)
Total identifiable net assets aqcuired		4,049,840

20.5.1.1.4 Goodwill on Acquisition

Goodwill arising from the acquisition has been recognised as follows;

	Note	Amount Rs.000
Consideration Transferred	20.5.1	4,169,978
NCI, based on their proportionate interest in the recognized amounts of the assets and liabilities		327,860
Fair value of identifiable net assets		(4,049,840)
Goodwill on Acquisition		447,998

20.5.1.1.5 Consideration paid net of cash aquired

	Group Rs.'000
Consideration transferred	4,169,978
Less:	
Cash and cash equivalents acquired	763
	4,170,741

20.5.2 Acquisition of Lanka Tours (Pvt) Ltd (Currently known as Melsta House (Pvt) Ltd)

On 12th October 2023, Melstacorp PLC aaquired 100 % of the shares and voting interest in Lanka Tours (Pvt) Ltd (subsequently changed the name as Melsta House (Pvt) Ltd)

20.5.2.1 Identifiable assets acquired and liabilities assumed

The following table summerises the recognized amounts of assets acquired and liabilies assumed at the date of acquisition.

	Note	Amount Rs. 000
Investment property	17	759,000
Trade and other receivables		823
Cash and Cash equivalents		286
Deffered Tax Liability	22	(202,112)
Trade and other payables		(1,020)
Income tax payable		(65)
Total identifiable net assets aqcuired		556,912

20.5.2.2 Goodwill on Acquisition

	Amount Rs.000
Consideration Transferred (Cash paid)	755,000
NCI, based on their proportionate interest in the recognized amounts of the assets and liabilities	-
Fair value of identifiable net assets	(556,912)
Goodwill on Acquisition	198,088

20.5.2.3 Consideration paid net of cash aquired

	Amount Rs.'000
Consideration transferred	755,000
Less:	
Cash and cash equivalents acquired	(286)
	754,714

20.6 Disposal of subsidiaries

During the period under review the Group relinquished its control over Spence Maldives Pvt Ltd, due to changes in the Foreign Direct Investment policy in Maldives for the freight sector companies. The fair values of assets and liabilities thus divested by the group are as follows. The divestment did not result in an additional gain or loss to the income statement.

	Group 2025 Rs.'000
Property, plant & equipment	2,184
Right-of-use assets	-
Deferred tax assets	260
Inventories	-
Trade and other receivables	31,716
Deposits and prepayments	2,712
Other current assets	38,777
Current tax receivable	2,409
Interest-bearing loans and borrowings	-
Lease liabilities	-
Employee benefits	-
Trade and other payables	(127,741)
Cash and cash equivalent	66,022
Total identifiable net assets disposed	16,339
Non-controlling interest disposed	(6,536)
Purchase consideration received	9,803
Cash and cash equivalents disposed	(66,022)
Net cash outflow on disposal of the company	(56,219)

20.7 Changes in ownership without change in control

Texpro Industries Limited

During the year ended 31 March 2025, DCSL PLC, 92.44% owned subsidiary has acquired 46,836,524 shares of Texpro Industries Limited. In addition, Melstacorp PLC transferred its investment of 2,250,002 shares in Texpro Industries (Pvt) Ltd to DCSL PLC. As a result, group's ownership in Texpro Industries Limited increased from 44.69% to 79.25%

DCSL Breweries Lanka Limited

During the year ended 31 March 2025, DCSL PLC invested Rs.1bn in DCSL Breweries Lanka Limited (545,108,822 shares). As a result, group's ownership in DCSL Breweries Lanka Limited increased from 91.9% to 92.05%

20.8 Significant judgements and assumptions made in determining whether the group has control

Although the Group owns less than half of the voting rights of Texpro Industries Private Limited(TEXP), the Group assessed that it is able to govern the financial and operating policies of TEXP by virtue of de facto control on the basis that the remaining share holders are widely depressed and there is no indication to believe that all of them will exercises their votes collectively.

20.9 Disclosure of the interest that non-controlling interests have in the group's activities and cash flows

Name of the subsidiary	Aitken Spence PLC (SPEN)	Balangoda Plantations PLC (BPL)	Browns Beach Hotels PLC (BBH)	Madulsima Plantations PLC (MPL)
Principal place of business	No.815, Vauxhall Street, Colombo 02.	In the areas of Ratnapura, Balangoda and Badulla	No. 175, Lewis Place, Negombo	In the areas of Badulla and Bogawantalawa.
Proportion of ownership interest held by non controlling interest	48.67%	25.39%	43.78%	44.29%
Profit / (loss) allocated to non controlling interest (Rs. '000)	4,442,602	188,224	(67,375)	107,953
Accumulated non controlling interest at the end of the reporting period (Rs. '000)	61,181,889	943,899	(82,215)	(58,908)

20.10.2 Summarised financial information of subsidiaries that have material NCI

As at/ for the year ended,	BPL		BBH		MPL		SPEN	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Dividends paid to non controlling interests	-	-	-	-	-	-	2,103,664	2,082,534
Current assets	764,571	738,314	623,597	715,040	1,112,936	707,309	73,259,759	68,313,086
Non current assets	7,826,345	7,603,031	4,518,023	4,591,237	8,688,050	8,427,114	132,741,576	136,728,958
Current liabilities	1,054,033	1,710,089	3,335,535	3,279,851	5,886,556	5,586,229	58,877,853	56,578,053
Non current liabilities	3,819,864	3,493,293	2,555,815	2,682,870	4,047,437	3,935,412	57,234,371	62,744,022
Revenue	4,841,854	4,129,862	1,492,898	1,295,243	4,684,545	4,038,643	93,631,779	96,248,837
Profit/(Loss) After Tax	741,214	69,070	(153,909)	(466,967)	243,743	(1,038,258)	7,179,126	4,451,749
Other comprehensive income	(162,156)	43,655	60,623	(780)	10,470	40,091	(153,252)	(2,264,215)
Total comprehensive income	579,058	112,725	(93,286)	(467,747)	254,213	(998,167)	7,025,874	2,187,534

21 INVESTMENT IN EQUITY ACCOUNTED INVESTEES

As at 31 March,	Note	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Recognised in the statement of financial position					
Investment in joint ventures	21.1	2,191,466	2,386,388	-	419,887
Investment in associates	21.2	8,737,402	8,200,255	-	-
Carrying amount as at 31st March		10,928,868	10,586,643	-	419,887
Recognised in the income statement					
Share of profit/(loss) from investment in joint ventures	21.1.2	449,460	13,736	-	-
Interest in associates	21.2.2	968,969	970,917	-	-
Share of profit of equity-accounted investees (net of tax) for the year ended 31 March		1,418,429	984,653	-	-
Recognised in the statement of profit or loss and other comprehensive income					
Share of profit from investment in joint ventures	21.1.2	(40,248)	(45,619)	-	-
Share of profit from investment in associates	21.2.2	(86,900)	(507,203)	-	-
Share of other comprehensive income of equity-accounted investees (net of tax) for the year ended 31 March		(127,148)	(552,822)	-	-

Share of other comprehensive income of equity-accounted investees (net of tax) is further analysed as ;

	Group 31.03.2025 Rs.'000	Group 31.03.2024 Rs.'000
Items that will not be reclassified to profit or loss	(6,993)	(45,625)
Items that are or may be reclassified to profit or loss	(120,155)	(507,197)
	(127,148)	(552,822)

21.1 Investment in joint ventures

	Country of incorporation	Sector	Principle Activity	No. of shares	Holding %	Group		Company	
						As at 31st March		As at 31st March	
						2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Aitken Spence C & T Investments (Pvt) Ltd	Sri Lanka	SER	Providing retirement home service	14,170,000	50	**141,700**	141,700	**-**	-
Aitken Spence Engineering Solutions (Pvt) Ltd	Sri Lanka	SER	supply, install, test,commission and maintain equipment of any kind in the field of Air-conditioning, fire and security	20,000	50	**2,000**	2,000	**-**	-
CINEC Campus (Pvt) Ltd (formally Colombo International Nautical and Engineering College (Pvt) Ltd) (consolidated with CINEC Skills (Pvt)	Sri Lanka	MFL	Providing maritime higher education	253,334	40	**502,950**	502,950	**-**	-
Spence Seahorse Marine (Pvt) Ltd	Sri Lanka	MFL	Supply of Bunkers and Marine services at all Sri Lanka Ports	18,222,991	50	**182,230**	182,230	**-**	-
Melsta GAMA (Pvt) Ltd **(Note 21.1.1)**	Sri Lanka	SI	Import, Packaging and distribution of Cement	16,020,000	50	**-**	1,602,000	**-**	1,602,000
Ace Bangladesh Ltd	Bangladesh	MFL	Provides international freight forwarding services	172,970	49	**32,587**	32,587	**-**	-
Aitken Spence Cargo (Cambodia) Co. Ltd	Cambodia	MFL	International Freight Forwarding and General Sales Agent for Airline Cargo	10,000	50	**3,089**	3,089	**-**	-
Port City BPO (Pvt) Ltd	Sri Lanka	SER	provide BPO services to off shore clients	31,020	50	**15,295**	-	**-**	-
Carrying amount as at 31st March						**879,851**	2,466,556	**-**	1,602,000
Provision for impairment of investments						**-**	-	**-**	(1,182,113)
Opening cumulative net assets accruing to the group net of dividend						**(80,168)**	(35,185)	**-**	-
Group's share of total comprehensive income for the year						**409,212**	(31,883)	**-**	-
Dividends received for the year						**(163,717)**	(13,100)	**-**	-
Cumulative net assets accrued to the group net of dividend from Joint Venture Disposed durring the year						**1,146,288**	-	**-**	-
Equity value of investments						**2,191,466**	2,386,388	**-**	419,887

Sectors - Tourism-**TOU** / Maritime Freight & Logistics-**MFL** / Strategic investment-**SI** / Services-**SER** /Plantation-**PLT**

21.1.1 Melsta GAMA (Pvt) Ltd

The Group disposed of its investment in Melsta GAMA (Pvt) Ltd—a cement importing, packaging, and distribution project located at the Colombo Port—for a total consideration of Rs. 650 million, effective 31 October 2024.

A loss of Rs. 158 Mn, representing the Group's share of results for the seven months ended 31 October 2024, has been recognized under "Share of profit/(loss) of equity-accounted investees (joint ventures)."

21.1.2 Summarised financial information of joint ventures - Group

The following analyses, in aggregate, the carrying amount, share of profit and other comprehensive income of individually immaterial joint ventures.

As at	2025 Rs.'000	2024 Rs.'000
Carrying amount of interest in joint ventures	2,191,466	2,386,388
Group's share of :		
- Profit for the year (net of tax)	449,460	13,736
- Other comprehensive income for the year (net of tax)	(40,248)	(45,619)
Total comprehensive income for the year	409,212	(31,883)

21.2 Investment in associates

	Country of incorporation	Sector	Principle Activity	Group			
				No. of shares	Holding %	As at 31 March,	
						2025 Rs.'000	2024 Rs.'000
Aitken Spence Plantation Managements PLC (consolidated with Elpitiya Plantations PLC	Sri Lanka	PLT	Managing agents for Elpitiya Plantations PLC.	8,295,860	38.95	165,000	165,000
Fiji Ports Corporation Ltd (consolidated with Fiji Ships Heavy Industries Ltd)	Fiji	MFL	Owns and operates all the major ports and providing navigational services at all Fijian Ports.	14,630,970	20	2,351,255	2,351,255
Serendib Investments Ltd	Fiji	MFL	Printing and Packaging	1,750,000	25	151,215	151,215
Amethyst Leisure Ltd © (consolidated with Paradise Resort Pasikudah (Pvt) Ltd	Sri Lanka	TOU	Leisure-Hospitality services	432,425,223	35.95	569,205	569,205
Ace Aviation Myanmar Ltd	Myanmar	TOU	Destination Management	1,525,000	33.33	20,075	20,075
Carrying amount as at 31st March						3,256,750	3,256,750
Provision for impairment of investments						(55,889)	(30,570)
Opening cumulative net assets accruing to the group net of dividend						4,974,075	4,716,508
Group's share of total comprehensive income for the year						882,069	463,714
Dividends received for the year						(451,136)	(438,739)
Share of net assets recognised in equity						131,533	232,592
Equity value of investments						8,737,402	8,200,255

Sectors - Tourism-**TOU** / Maritime Freight & Logistics-**MFL** / Strategic investment-**SI** / Services-**SER** /Plantation-**PLT**

21.2.2 Summarised financial information of associates - Group

The following analyses, in aggregate, the carrying amount, share of profit and other comprehensive income of individually immaterial associates.

For the year ended 31 March,	2025 Rs.'000	2024 Rs.'000
Carrying amount of interest in associates	8,737,402	8,200,255
Group's share of :		
- Profit for the year (net of tax)	968,969	970,917
- Other comprehensive income for the year (net of tax)	(86,900)	(507,203)
Total comprehensive income for the year	882,069	463,714

21.2.3 Inter-company shareholdings - investment in associates

Investee	Country of incorporation	Investor	Number of shares as at 31.03.2025	Percentage holding (%)		
				Investor holding %	Group holding %	Non-controlling holding %
Amethyst Leisure Ltd	Sri Lanka	Aitken Spence Hotel Holdings PLC	218,345,163	27.89%	35.95%	64.05%
	Sri Lanka	Distilleries Company of Sri Lanka PLC	214,080,060	27.35%		
Ace Aviation Myanmar Ltd	Myanmar	Aitken Spence Cargo (Pvt) Ltd	1,525,000	33.33%	33.33%	66.67%

22 DEFERRED TAX ASSET AND LIABILITIES

22.1 Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

As at 31 March,	Group					
	2025			2024		
	Assets Rs.'000	Liabilities Rs.'000	Net Rs.'000	Asset Rs.'000	Liabilities Rs.'000	Net Rs.'000
Accelerated depreciation for tax purposes on property, plant and equipment	-	19,538,128	19,538,128	-	19,124,331	19,124,331
Biological assets	-	3,499,990	3,499,990	-	3,270,037	3,270,037
Provision for impairment of receivables	(151,246)	-	(151,246)	(383,547)	-	(383,547)
Other Provisions	(229,298)	-	(229,298)	(219,138)	-	(219,138)
Financial assets at FVOCI	(9,971)	-	(9,971)	(11,640)	-	(11,640)
Defined benefit obligations	(1,516,513)	-	(1,516,513)	(1,339,046)	-	(1,339,046)
Right-of-Use Asset	-	689,860	689,860	-	927,838	927,838
On lease libility	(721,721)	-	(721,721)	(979,720)	-	(979,720)
Other Items	-	-	-	-	8,751	8,751
Revaluation Surplus on Freehold Land and building	-	3,384,417	3,384,417	-	3,378,193	3,378,193
Unrealised exchange gain	-	299,139	299,139	-	204,825	204,825
Unutilised tax loss carry-forwards	(4,791,659)	-	(4,791,659)	(5,156,009)	-	(5,156,009)
Undistributed profits of consolidated entities	-	169,266	169,266	-	129,726	129,726
	(7,420,408)	27,580,800	20,160,392	(8,089,100)	27,043,701	18,954,601

As at 31 March,	Company					
	2025			2024		
	Assets Rs.'000	Liabilities Rs.'000	Net Rs.'000	Asset Rs.'000	Liabilities Rs.'000	Net Rs.'000
Property, plant and equipment	-	1,372,540	1,372,540	-	1,292,503	1,292,503
Employee benefits	(8,074)	-	(8,074)	(6,238)	-	(6,238)
Right-of-Use Asset	-	6,574	6,574	-	4,383	4,383
On lease	(7,029)	-	(7,029)	(4,983)	-	(4,983)
	(15,103)	1,379,114	1,364,011	(11,221)	1,296,886	1,285,665

22.1.1 Movement in recognised deferred tax assets and liabilities

For the year ended 31 March,	Group					
	2025					
	Balance as at 1st April 2024	Acquisition of Subsidiary	Charged/(credited) in			Balance as at 31st March 2025
			Profit or loss **(Note 22.1.1.1)**	Other comprehensive income	Exchange Difference	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Property, plant and equipment	19,124,331	179	(11,515)	457,215	(32,082)	19,538,128
Biological assets	3,270,037	-	221,202	8,751	-	3,499,990
Provision for impairment of receivables	(383,547)	81	232,184	-	36	(151,246)
Provisions	(219,138)	-	(10,187)	-	28	(229,298)
Financial assets at FVOCI	(11,640)	-	-	1,669	-	(9,971)
Defined benefit obligations	(1,339,046)	-	(56,867)	(121,871)	1,271	(1,516,513)
Right-of-Use Asset	927,838	-	(229,449)	-	(8,529)	689,860
On lease liability	(979,720)	-	249,385	-	8,614	(721,721)
Other Items	8,751	-	-	(8,751)	-	-
Revaluation Surplus on Freehold Land	3,378,193	-	-	13,457	(7,233)	3,384,417
Unrealised exchange gain	204,825	-	94,314	-	-	299,139
Unutilised tax loss carry-forwards	(5,156,009)	-	334,996	-	29,354	(4,791,659)
Undistributed profits of consolidated entities	129,726	-	39,540	-	-	169,266
	18,954,601	260	863,603	350,470	(8,542)	20,160,392

For the year ended 31 March,	Group					
	2024					
	Balance as at 1st April 2023	Acquisition of Subsidiary	Charged/(credited) in			Balance as at 31st March 2024
			Profit or loss **(Note 22.1.1.1)**	Other comprehensive income	Exchange Difference	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Property, plant and equipment	13,120,196	305,775	694,559	5,121,340	(117,539)	19,124,331
Biological assets	2,578,469	-	692,284	-	(716)	3,270,037
Provision for impairment of receivables	(266,498)	-	(118,751)	-	1,702	(383,547)
Provisions	(113,886)	-	(105,252)	-	-	(219,138)
Financial assets at FVOCI	(26,312)	-	-	14,672	-	(11,640)
Defined benefit obligations	(1,167,204)	(26,818)	(134,655)	(11,725)	1,356	(1,339,046)
Right-of-Use Asset	955,634	-	(28,638)	-	842	927,838
On leases	(1,001,455)	(4,633)	26,368	-	-	(979,720)
Other Items	7,934	-	-	-	817	8,751
Revaluation Surplus on Freehold Land	3,167,493	202,112	-	29,017	(20,429)	3,378,193
Unrealised exchange gain	(571,051)	-	775,876	-	-	204,825
Unutilised tax loss carry-forwards	(4,256,066)	(96,945)	(956,613)	-	153,615	(5,156,009)
Undistributed profits of consolidated entities	166,230	-	(36,504)	-	-	129,726
	12,593,484	379,491	808,674	5,153,304	19,648	18,954,601

For the year ended 31 March,	Company			
	2025			
	Balance as at 1st April 2024	Charged/(credited) in		Balance as at 31st March 2025
		Profit or loss **(Note 22.1.1.1)**	Other comprehensive income	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Property, plant and equipment	1,292,503	80,037	-	1,372,540
Retirement benefit obligation	(6,238)	(2,402)	566	(8,074)
ROU Assets	4,383	2,191	-	6,574
On lease	(4,983)	(2,046)	-	(7,029)
	1,285,665	77,780	566	1,364,011

For the year ended 31 March,	Group			
	2024			
	Balance as at 1st April 2023	Charged/(credited) in		Balance as at 31st March 2024
		Profit or loss **(Note 22.1.1.1)**	Other comprehensive income	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Property, plant and equipment	1,152,720	139,783	-	1,292,503
Retirement benefit obligation	(5,009)	(1,024)	(205)	(6,238)
Right-of-Use Asset	6,574	(2,191)	-	4,383
On lease	(7,158)	2,175	-	(4,983)
	1,147,127	138,743	(205)	1,285,665

22.1.1.1 Charged/(credited) in profit or loss

For the year ended 31 March,	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
From continuing operation	853,698	833,785	77,780	138,743
From discontinued operations	9,905	(25,111)	-	-
	863,603	808,674	77,780	138,743

22.1.1.2 Deferred tax charge/(reversal) for the year

Deferred tax assets/(Liabilities) have not been recognised in respect of the following items:

For the year ended 31 March,	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Deferred tax (reversal) / charged to profit or loss				
Gue to change in the effective tax rate	(27,490)	16,601	-	-
Due to change in temporary differences	891,093	792,073	77,780	138,743
	863,603	808,674	77,780	138,743
Deferred tax (reversal) / charged to other comprehensive income				
Gue to change in the effective tax rate	257,702	-	-	
Due to change in temporary differences	92,768	5,153,304	566	(205)
	350,470	5,153,304	566	(205)

- Income tax exemption applicable to foreign sourced income and service providers rendering services in or outside Sri Lanka, to any person to be utilized outside Sri Lanka, earning in foreign currency is withdrawn from 1st April 2025 and will be taxed at 15% thereafter. The deferred tax impact of tax rate change for 2024/2025 reflect the impact of this substantially enacted tax rate change.
- For the year ended 31st March 2024, the impact of change in tax rates reflect the increase in corporate income tax rate from 20% to 25% for companies resident in Fiji.
- Based on the Inland Revenue Act No 2 of 2025 which is certified on 20th March 2025, the tax rate on gains and profits from the manufacture and sale or import and sale of any liquor or tobacco product other than the export of such products are liable at 45%. Deferred taxation is computated at 45% as at 31st March 2025 (2024: 40%).

22.2 Unrecognised net deferred tax assets & liabilities

Deferred tax assets/(Liabilities) have not been recognised in respect of the following items:

For the year ended 31 March,	Group	
	2025 Rs.'000	2024 Rs.'000
Property, plant & equipment & intangible assets	1,164	1,112
Net lease liabilities	-	(140)
Employee benefits	1,369	1,462
Impairment of trade receivables	165,852	159,424
Tax losses	16,309,679	10,367,032
Net deferred tax asset/(liabilities) not recognised	16,478,064	10,528,890

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits there from.

23 OTHER FINANCIAL INVESTMENTS

For the year ended 31 March,	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Non current investments					
Financial investments at fair value through OCI	23.1	51,129,757	38,497,260	46,344,668	35,521,860
Financial investments at amortised cost	23.3	5,705,960	4,998,754	724,380	767,468
		56,835,717	43,496,014	47,069,048	36,289,328
Current investments					
Financial investments at Fair value through profit or loss (FVTPL)	23.2	432,482	818,973	111,897	87,333
Financial investments at amortised cost	23.3	29,164,672	27,092,858	4,973,849	5,367,238
		29,597,154	27,911,831	5,085,746	5,454,571

Details relating to unobservable inputs and the level of which the fair value measurement is classified are disclosed in Note 38 to these financial statements. The Boards of each component within the Group has determined these investments to be held for strategic investment purposes. Therefore, these are classified as investments at fair value through other comprehensive income.

23.1 Financial investments at fair value through OCI

For the year ended 31 March,	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Non current investments					
Quoted equity securities	23.1.1	50,665,405	38,028,118	46,344,668	35,521,860
Unquoted equity securities	23.1.2	269,155	275,911	-	-
Government Securities	23.1.3	195,197	193,231	-	-
Quoted Debt securities	23.1.4	-	-	-	-
		51,129,757	38,497,260	46,344,668	35,521,860

23.1.1 Quoted equity securities - Non current assets

As at 31 March,	Group					
	2025			2024		
	No. of shares	Cost Rs.'000	Fair value Rs.'000	No. of shares	Cost Rs.'000	Fair value Rs.'000
Diversified investments						
John Keells Holdings PLC	1,418,088,220	21,519,525	28,645,382	128,917,111	19,456,851	25,009,920
Vellibal One PLC	2,842	71	186	2,842	71	125
		21,519,596	28,645,568		19,456,922	25,010,045
Bank finance & insurance						
Commercial Bank of Ceylon PLC	62,961,850	7,204,821	9,179,837	51,132,469	6,277,429	4,995,642
Seylan Bank PLC	18,483	1,235	1,340	17,968	1,235	844
DFCC Bank PLC	26,986,746	4,189,413	2,860,595	26,633,027	4,189,413	2,024,110
Hatton National Bank PLC	13,982,540	3,007,241	4,264,675	13,696,840	3,007,241	2,465,431
National Development Bank PLC	6,554	148	742	6,358	148	409
		14,402,858	16,307,189		13,475,466	9,486,436
Beverage, food & tobacco						
Lanka Milk Foods (CWE) PLC	130,360,740	1,809,753	5,657,656	128,360,740	1,747,259	3,491,412
Nestle Lanka PLC	-	-	-	-	-	-
Renuka Agri Foods PLC	-	-	-	-	-	-
		1,809,753	5,657,656		1,747,259	3,491,412
Manufacturing						
Pelwatte Sugar Industries PLC	33,140,501	926,473	-	33,140,501	926,473	-
TEEJEY Lanka PLC	889,500	13,343	46,610	889,500	13,343	32,022
		939,816	46,610		939,816	32,022
Hotel and travels						
The Kingsbury Hotel PLC	410,000	6,178	4,920	410,000	6,178	4,428
		6,178	4,920		6,178	4,428
Hospitals						
Ceylon Hospitals PLC - Non Voting	34,655	2,257	3,462	34,655	2,257	3,775
		2,257	3,462		2,257	3,775
Total quoted equity securities - FVOCI		38,680,458	50,665,405		35,627,898	38,028,118

As at 31 March,	Company					
	2025			2024		
	No. of shares	Cost Rs.'000	Fair value Rs.'000	No. of shares	Cost Rs.'000	Fair value Rs.'000
Diversified investments						
John Keells Holdings PLC	1,418,088,220	21,519,525	28,645,382	128,917,111	19,456,851	25,009,920
		21,519,525	28,645,382		19,456,851	25,009,920
Bank finance & insurance						
Commercial Bank of Ceylon PLC	62,960,871	7,204,751	9,179,695	51,131,771	6,277,359	4,995,574
Seylan Bank PLC	18,483	1,235	1,340	17,968	1,235	844
DFCC Bank PLC	26,986,746	4,189,413	2,860,595	26,633,027	4,189,413	2,024,110
		11,395,399	12,041,630		10,468,007	7,020,528
Beverage, food & tobacco						
Lanka Milk Foods (CWE) PLC	130,360,740	1,809,753	5,657,656	128,360,740	1,747,259	3,491,412
		1,809,753	5,657,656		1,747,259	3,491,412
Manufacturing						
Pelwatte Sugar Industries PLC	33,140,501	926,473	-	33,140,501	926,473	-
		926,473	-		926,473	-
Total quoted equity securities - FVOCI		35,651,150	46,344,668		32,598,590	35,521,860

23.1.2 Unquoted equity securities

As at 31 March,	Group					
	2025			2024		
	No. of shares	Cost Rs.'000	Fair value Rs.'000	No. of shares	Cost Rs.'000	Fair value Rs.'000
International Distilleries Lanka Ltd	100	3	3	100	3	3
W.M.Mendis & Co., Ltd	200	4	4	200	4	4
Rainforest Ecolodge (Pvt) Ltd	3,500,000	35,000	6,128	3,500,000	35,000	8,793
Business Process Outsourcing LLC	30,000	8,640	-	30,000	8,640	-
Floatels India (Pvt) Ltd	716,037	84,128	246,822	716,037	84,128	250,254
SLFFA Cargo Services Ltd (Ordinary shares)	1,243,000	3,223	16,140	1,243,000	3,223	16,802
Ingrin Institute of Printing & Graphics	10,000	100	58	10,000	100	55
		131,098	269,155		131,098	275,911

23.1.3 Government Securities

As at 31 March,	Group			
	2025		2024	
	Carrying Value	Fair Value Rs.'000	Carrying Value	Fair Value Rs.'000
Non Current Investments				
Treasury bonds	195,197	195,197	211,083	193,231
	195,197	195,197	211,083	193,231

23.1.4 Quoted Debt securities

The Group designated the investments shown above as equity securities measured at FVOCI, because these equity securities represent investments that the Group intends to hold for long term for strategic purposes.

No strategic investments were disposed during 2024/25, and these were no transfers of any cumulative gain or loss within equity relating to these investments.

23.2 Financial investments at Fair value through profit or loss (FVTPL)

For the year ended 31 March,	Note	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Quoted equity securities	23.2.1	366,946	280,802	111,897	87,333
Investments in unit trusts	23.2.2	65,536	538,171	-	-
		432,482	818,973	111,897	87,333

23.2.1 Quoted equity securities

As at 31 March,	Group				Company			
	2025		2024		2025		2024	
	No. of shares	Fair value Rs.'000	No. of shares	Fair value Rs.'000	No. of shares	Fair value Rs.'000	No. of shares	Fair value Rs.'000
Bank finance & insurance								
Vallibal Finance PLC	-	-	-	-	-	-	-	-
LB Finance PLC	-	-	-	-	-	-	-	-
Nation Trust Bank PLC	-	-	-	-	-	-	-	-
Commercial Bank of Ceylon PLC	372,205	54,901	365,350	35,695	-	-	-	-
DFCC Bank PLC (Ordinary shares)	29,861	3,165	29,470	2,240	-	-	-	-
Cargills Bank PLC	15,447,755	126,671	15,447,755	122,037	5,854,200	48,004	5,854,200	46,248
Hatton National Bank PLC - Voting	238,937	62,480	238,937	35,900	-	-	-	-
		247,217		195,872		48,004		46,248
Hotel and travels								
The Kingsbury Hotel PLC	1,237,200	14,723	1,237,200	13,362	-	-	-	-
		14,723		13,362		-		-
Construction and Engineering								
Colombo Dockyard PLC	13,543	1,073	13,543	657	-	-	-	-
		1,073		657		-		-
Manufacturing								
Kelani PLC	3,988	1,863	3,988	973	-	-	-	-
Dipped Products PLC	58,227	3,173	58,227	1,625	-	-	-	-
Royal Ceramics Lanka PLC	38,503	1,675	38,503	1,016	-	-	-	-
Lanka Wall Tiles PLC	24,158	1,416	24,158	1,019	-	-	-	-
Bukit Darah PLC	72,200	49,547	72,200	29,403	72,200	49,547	72,200	29,403
Hela Apparel Holdings PLC	261,964	969	666,667	4,067	261,964	969	666,667	4,067
		58,643		38,103		50,516		33,470
Diversified Investments								
John Keells Holdings PLC	1,100,000	24,860	100,000	19,100	-	-	-	-
Mangata Holding SA	-	-	-	-	-	-	-	-
Softlogic Holdings PLC	180,000	1,278	180,000	1,620	-	-	-	-
Browns Investments PLC	139,043	987	139,043	654	-	-	-	-
LOLC Holdings PLC	2,651	1,830	2,651	942	-	-	-	-

As at 31 March,	Group				Company			
	2025		2024		2025		2024	
	No. of shares	Fair value Rs.'000	No. of shares	Fair value Rs.'000	No. of shares	Fair value Rs.'000	No. of shares	Fair value Rs.'000
Expolanka Holdings PLC	-	-	7,946	1,138	-	-	-	-
Vallibal One PLC	45,296	2,958	45,296	1,739	-	-	-	-
Carson Cumberbatch PLC	29,400	13,377	29,400	7,615	29,400	13,377	29,400	7,615
		45,290		32,808		13,377		7,615
Total quoted equity securities -FVTPL		366,946		280,802		111,897		87,333

23.2.2 Investments in unit trusts

As at 31 March,	Group				Company			
	2025		2024		2025		2024	
	No. of shares	Fair value Rs.'000	No. of shares	Fair value Rs.'000	No. of shares	Fair value Rs.'000	No. of shares	Fair value Rs.'000
JB Vantage Money Market Fund	42,145	2,036	641,151	27,655	-	-	-	-
NDB Wealth Money Plus Fund	328,167	11,530	10,414,164	330,004	-	-	-	-
First Capital Money Market Fund	444	1,456	13,350	39,028	-	-	-	-
NDB Wealth Money Fund	1,353,331	47,547	3,408,156	107,998	-	-	-	-
Asia Security Money Market Fund	98,427	1,569	1,136,123	16,318	-	-	-	-
Comtrust Money Market Fund	75,511	1,398	1,034,376	17,168	-	-	-	-
Total unit trust investment -FVTPL		65,536		538,171		-		-

23.3 Financial investments at amortised cost

As at 31 March,	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Non current investments					
Corporate debentures		1,625,100	1,604,994	-	50,042
Sri Lanka Sovereign Bonds		152,832	100,891	-	-
Term Deposits		3,928,028	3,292,869	-	-
Loans granted to subsidiaries	23.3.1	-	-	724,380	717,426
		5,705,960	4,998,754	724,380	767,468
Current investments					
Government Securities	23.3.2	3,109,119	1,073,587	-	-
Repurchase agreements		1,074,268	-	-	-
Corporate debentures.		19,555	202,860	-	-
Bank Deposits	23.3.3	24,961,730	25,816,411	-	-
Loans granted to subsidiaries.	23.3.1	-	-	4,973,849	5,367,238
		29,164,672	27,092,858	4,973,849	5,367,238

23.3.1 Loans granted to subsidiaries

As at 31 March,	Note	Company 2025 Rs.'000	Company 2024 Rs.'000
Balangoda Plantations PLC		-	902,689
Madulsima Plantations PLC		5,350,818	4,862,519
Negombo Beach Resorts (Pvt) Ltd		809,438	809,438
Lanka Bell Limited		4,999,642	4,954,942
Formula World (Pvt) Ltd		80,585	46,337
Provision for impairment	23.3.1.1	(5,542,255)	(5,491,261)
		5,698,229	6,084,664
Loans recoverable within one year		4,973,849	5,367,238
Loans recoverable after one year		724,380	717,426
		5,698,229	6,084,664

The Company has granted loans to its subsidiary companies at a interest rate of AWPLR+(0.5%-2%) per annum.

23.3.1.1 Provision for impairment

As at 31 March,	Company 2025 Rs.'000	Company 2024 Rs.'000
Balance at the beginning	5,491,261	4,854,866
Net charge for the year	50,994	636,395
Balance at the end	5,542,255	5,491,261

23.3.2 Government Securities

Government securities consist of Treasury bills which are measured at amortised cost using the effective interest rate.

23.3.3 Bank Deposits

Bank deposits include fixed and call deposits which are measured at amortised cost using the effective interest rate. These financial assets are expected to be recovered through contractual cash flows.

23.4 Investments that have been pledged

The investments that are pledged for liabilities are disclosed in Note 43 to these financial statements if any.

24 INVENTORIES

As at 31 March,	Note	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Raw materials		**4,726,650**	5,187,499	**-**	-
Packing material		**1,966,219**	2,029,924	**-**	-
Work in progress		**2,284,159**	1,482,709	**-**	-
Finished goods		**1,776,236**	2,016,873	**-**	-
Drugs, disposables, Reagents and vaccine		**164,327**	137,691	**-**	-
Harvested crop		**484,970**	439,729	**-**	-
Produce Stock		**367,916**	430,872	**-**	-
Biological Assets-Nurseries		**24,554**	21,202	**-**	-
CDMA and Non - CDMA equipment		**709,929**	725,136	**-**	-
Input materials, consumables and spares		**3,527,865**	3,477,717	**918**	945
Goods in transit		**2,369**	-	**-**	-
		16,035,194	15,949,352	**918**	945
Provision for slow moving and obsolete inventories	24.1	**(1,789,848)**	(1,821,438)	**-**	-
		14,245,346	14,127,914	**918**	945

24.1 Provision for slow moving and obsolete inventories

As at 31 March,	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Balance as at 01st April	**1,821,438**	1,276,237	**-**	-
Exchange difference	**(111)**	(505)	**-**	-
Charge for the year	**170,235**	560,468	**-**	-
Written-off during the period	**(43,406)**	(14,762)	**-**	-
Classified as held for sale	**(158,308)**	-	**-**	-
Balance as at 31st March	**1,789,848**	1,821,438	**-**	-

24.2 Inventories that have been pledged

The Inventories that are pledged for long term borrowings are disclosed in Note 43 to these financial statements if any.

25 TRADE AND OTHER RECEIVABLES

As at 31 March,	Note	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Financial assets					
Trade receivables		28,909,444	28,716,723	2,189	1,660
Other financial receivables		4,242,654	3,365,679	126,223	207
Insurance contract receivables		4,083,021	3,458,840	-	-
Employee related debtors		205,925	196,025	-	-
Refundable deposits and advances		477,224	436,660	100,895	896
		37,918,268	36,173,927	229,307	2,763
Provision for impairment loss on financial assets	25.1	(4,856,692)	(5,962,175)	(223)	(223)
		33,061,576	30,211,752	229,084	2,540
Non financial assets					
Prepayments and advances		9,031,564	9,977,548	24,988	8,489
Accrued income		183,032	70	-	42,203
Deferred Revenue asset		6,327	20,700	1,004	14,254
Other non financial receivables		131,237	110,399	-	5,881
Tax Receivables		522,550	400,200	(1,509)	-
		9,874,710	10,508,917	24,483	70,827
		42,936,286	40,720,669	253,567	73,367

25.1 Provision for impairment

As at 31 March,	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Balance as at 01st April	5,962,175	3,459,183	223	-
Acquisition of subsidiaries	-	450,739	-	-
Exchange difference/direct write-offs and reversals	(83,539)	21,018	-	-
Net charge for the year	(1,021,944)	2,031,235	-	223
Balance as at 31st March	4,856,692	5,962,175	223	223

26 OTHER CURRENT ASSETS

As at 31 March,	Note	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Property, plant and equipment	15	9,283	550,497	-	-
Right-of-use asset	19	-	543	-	-
		9,283	551,040	-	-

27 CASH AND CASH EQUIVALENTS

As at 31 March,	Note	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Favourable balances classified under current assets					
Short term deposits	27.1	6,800,560	2,637,917	-	-
Cash at bank and Cash in hand		15,063,351	13,029,924	4,503	18,151
Cash in transit		44,593	73,686	-	-
Total		21,908,504	15,741,527	4,503	18,151
Unfavourable balances classified under current liabilities					
Bank overdrafts and Other short term borrowings		(27,322,884)	(29,506,705)	(5,116,202)	(4,873,849)
Total		(27,322,884)	(29,506,705)	(5,116,202)	(4,873,849)
		(5,414,380)	(13,765,178)	(5,111,699)	(4,855,698)

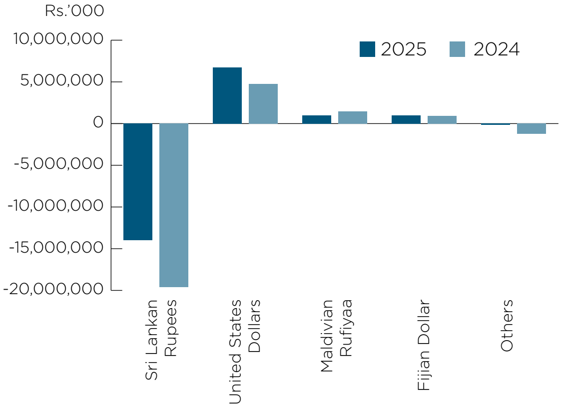
27.1 Short term deposits

As at 31 March,	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Government securities which matures within 3 months	560,439	500,388	-	-
Fixed deposits / Call Deposits which matures within 3 months	6,240,121	2,137,529	-	-
	6,800,560	2,637,917	-	-

27.1.1 Currency-wise analysis of cash and cash equivalents

As at 31 March,	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Sri Lankan Rupees	(14,002,428)	(19,626,643)	(5,111,699)	(4,855,698)
United States Dollars	6,751,008	4,736,384	-	
Maldivian Rufiyaa	979,222	1,447,024	-	
Fijian Dollar	983,702	918,433	-	
Others	(125,884)	(1,240,376)	-	-
	(5,414,380)	(13,765,178)	(5,111,699)	(4,855,698)

Currency-wise analysis of cash and cash equivalents



27.1.2 Short term deposits that have been pledged

The Short term deposits that are pledged for long term borrowings are disclosed in Note 43 to these financial statements if any.

28 ASSETS HELD FOR SALE

Based on the decision made by the Group to divest from the ship owning business in 2007/2008 and the sale of ships by the Group's ship owning companies, the Group recognised the fair values of the investments in Ceyaki Shipping (Pvt) Ltd and Ceyspence (Pvt) Ltd under assets classified as held for sale. Further, the fair values of the Group's investment in Spence International (Pvt) Ltd., Aitken Spence Overseas Travel Services (Pvt) Ltd, Aitken Spence Technologies (Pvt) Ltd and Ace Resorts Pvt Ltd are also treated under assets classified as held for sale upon the decision made to liquidate these companies. The liquidation of these companies are not yet concluded.

Consequent to the expiry of the short-term power purchase agreement (PPA) signed between Ace Power Embilipitiya (Pvt) Ltd., a subsidiary company and the Ceylon Electricity Board (CEB) on 04th March 2024, and the subsequent intimation by the Ceylon Electricity Board that they have not identified the requirement of purchasing electricity through the Company, Board of Directors of Aitken Spence PLC approved to dispose of the power generating assets belonging to Ace Power Embilipitiya (Pvt) Ltd. Accordingly, the plant and machinery and spare parts inventory of the company have been classified under assets held for sale.

As at 31 March,	Group	
	2025 Rs.'000	2024 Rs.'000
Share of net assets of equity accounted investees classified as held for sale	149,125	149,125
Net current assets of group companies classified as held for sale	56,410	20,298
Carrying amount of the property, plant and equipment classified as held for sale	716,708	-
	922,243	169,423

29 STATED CAPITAL

As at 31 March,	2025		2024	
	No. of shares	Value of shares Rs.'000	No. of shares	Value of shares Rs.'000
Balance at the beginning of the year	1,165,397,072	70,000,000	1,165,397,072	70,000,000
Balance at the end of the year	1,165,397,072	70,000,000	1,165,397,072	70,000,000

As at 31 March,	Group / Company 2025 No. of shares	Group / Company 2024 No. of shares
Fully Paid Voting Shares	1,165,397,072	1,165,397,072
	1,165,397,072	1,165,397,072

The Company's stated capital consist of fully paid ordinary shares which provides entitlement to its holders to receive dividends as declared from time to time and to vote per share at a meeting of the Company.

30 RESERVES

As at 31 March,	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Capital reserves					
Revaluation reserve	30.1	19,195,246	19,189,855	109,382	109,382
Capital reserve	30.2	19,112,137	19,112,137	19,100,000	19,100,000
Reserve fund	30.3	20,491	20,491	-	-
Total capital reserves		38,327,874	38,322,483	19,209,382	19,209,382
Revenue reserves					
General reserve	30.4	4,693,379	4,732,352	-	-
Exchange fluctuation reserve	30.5	5,206,513	5,547,659	-	-
Timber reserve	30.6	3,846,642	3,351,768	-	-
Fair value reserve	30.7	18,550,812	9,103,824	11,695,161	3,924,912
Cash flow hedge reserve	30.8	(468,202)	(624,044)	-	-
Total revenue reserves		31,829,144	22,111,559	11,695,161	3,924,912
Total reserves		70,157,018	60,434,042	30,904,543	23,134,294

30.1 Revaluation reserve

Revaluation reserve relates to the amount by which the Group has revalued its property, plant and equipment. There were no restrictions on distribution of these balances to the shareholders.

30.2 Capital reserve

Capital reserve comprises profits retained in order to utilise for the capital commitments. This is a non distributable reserve.

30.3 Reserve fund

Reserve fund was created to comply with the Direction No.1 of 2003 (Capital funds) issued by the Central Bank. The Company is required to transfer 5% of annual profits to this reserve fund as long as the capital funds are not less 25% of total deposit liabilities.

30.4 General reserve

General reserve reflects the amount the Group has reserved over the years from its earnings.

30.5 Exchange fluctuation reserve

Exchange fluctuation reserve comprises of all foreign exchange differences arising from the translation of foreign subsidiaries in the Group.

30.6 Timber reserve

This represents the unrealised gains arising from the fair value of consumable biological assets (Timber plantations) until the assets are derecognised or impaired.

30.7 Fair value reserve

This represents the cumulative net change in the fair value of equity securities designated at fair value through OCI.

30.8 Cash flow hedge reserve

The hedge reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows or items affect profit or loss.

31 INTEREST BEARING LOANS AND BORROWINGS

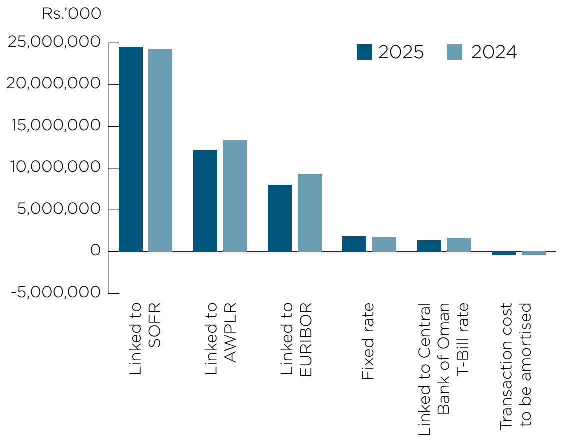
31.1 Movement during the year

	Group	
As at 31 March,	2025 Rs.'000	2024 Rs.'000
Balance as at 01st April	50,151,560	59,454,052
Exchange difference	(471,913)	(3,378,126)
New loans obtained	20,683,884	2,405,745
Capital repayment	(22,376,790)	(7,951,375)
Interest expense	-	-
Charged to the income statement	4,384,225	6,117,393
Interest expenses Capitalised	64,232	16,912
Converted to new loans	-	-
Interest paid	(4,682,973)	(6,522,798)
Transaction cost	6,344	9,757
Balance as at 31st March	47,758,569	50,151,560
Repayable within one year	11,859,273	9,533,449
Repayable after one year	35,899,296	40,618,111
	47,758,569	50,151,560

31.2 Analysed by interest rate

As at 31 March,	Group 2025 Rs.'000	 2024 Rs.'000
Linked to SOFR	24,513,619	24,236,302
Linked to AWPLR	12,103,425	13,294,630
Linked to EURIBOR	7,982,974	9,302,585
Fixed rate	1,828,706	1,690,732
Linked to Central Bank of Oman T-Bill rate	1,332,141	1,636,009
Transaction cost to be amortised	(2,296)	(8,698)
	47,758,569	50,151,560

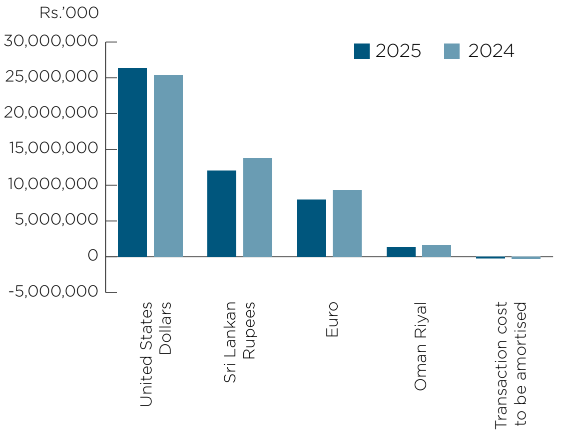
Analysed by interest rate



31.3 Analysed by currency equivalent in Rupees

As at 31 March,	Group 2025 Equivalent 'Rs.000	 2024 Equivalent 'Rs.000
United States Dollars	26,394,284	25,420,866
Sri Lankan Rupees	12,051,466	13,800,798
Euro	7,982,974	9,302,585
Oman Riyal	1,332,141	1,636,009
Transaction cost to be amortised	(2,296)	(8,698)
	47,758,569	50,151,560

Analysed by currency equivalent in Rupees



31.4 Browns Beach Hotel PLC

Shareholder Loans - Stassen Exports (Pvt) Ltd

Term Loans includes a Shareholder Loan advanced by Stassen Exports (Pvt) Ltd to Browns Beach Hotel PLC which is Repayable in 7 years with a grace period of two years. Interest linked to AWPLR+1%. No security provided. Date of Loan disbursement was 24th July 2017. The Group has ceased charging interest after 31-01-2022 with the view of converting the same to Equity.

31.5 Analysed by credit terms and security details of Term Loans

Company	Bank / financial institution/ Lender	Loan No.	Sector	Currency	Interest rate basis
Aitken Spence PLC	Hatton National Bank	Loan 1	Tourism	USD	Fixed rate
		Loan 2	Tourism	USD	SOFR
		Loan 3	Tourism	USD	SOFR
		Loan 4	Strategic	LKR	AWPLR
		Loan 5	Strategic	LKR	AWPLR
		Loan 6	Strategic	LKR	AWPLR
		Loan 7	Strategic	LKR	Fixed rate
		Loan 8	Maritime & Logis	LKR	AWPLR
	DFCC Bank	Loan 1	Tourism	LKR	AWPLR
		Loan 2	Tourism	USD	SOFR
		Loan 3	Strategic	LKR	AWPLR
		Loan 4	Strategic	LKR	Fixed rate
		Loan 5	Strategic	LKR	68% - Fixed rate & 32% - AWPLR
		Loan 6	Strategic	LKR	AWPLR
		Loan 7	Strategic	LKR	Fixed rate
	The Hongkong and Shanghai Banking Corporation	Loan 1	Tourism	EUR	EURIBOR
		Loan 2	Tourism	USD	SOFR
		Loan 3	Tourism	OMR	CBO T-Bill rate
		Loan 4	Tourism	EUR	EURIBOR
	People's Bank	Loan 1	Tourism	USD	SOFR
		Loan 2	Tourism	USD	SOFR
		Loan 3	Tourism	USD	Fixed rate
		Loan 4	Strategic	LKR	AWPLR
		Loan 5	Strategic	LKR	Fixed rate
	ABANCA Corporation Bancaria	Loan 1	Tourism	EUR	EURIBOR
	DEG - German Investment Corporation	Loan 1	Strategic	USD	SOFR
	Bank of Ceylon	Loan 1	Strategic	LKR	AWPLR
		Loan 2	Strategic	LKR	Fixed rate
	Habib Bank	Loan 1	Tourism	USD	Fixed rate
		Loan 2	Tourism	LKR	AWPLR
	National Development Bank	Loan 1	Tourism	USD	SOFR
	Commercial Bank of Ceylon	Loan 1	Strategic	LKR	AWPLR
		Loan 2	Strategic	LKR	77% - Fixed rate & 23% - AWPLR
		Loan 3	Strategic	LKR	AWPLR
		Loan 4	Tourism	USD	SOFR
	Commercial Bank of Maldives	Loan 1	Tourism	USD	SOFR
	Sampath Bank PLC	Loan 1	Strategic	USD	SOFR
	Nations Trust Bank	Loan 1	Strategic	LKR	AWPLR
	Transaction cost to be amortised				
	Total				

Secured	Repayment terms	Maturity	LKR equivalent 31.03.2025 Rs.'000	LKR equivalent 31.03.2024 Rs.'000
Yes	60 Monthly instalments starting Aug-2025.	Jul-2032	1,152,263	753,411
Yes	Repayment commenced. Monthly instalments.	Mar-2026	559,082	1,037,795
Yes	Fully settled during the financial year.	Mar-2025	-	9,014,014
Yes	Repayment commenced. Quarterly instalments.	Jun-2031	1,587,133	1,773,543
Yes	Repayment commenced. Monthly instalments.	Jun-2027	123,729	188,556
Yes	Repayment commenced. Quarterly instalments.	Jul-2029	45,703	56,606
No	Fully settled during the financial year.	May-2024	-	65,654
No	Repayment commenced. Monthly instalments.	Dec-2031	459,999	500,000
			3,927,909	13,438,779
Yes	Repayment commenced. Monthly instalments.	Oct-2029	926,909	962,481
Yes	Fully settled during the financial year.	Mar-2025	-	6,628,974
	Repayment commenced. Quarterly instalments.	Jun-2031	1,526,640	1,773,081
	Repayment commenced. Monthly instalments.	Sep-2026	142,224	236,672
	Repayment commenced. Monthly instalments.	Aug-2025	24,450	94,594
	Repayment commenced. Monthly instalments.	Jan-2026	7,211	18,625
	Fully settled during the financial year.	May-2024	-	65,655
			2,627,434	9780082
Yes	Repayment commenced. Monthly instalments and 75% final balloon payment.	Jun-2025	3,993,541	4,631,180
Yes	Bullet repayment at maturity.	Jul-2025	1,429,894	1,445,690
Yes	Repayment commenced. Quarterly instalments.	May-2028	1,332,141	1,636,009
Yes	Fully settled during the financial year.	Jul-2024	-	247,731
			6,755,576	7,960,610
Yes	Repayment commenced. Quarterly instalments.	Oct-2026	1,587,516	2,541,758
Yes	Fully settled during the financial year.	Nov-2024	-	255,708
Yes	Fully settled during the financial year.	Nov-2024	-	146,724
Yes	Repayment commenced. Quarterly instalments.	Jun-2031	2,380,699	2,659,620
Yes	Fully settled during the financial year.	May-2024	-	98,482
			3,968,215	5,702,292
Yes	Repayment commenced. Quarterly instalments and 72% final bullet repayment at maturity.	Jul-2026	3,989,433	4,423,674
			3,989,433	4,423,674
No	Repayment commenced. Semi-annual instalments.	Jan-2026	1,205,317	2,448,598
			1,205,317	2,448,598
	Repayment commenced. Quarterly instalments.	Jun-31	1,587,133	1,773,738
	Fully settled during the financial year.	May-24	-	65,655
			1,587,133	1,839,393
Yes	Repayment commenced. Monthly instalments.	Feb-2026	407,440	863,765
Yes	Repayment commenced. Quarterly instalments.	Mar-2026	318,126	535,332
			725,566	1,399,097
Yes	33 Quarterly instalments starting Jun-2025.	Jun-33	3,508,147	-
			3,508,147	-
YES	Repayment commenced. Monthly instalments.	Feb-2031	300,476	400,000
YES	Repayment commenced. Monthly instalments.	Oct-2026	108,576	177,354
YES	Fully settled during the financial year.	Mar-2025	-	100,000
YES	33 Quarterly instalments starting Jun-2025.	Jun-2033	9,588,935	
			9,997,987	677,354
Yes	33 Quarterly instalments starting Jun-2025.	Jun-33	701,629	-
			701,629	-
Yes	Quarterly Instalments starting Dec-2026.	Sep-31	5,933,099	-
			5,933,099	-
Yes	84 Monthly instalments starting Jun-2025.	May-31	603,885	-
			603,885	-
			(2,296)	(8,698)
			45,529,034	47,661,181

Company	Bank / financial institution/ Lender	Loan No.	Sector	Currency	Interest rate basis
Negombo Beach Resort (Pvt) Ltd	Hatton National Bank	Loan 1	Tourism	LKR	Linked to AWPLR
		Loan 2	Tourism	LKR	Linked to AWPLR
		Loan 3	Tourism	LKR	Linked to AWPLR
		Loan 4	Tourism	LKR	Linked to AWPLR
		Loan 5	Tourism	LKR	Linked to AWPLR
		Loan 6	Tourism	LKR	Linked to AWPLR
	Stassen Exports (pvt) Ltd	Shareholder Loan 1	Tourism	LKR	Linked to AWPLR
	Total				
Texpro Industries (Pvt) Ltd	Hatton National Bank	Loan 1	Dyeing & Printing of greige	USD	Linked to LIBO
	Bank of Ceylon	Loan 1	Dyeing & Printing of greige	USD	Linked to LIBO
	People's Bank	Loan 1	Dyeing & Printing of greige	USD	Linked to LIBO
	Total				
Melsta Laboratories (Pvt) Ltd	Commercial Bank of Ceylon PLC	Loan 1	Healthcare	LKR	Fixed Annual Interest Rate
		Loan 2	Healthcare	LKR	Fixed Annual Interest Rate
	Total				
Total					

Secured	Repayment terms	Maturity	LKR equivalent 31.03.2025 Rs.'000	LKR equivalent 31.03.2024 Rs.'000
Yes	120 Monthly instalments commencing from March 2017	Feb-2027	855,140	919,344
Yes	120 Monthly instalments commencing from November 2017	Feb-2027	497,800	522,500
Yes	Jaya-Isuru-Scheme repayable in 24 monthly instalments commencing from October 2019	Sep-2021	-	62,609
Yes	Interest of two term loans from April 2019 to March 2020 have accrued and capitalized to a term loan	Feb-2027	134,101	178,802
Yes	Interest of two term loans from April 2021 to March 2022 have accrued and capitalized to a term loan		107,380	143,173
Yes	Interest of two term loans from April 2021 to July 2023 have accrued and capitalized to a term loan		97,659	130,213
No	Originally Granted for Repayable in 7 years with a grace period of two years.		189,943	189,943
			189,943	2,146,584
Yes	59 Equal monthly installments of USD 8,400 + USD 4,400 in 60th Month	Sep-2026	121,995	99,713
			121,995	99,713
Yes	First 24 Months - $ 3000 and 25- 60 months at $ 9,223	Mar-2027	113,377	103,006
			113,377	103,006
Yes	47 Equal monthly installments of USD 8,330 + USD 8,490 in 48th Month	May-2026	85,590	81,711
			85,590	81,711
			320,962	284,430
No	48 monthly instalments commencing from Jan 2022	Dec-2025	9,362	21,866
No	48 monthly instalments commencing from March 2022	Feb-2026	17,188	37,500
			26,550	59,366
			47,758,569	50,151,560

32 LEASE LIABILITIES

Set out below are the carrying amounts of lease liabilities recognised due to application of SLFRS 16 - Lease, and its movements for the period ended 31 March 2025.

As at 31 March,	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance as at 1 April	16,333,440	19,162,453	16,614	23,859
Exchange difference	(214,287)	(1,425,172)	-	-
Remeasurement of Right of Use Asset and other adjustments	136,828	202,195	-	-
New leases obtained	234,075	415,247	-	-
Payment of lease liabilities	(3,056,501)	(3,123,630)	(8,739)	(8,743)
Termination of existing leases	(31,720)	(33,739)	-	-
Acquisition of Subsidiaries	-	66,608	-	-
Interest expense	-	-	-	-
Charged to the income statement				
- From continuing operations	916,151	1,031,179	953	1,498
- From discontinued operations	14,503	28,892	-	-
Capitalised under property, plant and equipment	13,425	9,407	-	-
Balance as at 31st March	14,345,914	16,333,440	8,828	16,614
Current portion of lease liabilities	1,855,824	2,717,191	8,828	7,789
Non-current portion of lease liabilities	12,490,090	13,616,249	-	8,825
	14,345,914	16,333,440	8,828	16,614

The above lease liability consist of the lease liabilities relating to the following components recognised within the group.

Component	Asset type
Balangoda Plantations PLC	Lease hold right to JEDB/SLSPC Land
Aitken Spence PLC	Lease hold right of lands, Buildings, Motor vehicles used in the business
Madulsima Plantations PLC	Lease hold right to JEDB/SLSPC Land
Melstacorp PLC	Lease hold right to building

33 RETIREMENT BENEFIT OBLIGATIONS

33.1 Movement in present value of defined benefit obligations

As at 31 March,	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance as at beginning of the year		4,533,430	4,014,700	20,793	16,697
Acquisition of subsidiaries		-	67,045	-	-
Benefits paid by the plan		(676,819)	(601,530)	(883)	(3,577)
Exchange Difference		7,775	(31,966)	-	-
Expense recognised in the in the income statement	33.1.1	879,474	1,011,760	8,888	6,989
Actuarial (gain) / loss recognised in other comprehensive income		366,647	73,421	(1,887)	684
Adjustment on unpaid and unclaimed retiring gratuity		(73,705)	-	-	-
Balance as at the end of the year		5,036,802	4,533,430	26,911	20,793

The provision for retirement benefits obligations for the year is based on both internally developed method as recommended by Sri Lanka Accounting Standard No 19 "Employee Benefits" and the actuarial valuation carried out by professionally qualified actuaries, Messrs. Actuarial & Management Consultants (Pvt) Ltd as at 31st March 2025. The liability is not externally funded.

33.1.1 Expense recognised in the in the income statement

As at 31 March,	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Current service costs	338,944	330,420	6,722	5,314
Interest costs	540,530	681,340	2,166	1,675
	879,474	1,011,760	8,888	6,989
From continuing operations	879,474	985,034	8,888	6,989
From discontinued operations	-	26,726	-	-
	879,474	1,011,760	8,888	6,989

As per guidelines issued by the Institute of Chartered Accountants of Sri Lanka, The discount rates have been adjusted to convert the coupon-bearing yield to a zero coupon yield to match the characteristics of the gratuity payment liability and the resulting yield to maturity for the purpose of valuing retirement benefit obligation as per LKAS 19 – " Employee Benefits " Further salary increment rates of 5%-15% is considered appropriate to be in line with the Group's targeted future salary increment taking into account the current market conditions.

33.1.2 Actuarial assumptions

Principal actuarial assumptions at the reporting date

As at 31 March,	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Discount rate (%)	11.5%-12%	12%-13.75%	11.50%	12.63%
Future salary increases (%)	5%-15%	5%-15%	7.50%	10.00%
Retirement age (years)	60-75 Years	60-75 Years	60-75 Years	60-75 Years
Staff turnover (%)	5%-32%	10-40%	26.32%	17.39%

33.1.3 Maturity analysis of the payments

As at 31 March,	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Within one year	634,013	487,348	505	391
Between 1-2 years	818,429	745,590	-	-
Between 2-5 years	1,096,495	897,128	1,355	1,047
Beyond 5 years	2,487,865	2,403,364	25,051	19,355
	5,036,802	4,533,430	26,911	20,793

33.3 Sensitivity of assumptions used

If one percentage increase/(decrease) in the assumptions, would have the following effects,

As at 31 March,	Group		Company		Group		Company	
	2025				2024			
	Discount rate Rs.'000	Salary increment rate Rs.'000	Discount rate Rs.'000	Salary increment rate Rs.'000	Discount rate Rs.'000	Salary increment rate Rs.'000	Discount rate Rs.'000	Salary increment rate Rs.'000
Effect on retirement benefit obligation liability								
Increase by 1%	(268,452)	324,671	340	(376)	(249,433)	306,726	(893)	957
Decrease by 1%	321,144	(279,856)	(351)	370	297,484	(260,416)	943	(921)
Effect on Comprehensive Income								
Increase by 1%.	268,452	(324,671)	(340)	376	249,433	(306,726)	893	(957)
Decrease by 1%.	(321,144)	279,856	351	(370)	(297,484)	260,416	(943)	921

34 OTHER LIABILITIES

As at 31 March,	Note	Group 2025 Rs.'000	Group 2024 Rs.'000
Non current liabilities			
Deferred grants and subsidies	34.1	212,657	229,862
Amounts due to equity accounted investees	34.3	179,589	277,865
		392,246	507,727
Current liabilities			
Deferred revenue	34.2	-	17,506
		-	17,506

34.1 Deferred grants and subsidies

As at 31 March,	Group 2025 Rs.'000	Group 2024 Rs.'000
Balance at the beginning of the year	229,862	244,437
Grants received during the year	-	1,991
Amortisation for the year	(17,205)	(16,566)
Balance at the end of the year	212,657	229,862

The Balangoda Plantation PLC and Madulsima Plantation PLC have received funding from the Plantation Housing and Social Welfare Trust and Plantation Development Project (PDP) for the development of workers facilities such as re-roofing of line rooms, latrines, water supply, sanitation and roads etc. The amounts spent are included under the relevant classification of property, plant & equipment and the grant component is reflected under Deferred Grants and Subsidies. Grants are amortised over the life of the assets for which they are being deployed.

The above amount represent funding received by Balangoda Plantations PLC and Madulsima Plantations PLC from various governmental and non-governmental Institutions for social and infrastructure development of estates.

34.2 Deferred revenue

As at 31 March,	Group	
	2025 Rs.'000	2024 Rs.'000
Balance at the beginning of the year	17,507	17,512
Revenue received during the year	4,259	4,259
Deferred revenue recognised during the year	(21,766)	(4,265)
Balance at the end of the year	-	17,506
Deferred revenue to be recognised within one year	-	17,506
Deferred revenue to be recognised after one year	-	-
	-	17,506

This balance represents the revenue received in advance related to the telecommunication sector of the Group.

34.3 Amounts due to equity accounted investees

This represents the long term advances received by Aitken Spence PLC group from its equity accounted investees.

35 TRADE AND OTHER PAYABLES

As at 31 March,	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Financial liabilities					
Trade payables		12,416,741	15,481,794	-	-
Insurance contract liabilities		6,610,532	6,420,545	-	-
Other financial liabilities		11,982,501	10,870,927	138,487	30,409
Refundable advances and deposits		1,376,877	1,773,802	750	425,750
		32,386,651	34,547,068	139,237	456,159
Non financial liabilities					
Accrued expenses		3,777,593	3,332,246	13,227	12,436
Other non financial liabilities		4,978,918	4,350,518	-	-
Direct and indirect taxes payables	35.1	9,057,969	7,717,867	650	3,997
Unclaimed dividends		525,119	438,230	253,233	182,751
		18,339,599	15,838,861	267,110	199,184
		50,726,250	50,385,929	406,347	655,343

35.1 Direct and indirect taxes payables

As at 31 March,	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Excise duty payable	5,476,176	3,954,673	-	-
Value added tax (VAT) payable	2,191,870	1,946,394	-	2,924
Other statutory payables	1,389,923	1,816,800	650	1,073
	9,057,969	7,717,867	650	3,997

36 RELATED PARTY DISCLOSURES

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard (LKAS 24) "Related Party Disclosures", the details of which are reported below. The Pricing applicable to such transactions is based on the assessment of risk and pricing model of the Company and is comparable with what is applied to transactions between the Company and its unrelated Customers.

Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash.

36.1 Balances with related parties

36.1.1 Amounts due from related parties

As at 31 March,	Note	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Subsidiaries	36.1.3	-	-	526,553	479,062
Equity accounted investees	36.1.4	518,821	1,282,766	-	-
Other related companies	36.1.5	14,795	15,520	-	-
		533,616	1,298,286	526,553	479,062

36.1.2 Amounts due to related parties

As at 31 March,	Note	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Subsidiaries	36.1.3	-	-	618,600	548,785
Equity accounted investees.	36.1.4	1,894,041	1,191,127	-	-
Other related companies	36.1.5	406,750	472,519	-	-
		2,300,791	1,663,646	618,600	548,785

36.1.3 Subsidiaries

As at 31 March,	Group				Company			
	Amounts due from		Amounts due to		Amounts due from		Amounts due to	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Aitken Spence PLC	-	-	-	-	-	-	115	-
Bell Solutions (Pvt) Ltd	-	-	-	-	598,740	493,032	-	-
Bellvantage (Pvt) Ltd	-	-	-	-	-	-	46	197
Continental Insurance Lanka Limited	-	-	-	-	-	9,950	46	-
Continental Insurance Life Lanka Limited	-	-	-	-	10,000	-	-	-
Distilleries Company of Sri Lanka PLC	-	-	-	-	-	-	596,018	533,713
Lanka Bell Ltd	-	-	-	-	-	-	36	193
Melsta Health (Pvt) Ltd	-	-	-	-	447,081	245,881	-	-
Melsta Laboratories (Pvt) Ltd	-	-	-	-	27,249	14,069	-	-
Melsta Logistics (Pvt) Ltd	-	-	-	-	544	108	-	-
Melsta Properties (Pvt) Ltd	-	-	-	-	-	-	18,523	14,682
Melsta Technologies (Private) Limited	-	-	-	-	527	1,038	-	-
Melsta Tower (Private) Limited	-	-	-	-	-	-	-	-
Milford Holdings (Pvt) Ltd	-	-	-	-	5,050,631	4,550,475	-	-
Periceyl (Pvt) Ltd	-	-	-	-	3	3	-	-
Splendor Media (Pvt) Ltd	-	-	-	-	11,728	11,812	-	-
Telecom Frontier (Pvt) Ltd	-	-	-	-	2,288	2,288	-	-
Texpro Industries Ltd	-	-	-	-	34,500	34,500	-	-
Melsta Healthcare Colombo (Pvt) Ltd	-	-	-	-	546,518	494,439	-	-
Formula World (Pvt) Ltd	-	-	-	-	-	-	-	-
Melsta Hospitals Ragama (Pvt) Ltd	-	-	-	-	-	-	2,614	-
Melsta Pharmacuiticals (Pvt) Ltd	-	-	-	-	-	-	1,202	-
Melsta House (Pvt) Ltd	-	-	-	-	3,450	-	-	-
	-	-	-	-	6,733,259	5,857,595	618,600	548,785
Provision for impairment of amounts due from subsidiaries (Note 36.1.3.1)	-	-	-	-	(6,206,706)	(5,378,533)	-	-
	-	-	-	-	526,553	479,062	618,600	548,785

36.1.3.1 Provision for impairment

As at 31 March,	Company	
	2025 Rs.'000	2024 Rs.'000
Balance at the beginning	5,378,533	4,017,314
Net charge for the year	828,173	1,361,219
Balance at the end	6,206,706	5,378,533

36.1.4 Equity accounted investees

Balances due from Ace Bangladesh Ltd, Aitken Spence C & T Investments (Pvt) Ltd, Aitken Spence Cargo (Cambodia) Co. Ltd, Aitken Spence Engineering Solutions (Pvt) Ltd, CINEC Campus (Pvt) Ltd, Port City PBO (Pvt) Ltd and Spence Seahorse Marine (Pvt) Ltd, AEN Palm Oil Processing (Pvt) Ltd, Aitken Spence Plantation Management PLC, Elpitiya Plantations PLC, Paradise Resort Pasikudah (Pvt) Ltd, Serendib Investments Ltd and Fiji Ports Corporation Ltd are reflected under amount due from/ due to equity accounted investees.

36.1.5 Other related companies

As at 31 March,	Group				Company			
	Amounts due from		Amounts due to		Amounts due from		Amounts due to	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Ambewela Products (Pvt) Ltd	-	49	-	-	-	-	-	-
Ambewela Livestock Co.Ltd	11	-	-	-	-	-	-	-
Elpitiya Plantations PLC	-	-	122	-	-	-	-	-
Lanka Aluminium Industries PLC	-	-	10,608	10,608	-	-	-	-
Lanka Dairies (Pvt) Ltd	252	442	22	28	-	-	-	-
Lanka Milk Foods (CWE) PLC	2,167	3,463	-	1,613	-	-	-	-
Milford Exports Ceylon (Pvt) Ltd	5,346	3,610	26,333	87,223	-	-	-	-
Pattipola Livestock Co. Ltd	8	-	-	-	-	-	-	-
Stassen Exports (Pvt) Limited (36.1.1)	3,535	4,989	369,658	373,040	-	-	-	-
Stassen International (Pvt) Limited	-	95	-	-	-	-	-	-
Stassen Foods (Pvt) Ltd	1,111	621	7	7	-	-	-	-
Stassen Natural Foods (Pvt) Ltd	48	21	-	-	-	-	-	-
Melsta GAMA (Pvt) Ltd	-	120	-	-	-	-	-	-
United Dairies Lanka (Pvt) Ltd	331	124	-	-	-	-	-	-
Merbok MDF Lanka (Private) Limited	1,986	1,986	-	-	-	-	-	-
	14,795	15,520	406,750	472,519	-	-	-	-

36.1.6 This represents the an interest free loan amounting to USD 1.212Mn from Stassen Exports (Private) Limited to Texpro Industries Limited. The Company has to settle this loan on demand. Hence, it has been classified under current liabilities and no fair value adjustments have been made.

36.2 Transactions with Related Parties

36.2.1 Transactions with Subsidiaries, Associates and Other Related Companies

Name of the Company	Names of Directors in common	Nature of Interest	Nature of Transaction	Transaction Value Rs.'000
Distilleries Company of Sri Lanka PLC	Mr. D. H. S. Jayawardena (Deceased on 03/02/2025)	Subsidiary Co.	Dividends received	9,772,089
	Mr. D. Hasitha S. Jayawardena		Rent Income	211,255
	Mr. C. R. Jansz		RPT Current A/C Interest Charged by DCSL	58,185
	Mr.M.A.N.S Perera		Sponsorships received	125
	Mr. N. De S. Deva Aditya		Reimbursement of expenses by DCSL incurred on behalf of Melstacorp	41,169
	Dr. A. N. Balasuriya (Resigned w.e.f 01/10/2024)		Short term loans received	112,919,000
	Ms.D.S.T. Jayawardena		Short term loans settled	112,919,000

Name of the Company	Names of Directors in common	Nature of Interest	Nature of Transaction	Transaction Value Rs.'000
	Mr.L.U.D.Fernando		Interests on short term loans	265,665
	Dr.R.A. Fernando (Appointed w.e.f 12/02/2024)			
	Mr.A. Goonesekere (Appointed w.e.f 01/10/2024)			
Periceyl (Pvt) Limited	Mr. D. H. S. Jayawardena (Deceased on 03/02/2025)	Subsidiary Co.	Dividend Received	425,131
	Mr. C.R.Jansz		Short term loans received	560,300
	Mr.D.Hasitha.S Jayawardena		Short term loans settled	560,300
	Mr.M.A.N.S.Perera		Interests on short term loans	23,309
Milford Holding (Pvt) Ltd	Mr. D. H. S. Jayawardena (Deceased on 03/02/2025)	Subsidiary Co.	Capital repayment	10,700
	Mr. C.R.Jansz		Interest on RPT Advances received	2,982
	Cap.K.J.Kahanda		Interest on RPT Advances Given	491,988
Belvantage (Private) Ltd	Mr.M.A.N.S.Perera	Subsidiary Co.	Services Obtained	1,154
			Sponsorships received	25
Melsta Health (Pvt) Ltd	Mr. D. H. S. Jayawardena (Deceased on 03/02/2025)	Subsidiary Co.	Additional capital granted	201,200
	Mr. C.R.Jansz			
	Mr.D.Hasitha.S Jayawardena			
	Mr.M.A.N.S.Perera			
Melsta Logistic (Pvt) Limited	Mr.L.U.D.Fernando	Subsidiary Co.	Vehicle Rentals and repairs	2,451
	Mr.M.A.N.S.Perera		Ground rent charged	2,562
Melsta Properties (Pvt) Ltd	Cap.K.J.Kahanda	Subsidiary Co.	Interest Charged on RPT Current A/C	1,671
			Reimbursement of expenses	925
			Rentals charged	10,315
Bogo Power (Pvt) Ltd	Mr. D. H. S. Jayawardena (Deceased on 03/02/2025)	Subsidiary Co.	Dividend Received	63,304
	Mr.M.A.N.S.Perera			
Balangoda Plantations PLC	Mr. D. H. S. Jayawardena (Deceased on 03/02/2025)	Subsidiary Co.	Interest on Loans	41,912
	Mr.D.Hasitha.S Jayawardena		Settlement of Loans with Int.	944,741
	Mr. C.R.Jansz			
	Mr.M.A.N.S.Perera			
	Dr.R.A. Fernando			
	Mr.M.Reyas Mihular			

Name of the Company	Names of Directors in common	Nature of Interest	Nature of Transaction	Transaction Value Rs.'000
Madulsima Plantations PLC	Mr. D. H. S. Jayawardena (Deceased on 03/02/2025)	Subsidiary Co.	Interest on Loans	488,300
	Mr.D.Hasitha.S Jayawardena			
	Mr. C.R.Jansz			
	Mr.M.A.N.S.Perera			
	Dr.R.A. Fernando			
	Mr.M.Reyas Mihular			
Continental Insurance Lanka ltd		Subsidiary Co.	Dividend Received	425,389
			Sponsorships received	100
			Insurance premiums paid	4,745
Lanka Bell Ltd	Mr. D. H. S. Jayawardena (Deceased on 03/02/2025)	Subsidiary Co.	Telephone and Internet charges	81
	Mr. C.R.Jansz		Settlement of loans	95,000
	Mr.M.A.N.S.Perera		Advances given	139,700
Melsta Technologies (Pvt) Ltd		Subsidiary Co.	Dividends received	29,750
			Purchase of IT Equipment and Software	2,813
			Rent income	1,069
			Reimbursement of expense incurred by MTECH on behalf of MC	1,179
			Reimbursement of expense incurred by MC on behalf of MTECH	6,835
Bell Solutions (Pvt) Ltd	Mr. D. H. S. Jayawardena (Deceased on 03/02/2025)	Subsidiary Co.	Loans Granted	105,708
	Mr.M.A.N.S.Perera			
Aitken Spence PLC	Mr. D. H. S. Jayawardena (Deceased on 03/02/2025)	Subsidiary Co.	Dividends received	885,743
	Mr.C.R.Jansz		Secratarial services obtained	690
	Ms.D.S.T Jayawardena			
	Mr.M.A.N.S.Perera (Resigned w.e.f 25/11/2024)			

Name of the Company	Names of Directors in common	Nature of Interest	Nature of Transaction	Transaction Value Rs.'000
Aitken Spence Printing and Packaging (Pvt) Ltd	Mr. D. H. S. Jayawardena (Deceased on 03/02/2025)	Subsidiary Co.	Printing Services Obtained	3,964
			Sponsorships received	25
Aitken Spence Hotel Management Pvt Ltd	Mr. D. H. S. Jayawardena (Deceased on 03/02/2025)	Subsidiary Co.	Sponsorships given	150
	Ms.D.S.T Jayawardena		Sponsorships received	150
Melsta Hospitals Ragama (Pvt) Ltd	Mr.C.R.Jansz	Subsidiary Co.	Reimbursement of expense incurred by MHR on behalf of MC	511
	Mr.D.Hasitha.S Jayawardena		Donations made for kidney Transplant	8,000
	Mr.M.A.N.S.Perera			
Melsta Healthcare Colombo (Pvt) Ltd	Mr.C.R.Jansz	Subsidiary Co.	Interest charged on share holder loan	51,879
	Mr.D.Hasitha.S Jayawardena		Short term funds granted	200
Stassen Exports (pvt) Ltd	Mr. D. H. S. Jayawardena (Deceased on 03/02/2025)	Affiliated Co.	Reimbursement of expenses	200
	Mr.D.Hasitha.S Jayawardena			
	Mr.C.R.Jansz		Sponsorships given	350
	Ms.D.S.T Jayawardena		Sponsorships received	250
Melsta Laboratories (Pvt) Ltd	Mr.M.A.N.S.Perera	Subsidiary Co.	Rent income	13,180
	Mr.L.U.D.Fernando		Purchase of Fixed Assets	133
Melsta Pharmacuiticals (Pvt) Ltd	Mr.M.A.N.S.Perera	Subsidiary Co.	Reimbursement of Expenses incurred by Pharmacuiticals on behalf of MC	2,390
	Mr.L.U.D.Fernando			
Formula World (Pvt) Ltd			Vehicle repair charges	645
			Interest charged on Term Loan	4,249
			Short Term Loan Granted	30,000

Name of the Company	Names of Directors in common	Nature of Interest	Nature of Transaction	Transaction Value Rs.'000
Lanka Milk Foods	Mr. D. H. S. Jayawardena (Deceased on 03/02/2025)	Affiliated Co.	Sponsorships received	200
(CWE) PLC	Mr.C.R.Jansz			
	Mr.D.Hasitha.S Jayawardena			
	Ms..D.S.T Jayawardena			
Melsta GAMA (Pvt) Ltd	Mr. D. H. S. Jayawardena (Deceased on 03/02/2025)	Subsidiary Co.	Additional Capital Granted	184,794
	Cap.K.J.Kahanda		Temporary funding Granted	489,500
	Mr.L.U.D.Fernando		Temporary funds settled	489,500
Texpro Industries Limited	Mr. D. H. S. Jayawardena (Deceased on 03/02/2025)	Subsidiary Co.	Temporary Financial Assistance made	20,000
	Mr.L.U.D.Fernando		Settlement of Temporary Financial Assistance made	20,000
Melsta House (Pvt) Ltd	Mr.L.U.D.Fernando	Subsidiary Co.	Additional funds granted	3,450
	Mr.M.A.N.S.Perera			
	Mr.D.Hasitha.S Jayawardena			

36.2.2 Transactions with Key Management Personnel

According to Sri Lanka Accounting Standard (LKAS 24) “Related Party Disclosures”, Key Management Personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors (including executive and non-executive Directors) and their immediate family member have been classified as Key Management Personnel of the Company.

The immediate family member is defined as spouse or dependent. Dependent is defined as anyone who depends on the respective Director for more than 50% of his/her financial needs.

36.2.2.1 Compensations to Key Management Personnel

There were no compensation paid to Key Management Personnel during the year other than those disclosed below.

For the year ended 31 March,	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Short term employee benefits	1,913,358	1,714,224	132,947	111,099
Post employment benefits	41,677	1,331	-	-

36.2.2.2 Loans to Directors

There were no loans granted to Directors during the year.

36.2.3 There are no non-recurrent related party transactions exceeding 10% of equity and the 5% of the total assets of the entity as per audited financial statements, whichever is lower (CSE Ruling).

36.2.4 The Recurrent Related Party Transactions, where the aggregate value of the recurrent Related Party Transactions exceeds 10% of the Group gross revenue/income (or equivalent term in the Income Statement and in the case of group entity consolidated revenue) as per the latest Audited Financial Statements, the Listed Entity. (CSE Ruling).

Name of Related Party	Relationship	Nature of transaction	Aggregate value of Related Party Transactions entered into during the financial year (Rs.'000)	Aggregate value of Related Party Transactions as a % of Net Revenue/ Income	Terms and Conditions of the Related Party Transactions
Distilleries Company of Sri Lanka PLC	Subsidiary	Short-term loans received during the year	112,919,000	48%	Short Term Deposits are accpeted at the rate of medien of Average Weighted Prime Lending Rate (AWPR) and Average Weighted New Deposit Rate (AWNDR) reviewed weekly.
Distilleries Company of Sri Lanka PLC	Subsidiary	Short terms loans settled during the year	112,919,000	48%	

This inter-company lending/borrowing arrangement between Melstacorp PLC and the Company was introduced due to a significant increase in interest rates spread in bank deposit rates and bank lending rates prevailed during the period. The shareholders of the Company approved this arrangement in an Extraordinary General Meeting held on 24.11.2022 to comply with section 9.1.2 of CSE listing rules.

36.2.5 Melstacorp PLC has issued Letters of Comfort to certain subsidiaries in respect of the subsidiaries' borrowings. These Letters of Comfort do not constitute legally binding guarantees but reflect the commitment of Melstacorp PLC to provide financial support to the subsidiaries as and when required.

37 FINANCIAL INSTRUMENTS

37.1 Accounting classification of financial instruments

37.1.1 Accounting classification of financial assets

		Group							
		Assets at amortised cost		Assets at fair value through profit and loss (FVTPL)		Assets at Fair Value through OCI		Total	
As at 31 March,		2025	2024	2025	2024	2025	2024	2025	2024
	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Assets as per balance sheet									
Non Current Assets									
Other non current financial investments	23	5,705,960	4,998,754	-	-	51,129,757	38,497,260	56,835,717	43,496,014
Current Assets									
Trade and other receivables	25	33,061,576	30,211,752	-	-	-	-	33,061,576	30,211,752
Amounts due from related companies	36.1.1	533,616	1,298,286	-	-	-	-	533,616	1,298,286
Other current financial investments	23	29,164,672	27,092,858	432,482	818,973	-	-	29,597,154	27,911,831
Cash and cash equivalents	27	21,908,504	15,741,527					21,908,504	15,741,527
Total		90,374,328	79,343,177	432,482	818,973	51,129,757	38,497,260	141,936,567	118,659,410

		Company							
		Assets at amortised cost		Assets at fair value through profit and loss (FVTPL)		Assets at Fair Value through OCI		Total	
As at 31 March,		2025	2024	2025	2024	2025	2024	2025	2024
	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Assets as per balance sheet									
Non Current Assets									
Other non current financial investments	23	724,380	767,468	-	-	46,344,668	35,521,860	47,069,048	36,289,328
Current Assets									
Trade and other receivables	25	229,084	2,540	-	-	-	-	229,084	2,540
Amounts due from related companies	36.1.1	526,553	479,062	-	-	-	-	526,553	479,062
Other current financial investments	23	4,973,849	5,367,238	111,897	87,333	-	-	5,085,746	5,454,572
Cash and cash equivalents	27	4,503	18,151	-	-	-	-	4,503	18,151
Total		6,458,369	6,634,459	111,897	87,333	46,344,668	35,521,860	52,914,934	42,243,653

37.1.2 Accounting classification of financial liabilities

		Group					
		Financial liabilities at fair value through profit or loss		Financial liabilities measured at amortised cost		Total	
As at 31 March,		2025	2024	2025	2024	2025	2024
	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Liabilities as per balance sheet							
Non current liabilities							
Interest bearing loans and borrowings	31	-	-	35,899,296	40,618,111	35,899,296	40,618,111
Lease Liability	32	-	-	12,490,090	13,616,249	12,490,090	13,616,249
Current Liabilities							
Trade and other payables	35	-	-	32,386,651	34,547,068	32,386,651	34,547,068
Amount due to related companies	36.1.2	-	-	2,300,791	1,663,646	2,300,791	1,663,646
Interest bearing loans and borrowings	31	-	-	11,859,273	9,533,449	11,859,273	9,533,449
Bank overdrafts and other short term borrowings	27	-	-	27,322,884	29,506,705	27,322,884	29,506,705
Lease Liability	32	-	-	1,855,824	2,717,191	1,855,824	2,717,191
Total		-	-	124,114,809	132,202,419	124,114,809	132,202,419

		Company					
		Financial liabilities at fair value through profit or loss		Financial liabilities measured at amortised cost		Total	
As at 31 March,		2025	2024	2025	2024	2025	2024
	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Liabilities as per balance sheet							
Non current liabilities							
Lease Liability	32	-	-	-	8,825	-	8,825
Current Liabilities							
Trade and other payables	35	-	-	139,237	456,159	139,237	456,159
Amount due to related companies	36.1.2	-	-	618,600	548,785	618,600	548,785
Bank overdrafts and other short term borrowings	27	-	-	5,116,202	4,873,849	5,116,202	4,873,849
Lease Liability	32	-	-	8,828	7,789	8,828	7,789
Total				5,882,867	5,895,407	5,882,867	5,895,407

37.2 Cash flow hedge

During 2017/2018 a subsidiary company in the Group designated a hedge relationship between its highly probable EURO denominated sales and its foreign currency denominated borrowings.

The risk management objective of this cash flow hedge is to hedge the risk of variation in the foreign currency exchange rates associated with EURO currency denominated forecasted sales.

The risk management strategy is to use the foreign currency variability (gains /losses) arising from the revaluation of foreign currency borrowing due to the changes in spot foreign exchange rates to off-set the variability due to foreign exchange rate movements, on LKR conversion of EURO denominated forecasted sales.

The effective portion of the gain or loss on the hedging instrument is recognised in the Other Comprehensive Income Statement (OCI) and any ineffective portion is recognised immediately in the Income Statement.

The amount recognised in Other Comprehensive Income is transferred to the Income Statement when the hedge transaction occurs (when the forecasted revenue is realised). If the forecasted transaction is no longer expected to occur, the cumulative gain or loss previously recognised in Other Comprehensive Income is transferred to the Income Statement.

Cash flow hedge reserve reflects the effective portion of the gain or loss on the hedging instrument. The cash flow hedging reserve as at 31st March 2025 represents the foreign currency variability arising from the revaluation of foreign currency borrowings due to the changes in spot LKR/EUR exchange rate that is expected be set off from the variability of exchange rates of highly probable EURO denominated sales (namely “All Inclusive” apartment revenue) expected to occur from 1st quarter of 2017/18 up to the tenor of refinanced borrowings.

Hedging instrument - Out of the foreign currency borrowing of EURO 40.0 million in January 2017, EURO 34.1 million is designated for the hedge from April 2017.

Further, the outstanding balance of the borrowing of EURO 32.6 million as at 31st March 2018 was refinanced effective from the 1st quarter of 2018/2019 for an extended tenor.

Hedged item – Highly probable EURO denominated sales (Named “All Inclusive” apartment revenue) expected to occur from April 2017 to March 2029.

During the year the effective portion of the hedging instrument being a gain of Rs. 679.0 million (2023/2024 - loss of Rs. 1,501.5 million) was recognised in the other comprehensive income statement (OCI) and no ineffective portion was recognised during 2024/2025 financial year. In 2023/2024 a loss of Rs. 15.2 million was identified as ineffective portion which was recognised in the income statement under net foreign exchange gain/ (loss) in other operating income.

In respect of the cash flow hedge instrument, Group recognised Rs. 1,341.3 million (2023/2024 - Rs. 1,644.9 million) under cash flow hedge reserve being the Group’s portion of the fair value loss recognised by the subsidiary.

38 FAIR VALUE MEASUREMENT

38.1 Fair value measurement hierarchy

The Group and the Company use the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation techniques:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

		Group							
		Level 1		Level 2		Level 3		Total	
As at 31 March,		2025	2024	2025	2024	2025	2024	2025	2024
	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Non Current Assets									
Property Plant and Equipment	15								
Freehold land		-	-	-	-	35,711,429	34,400,282	35,711,429	34,400,282
Freehold Buildings		-	-	-	-	83,213,298	87,506,194	83,213,298	87,506,194
Investment Properties	17								
Freehold land		-	-	-	-	7,812,578	7,675,772	7,812,578	7,675,772
Freehold Buildings		-	-	-	-	1,088,017	1,029,376	1,088,017	1,029,376
Consumable biological assets		-	-	-	-	8,766,660	7,975,873	8,766,660	7,975,873
Other non current financial investments	23								
Fair Value Through OCI	23.1								
Quoted equity securities	23.1.1	50,665,405	38,028,118	-	-	-	-	50,665,405	38,028,118
Unquoted equity securities	23.1.2	-	-	-	-	269,155	275,911	269,155	275,911
Investments in unit trusts	23.1.3	-	-	-	-			-	-
Government Securities	23.1.4	195,197	193,231	-	-	-	-	195,197	193,231
Quoted Debt securities	23.1.5	-	-	-	-	-	-	-	-
Other current financial investments	23								
Fair value through profit or loss (FVTPL) financial investments	23.2								
Quoted equity securities.	23.2.1	366,946	280,802	-	-	-	-	366,946	280,802
Investments in unit trusts.	23.2.2	65,536	538,171	-	-	-	-	65,536	538,171
Total		51,293,084	39,040,322	-	-	136,861,137	138,863,408	188,154,221	177,903,730

As at 31 March,	Note	Company							
		Level 1		Level 2		Level 3		Total	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Non Current Assets									
Investment Property	17	-	-	-	-	7,021,308	7,478,541	7,021,308	7,478,541
Other non current financial investments	23								
Fair Value Through OCI	23.1								
Quoted equity securities	23.1.1	46,344,668	35,521,860	-	-	-	-	46,344,668	35,521,860
Current Assets									
Other current financial investments	23								
Fair value through profit or loss (FVTPL) financial investments	23.2								
Quoted equity securities.	23.2.1	111,897	87,333	-	-	-	-	111,897	87,333
Total		46,456,565	35,609,193	-	-	7,021,308	7,478,541	53,477,873	43,087,734

38.2 Reconciliation of fair value measurement of "Level 3" financial instruments

For the year ended 31 March,	Group Unquoted equity securities Rs.'000
Balance as at 31st March 2024	275,911
Exchange difference	-
Total gains and losses recognised in other comprehensive income	-
- Net change in fair value of financial assets measured at FVOCI (unrealised)	(6756)
Balance as at 31st March 2025	269,155

38.2.1 Transfers between levels of fair value hierarchy

There were no transfers between Level 1, Level 2 and Level 3 during the year.

38.2.2 Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used by both the Group and the Company in measuring Level 2 and Level 3 fair values, and the significant unobservable inputs used.

38.2.2.1 Assets and liabilities measured at fair value - Recurring

Assets and liabilities	Valuation technique	Significant unobservable inputs	Sensitivity of the input to the fair value
Property, plant and equipment			
Freehold land	Market comparable method This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature and location of the property.	Price per perch of land (Note 15.2)	Estimated fair value would increase (decrease) if ; – Price per perch increases (decreases)
Freehold Building	Market comparable method This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature and location of the property.	Price per Sq Ft of Building (Note 15.2)	Estimated fair value would increase (decrease) if ; – Price per Sq Ft increases (decreases)
Investment Properties			
Investment land	Market comparable method This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature and location of the property.	Price per perch of land (Note 17.1)	Estimated fair value would increase (decrease) if ; – Price per perch increases (decreases)
Investment Building	Market comparable method This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature and location of the property.	Price per Sq Ft of Building (Note 17.1)	Estimated fair value would increase (decrease) if ; – Price per Sq Ft increases (decreases)

Assets and liabilities	Valuation technique	Significant unobservable inputs	Sensitivity of the input to the fair value
Other financial assets			
Unquoted equity securities	Net assets basis	Carrying value of assets and liabilities adjusted for market participant assumptions.	Variability of inputs are insignificant to have an impact on fair values.
	Market return on a comparable investment	Current market interest rates	Not applicable
Derivative financial assets / liabilities			
Forward foreign exchange contracts	**Market comparison technique** The fair values are based on quotes from banks and reflect the actual transactions of similar instruments.	Forward exchange rates as at reporting date.	Not applicable

38.2.2.2 Assets and liabilities for which fair values are disclosed - Recurring

Assets and liabilities	Valuation technique	Significant unobservable inputs
Investment property		
Freehold land	**Market comparable method** This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature and location of the property.	Price per perch of land
Other financial assets		
Unquoted debt securities Other bank deposits	Discounted cash flows	Current market interest rates
Interest-bearing liabilities	Discounted cash flows	Current market interest rates

38.2.2.3 Assets and liabilities measured at fair value - Non-recurring

Assets and liabilities	Valuation technique	Significant unobservable inputs
Assets classified as held for sale	Valued at the cash available with the disposal group held for sale.	Not applicable

39 AMOUNT DUE FROM THE SECRETARY TO THE TREASURY ON ACCOUNT OF SLIC

a) In respect of Shares

As per the Judgment delivered by the Supreme Court of the Democratic Socialist Republic of Sri Lanka on 4 June 2009 it was declared and directed that the shares of SLIC purported to have been sold to Distilleries Consortium on 11 April 2003 along with any shares purchased from employees as per SSPA shall be deemed to have been held for and on behalf of the Secretary to the Treasury.

As directed by the said judgment, the Secretary to the Treasury returned Rs.5,716 Mn in 2010/11 that was paid by Group Subsidiary Milford Holdings (Pvt) Limited (MHL) to purchase shares from SLIC.

b) In respect of Profits Earned

Furthermore, MHL was entitled to retain the profits of SLIC derived by MHL from 11 April 2003 to 04 June 2009 in lieu of the interest for the aforesaid investment. The Secretary to the Treasury was directed to cause profits of SLIC to be computed and audited from the date of the last audited Reporting of SLIC to 04 June 2009 to enable MHL to obtain such profits.

However, Secretary to the Treasury has not yet determined the value of profits to be retained by the MHL; hence no adjustments were made to the financial statements in this regards.

However, Secretary to the Treasury has not settled the profits made by SLIC to MHL.

40 IMPACT OF REVIVAL OF UNDERPERFORMING ENTERPRISES AND UNDERUTILISED ASSETS BILL – PELWATTE SUGAR INDUSTRIES PLC GROUP (PSIP)

Consequent to the enactment and passage of the above Act of Parliament on 9 November 2011, the state officials are occupying the land leased to PSIP. As the leasing of the land to PSIP was done in 1985, and the above mentioned Act empowers the vesting of land leased during a period of 20 years before the enactment of the Act. The Company believes that the land that was used by PSIP have not been vested in the state. At this moment the management is unable to comment further on the implications on the ruling as the Company is awaiting instructions by the Secretary to the Treasury.

Financial results up to 30 September 2011 were consolidated to Group results for the year ended 31 March 2012. Subsequent financial results have not been incorporated to the Group results due to non accessibility of the information. Subsequently a Compensation Tribunal was formed as required by the Act. Without assuming any liability or without any prejudice to, or impact on its rights, PSIP has submitted a claim to the Compensation Tribunal.

Commercial High Court of Western Province (Colombo Civil) issued a winding-up order of Pelwatte Sugar Industries PLC on 13 March 2013. The Court has appointed P.E.A. Jayewickreme and G.J. David, as the Liquidators.

41 PENDING LITIGATIONS AND CONTINGENT LIABILITIES

Based on the information currently available, management is of the view that, other than the matters disclosed below, there are no material contingent liabilities, litigation, or claims that would have a material impact on the Group's financial position.

41.1 Legal Proceedings on Labour and Other Disputes:

Several legal cases and disputes are pending against certain subsidiary companies of the Group in the Labour Tribunal and other courts. These matters are being vigorously contested, and, based on advice from the Group's legal counsel, the likelihood of an unfavourable outcome and the potential financial effect, including the amount or range of any possible loss, cannot be reliably determined at this stage

There are no legal cases and disputes pending against the company (Melstacorp PLC) in Labour Tribunal or Courts as at balance sheet date.

41.2 Contingent liabilities on corporate guarantees

As at 31 March 2025, there were no contingent liabilities arising from corporate guarantees provided by Melstacorp PLC to its subsidiaries within the Group or to equity-accounted investees

As at the same date, contingent liabilities arising from corporate guarantees provided by subsidiaries and equity-accounted investees to other companies within the Group amounted to Rs. 17,441 million. Neither Melstacorp PLC, its subsidiaries, nor its equity-accounted investees have provided corporate guarantees on behalf of entities outside the Group as at 31 March 2025..

41.3 Contingent Liabilities Relating to Tax/ Duty Assessments and Penalties

41.3.1 Melstacorp PLC

The Company has received an income tax assessment dated 9th August 2022 from the Commissioner General of Inland Revenue imposing an additional income tax liability of Rs. 11.4 Bn and a penalty of Rs. 5.7 Bn against the Company for the year of assessment 2016/17 in relation to the Group's restructuring transactions.

The Company filed a writ application in the Court of Appeal challenging the legality of the assessment(s). Following the completion of oral and written submissions by the parties, the Court of Appeal issued an interim order on 28th June 2023, restraining the Commissioner General of Inland Revenue from taking any further steps pursuant to the Letter of Intimation, the Notice of Assessment, the Penalty Notice, and the Tax in Default Notice until a final determination is made on this petition.

Subsequently, on 28th July 2023, the Hon. Attorney General applied for Special Leave to appeal to the Supreme Court against the interim order. The interim order, delivered on 28th June 2023, was set aside, and in the Supreme Court case bearing No. SC/SPL/LA 206/23, the Hon. Attorney General has undertaken to inform the Inland Revenue Department not to take action until the application for interim relief is supported afresh.

When the above two cases were called on 13th June 2025, both parties agreed to argue the entire case without addressing the interim relief. Accordingly, the two cases will be called on 17th September 2025

Having considered both the procedural and substantive grounds for contesting the assessment, the Company is of the view that it is not probable that this assessment will result in any tax liability

41.3.2 Distilleries Company of Sri Lanka PLC

The Company has received an income tax assessment dated 9th August 2022 from the Commissioner General of Inland Revenue imposing an additional income tax liability of Rs. 4.1 Bn and a penalty of Rs. 2.0 Bn against the Company for the year of assessment 2016/17 in relation to the Group's restructuring transactions.

The Company filed a writ application in the Court of Appeal challenging the legality of the assessment(s). Following the completion of oral and written submissions by the parties, the Court of Appeal issued an interim order on 28th June 2023, restraining the Commissioner General of Inland Revenue from taking any further steps pursuant to the Letter of Intimation, the Notice of Assessment, the Penalty Notice, and the Tax in Default Notice until a final determination is made on this petition.

Subsequently, on 28th July 2023, the Hon. Attorney General applied for Special Leave to appeal to the Supreme Court against the interim order. The interim order, delivered on 28th June 2023, was set aside, and in the Supreme Court case bearing No. SC/SPL/LA 205/23, the Hon. Attorney General has undertaken to inform the Inland Revenue Department not to take action until the application for interim relief is supported afresh. The case is now due to be called on 26th September 2024.

When the above two cases were called on 13th June 2025, both parties agreed to argue the entire case without addressing the interim relief. Accordingly, the two cases will be called on 17th September 2025

Having considered both the procedural and substantive grounds for contesting the assessment, the Company is of the view that it is not probable that this assessment will result in any tax liability

41.3.3 Aitken Spence PLC-Group

(a) Aitken Spence Travels (Pvt) Ltd, a subsidiary of the Group was assessed by the Department of Inland Revenue on Income tax for the years of assessment 2009/2010, 2010/2011, 2011/2012, 2012/2013, 2013/2014, 2014/2015 and 2015/2016. The Tax Appeals Commission hearing the appeals determined the matters in favour of Aitken Spence Travels (Pvt) Ltd for the years of assessment stated above. The Department of Inland Revenue appealed against the determinations of the Tax Appeals Commission to the Court of Appeal for the above years of assessment. The Court of Appeal decided in favour of the company for the years of assessment 2009/2010, 2010/2011 and 2011/2012. The Department of Inland Revenue appealed against the decisions of the Court of Appeal for the years of assessment 2009/2010, 2010/2011 and 2011/2012 to the Supreme Court. The Supreme Court hearing the appeal for the year of assessment 2009/2010 refused to grant leave to proceed. For the year of assessment 2010/11, it was brought to the notice of the Supreme Court that this was based on the same facts where the court has already held in favour of the Company. Thereafter, the matter was withdrawn by the Department of Inland Revenue and the matter was dismissed by the Supreme Court. Therefore, the judgements of the Court of Appeal for the years of assessment 2009/2010 and 2010/2011, which was decided in favour of the Company prevailed. The contingent liability on income tax and penalties for year of assessment 2011/2012, which is pending in the Supreme Court is estimated to be Rs. 80.6 million. Based on expert advice and the decisions of the Tax Appeals Commission and the higher courts, the directors are confident that the ultimate resolution of the cases will not have a material adverse impact on the financial statements of the Group.

(b) Ace Containers (Pvt) Ltd., a subsidiary of the Group was issued with value added tax assessments for the taxable periods 2019 January (1911), 2019 April (1921) and 2019 May (1922). The Tax Appeals Commission hearing the appeals determined the matters in favour of the Department of Inland Revenue for the above taxable periods. Ace Containers (Pvt) Ltd appealed against the above determinations to the Court of Appeal for the above taxable periods. Based on expert advice the directors are confident that the ultimate resolution of the case will not have a material adverse impact on the financial statements of the Group.

(c) Cey Spence (Pvt) Ltd which was previously an equity accounted investee and was proposed to be liquidated, and the share of net assets of which is reflected under assets classified as held for sale in the consolidated financial statements of the Group was issued an income tax assessment under the Inland Revenue Act in relation to the year of assessment 2007/2008. The Court of Appeal hearing the appeal has determined the income tax assessment in favour of the Department of Inland Revenue. Pursuant to the determination of the Court of Appeal the company has appealed against the determination to the Supreme Court. The contingent liability to the Group is estimated to be Rs. 70 million inclusive of any penalties. Based on expert advice the directors are confident that the ultimate resolution of the case will not have a material adverse impact on the financial statements of the Group.

41.3.4 Periceyl (Pvt) Ltd

(a) Tax Disputes Relating to Share Buyback Transactions –

The Group is contesting two further tax assessments issued by the Commissioner General of Inland Revenue (CGIR) concerning share repurchase transactions carried out by Periceyl (Pvt) Ltd, a wholly owned subsidiary of Melstacorp PLC.

(i) Year of Assessment 2016/2017

The total assessed amount is Rs.886.14 million, comprising dividend tax of Rs. 590.76 million and a penalty of Rs. 295.38 million. In July 2016, Periceyl (Pvt) Ltd repurchased 38,500 shares from Melstacorp PLC for Rs. 2.5 billion. The Commissioner General of Inland Revenue (CGIR) has challenged this transaction, treating it as a distribution of retained earnings subject to dividend tax.

The company appealed the assessment to the Tax Appeals Commission (TAC) on 25 November 2024 and has submitted a bank guarantee of Rs. 221.54 million on 31st January 2025. The matter is currently under hearing, with the next session scheduled for 2nd September 2025.

The Company has obtained legal and tax advice on the matter and, based on this advice, has determined that no provision for the assessed amount is required in these financial statements.

(ii) Year of Assessment 2018/2019

The total assessed amount is Rs.125.95 million, comprising dividend tax of Rs. 66.64 million, interest and penalty thereon, Rs. 59.31 million. In March 2018, Periceyl (Pvt) Ltd repurchased 140 million shares from Melstacorp PLC for Rs.546 million. The Commissioner General of Inland Revenue (CGIR) has challenged this transaction, treating it as a distribution of retained earnings subject to dividend tax (WHT).

The matter was initially heard by the Tax Appeals Commission (TAC) and is currently under appeal before the Court of Appeal. The matter is currently under hearing, with the next session scheduled for 4th September 2025.

The Company has obtained legal and tax advice on the matter and, based on this advice, has determined that no provision for the assessed amount is required in these financial statements.

41.3.4 Melsta Logistics (Pvt) Ltd

There were no material contingent liabilities as at 31 March 2025 which require adjustments to / or disclosure in the Financial Statements except as detailed below.

The Company received a tax assessment in May 2017, against the year of assessment 2014/15, regarding the tax treatment concerning capital allowances claimed on its buildings in Seeduwa and Kandy and the assessed amount is Rs. 6,182,045/-.

The matter has progressed through the standard tax appeal process, culminating in an unfavorable determination by the Tax Appeal Committee (TAC) of the Inland Revenue Department (IRD). Subsequently, the Company has lodged an appeal with the Court of Appeal, and the hearings are currently pending.

Based on expert advice and the decisions of the Tax Appeals Commission , the directors are confident that the ultimate resolution of the cases will not have a material adverse impact on the financial statements of the Group.

41.4 Contingent Liabilities Relating to Legal Proceedings and Claims (Excluding Tax Assessments)

41.4.1 Distilleries Company of Sri Lanka PLC

Supreme court case No. SC/Appeal 31/2009 (Commercial high court of Colombo Case No. 147/2005) (1) . A . Pliant filed by the Censtar International (Pvt) Ltd against the company claiming a sum of Rs. 17,982,358.38 with interest and costs. A claim in reconvention filed for Rs. 500,000,000/- and the matter was argued 24.10.2023 and delivery of the judgement has been reserved with no further date. Based on expert advice the directors are confident that the ultimate resolution of the case will not have a material adverse impact on the financial statements of the Group.

41.4.2 Aitken Spence PLC-Group

Action was instituted in the Commercial High Court in 2009 by a prospective buyer for the repayment of the advance monies and other related amounts paid by them, for the purchase of a ship which was owned by Ceyaki Shipping (Pvt) Ltd., (an Associate company) which is classified as held for sale in the consolidated financial statements of the Group. The company contested the action as it deemed that the amount was not due and owing to the prospective buyer. The Commercial High Court delivered a determination in favour of the prospective buyer in March 2013. Consequently, Ceyaki Shipping (Pvt) Ltd., appealed to the Supreme Court against the determination of the Commercial High Court. Judgment is currently pending. The directors are confident that the ultimate resolution of the case will not have a material adverse impact on the financial statements of the Group.

42 CAPITAL AND OTHER COMMITMENTS

There were no material capital expenditure approved by the Board of Directors as at 31 March 2024 other than followings;

42.1 Aitken Spence PLC

Commitments for capital expenditure for subsidiaries

	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Approximate amount approved but not contracted for	10,034,205	8,778,916
Approximate amount contracted for but not incurred	804,970	1,016,261
	10,839,175	9,795,177

The above includes Rs. 10,544.4 million (2023/2024 - Rs. 9,428.9 million) for the acquisition of property, plant and equipment and Rs. 294.8 million (2023/2024 - Rs. 366.3 million) for the acquisition of intangible assets.

Commitments for capital expenditure for joint ventures

	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Approximate amount approved but not contracted for	920,278	125,577
Approximate amount contracted for but not incurred	25,619	22,834
	945,897	148,411

The amount shown is the Group's share of capital commitments by equity accounted investees.

The above includes Rs. 935.3 million (2023/2024 - Rs. 138.4 million) for the acquisition of property, plant and equipment and Rs. 10.6 million (2023/2024 - Rs. 10 million) for the acquisition of intangible assets.

Browns Beach Hotel PLC

Commitments for capital expenditure for joint ventures

	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Approximate amount approved but not contracted for	46,857	-
Approximate amount contracted for but not incurred	2,682	-
	49,539	-

43 ASSETS PLEDGED

Following assets have been pledged as securities for liabilities.

Company	Nature of Liability	Security		Value of the assets pledged (Rs.'000) 2025
		Description	Asset type	
Texpro Industries (Pvt) Ltd	Long term loan	The Company has provided existing primary floating mortgage bond for USD 3.262 Mn over land, building and immovable machinery at Ranala as collateral against the bank facility and borrowings.	Property, Plant and Equipment	434,250
Negombo Beach Resorts (Pvt) Ltd	Long term loan	Freehold land and building of the Hotel has been mortgaged.	Property, Plant and Equipment	5,308,064
Aitken Spence PLC	Term Loans and overdrafts	Property, Plant and Equipment of the group were pledged	Property, Plant and Equipment	49,745,200
		Equity shares invested in subsidiaries were pledged	Investments in Shares	4,830,700
		right-of-use assets pledged by the Group as security for interest-bearing liabilities obtained from banks	Right of Use Assets	8,807,200
		pledged by the Group as security for facilities obtained from banks	Inventory	300,500

44 DISCONTINUED OPERATIONS

During the financial year 2024/25, Melstacorp PLC discontinued its operations in the following subsidiaries, which have accordingly been classified as discontinued operations in accordance with SLFRS 5 – Non-current Assets Held for Sale and Discontinued Operations:

Lanka Bell Group – a national CDMA service provider
Melsta Laboratories (Pvt) Ltd – a diagnostic services provider
Texpro Industries (Pvt) Ltd – a manufacturer of dyed and printed woven fabrics

The results of these entities have been separately presented as discontinued operations in the Statement of Profit or Loss, with prior year comparatives re-presented accordingly

Results of discontinued operations For the year ended 31 March,	2025 Rs.'000	2024 Rs.'000
Gross revenue	409,486	1,707,144
Excise duty	-	-
Cost of sales and net benefits paid	(1,702,077)	(1,885,407)
Gross profit	(1,292,591)	(178,263)
Other operating income	1,877,719	96,187
Selling and distribution expenses	(142)	(168,568)
Administrative expenses	(247,983)	(627,434)
Other operating expenses	(38,581)	(1,757,539)
Results from operating activities	298,422	(2,635,617)
Finance income	475	167,609
Finance costs	(246,791)	(374,682)
Net finance income/(Costs)	(246,316)	(207,073)
Profit before income tax expense	52,106	(2,842,689)
Taxation	(9,905)	35,725
Profit for the year	42,201	(2,806,964)
Gain on disposal of discontinued operations	-	-
Income tax on gain on disposal of discontinued operations	-	-
Loss from continued operations (Net of Tax)	42,201	(2,806,964)
Profit attributable to:		
Equity holders of the parent	(157,245)	(2,724,550)
Non controlling interest	199,446	(82,414)
	42,201	(2,806,964)
Basic earnings per share	(0.13)	(2.34)
Diluted earnings per share	(0.13)	(2.34)

45 EVENTS AFTER THE REPORTING PERIOD

Except for the matters set out below, there were no material events occurring after the reporting date that require adjustment to, or disclosure in, the financial statements

(a) Corporate Guarantees

On 13 June 2025, Melstacorp PLC provided corporate guarantees amounting to Rs. 6.5 billion in respect of banking facilities obtained by the following companies within the Group and affiliated companies:

1. Distilleries Company of Sri Lanka PLC
2. Lanka Milk Foods (CWE) PLC
3. United Dairies Limited
4. Lanka Dairies (Pvt) Ltd
5. Ambewela Products (Pvt) Ltd

(b) Acquisition of Minority Shareholding

Subsequent to the reporting date, Distilleries Company of Sri Lanka PLC acquired the remaining minority shareholding of 8,170,297 shares in Texpro Industries Limited for a consideration of Rs. 1/-. The acquisition was undertaken as part of a restructuring of a strategic asset within the Beverage Sector. Following this transaction, the Company's shareholding in Texpro Industries Limited increased to 92.44%.

(c) Cease of business operations in subsidiaries

Group has ceased its operations in Melsta Pharmacuiticals (Pvt) Ltd , retail pharamcy operator in June 2025

(d) Third Interim dividend 2024/25

The Board of Directors of the Company has approved the third interim dividend of Rs. 1.72 per share for the year 2024/2025. Details of the dividend is disclosed in note 14 to the financial statements.

46 COMPARATIVE INFORMATION AND RECLASSIFICATION DUE TO DISCONTINUED OPERATIONS

Comparative Information

Comparative figures have been reclassified, where necessary, to conform with the presentation adopted in the current year's financial statements. These reclassifications have been made to improve comparability and do not affect previously reported total assets, total liabilities, total equity, or profit attributable to equity holders of the parent.

Discontinued Operations

During the current financial year, the Group classified certain operations as discontinued in accordance with SLFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. As a result, the prior year's comparative information has been re-presented to separately disclose the results of discontinued operations from those of continuing operations.

The impact of the reclassification on the prior year's Statement of Profit or Loss is summarized below:

For the year ended 31 March 2024	As previously reported Rs.'000	Reclassification Rs.'000	As re-presented Rs.'000
Gross revenue	235,686,109	(1,707,144)	233,978,965
Excise duty	(70,966,255)	-	(70,966,255)
Cost of sales and net benefits paid	(90,345,477)	1,885,407	(88,460,070)
Gross profit	74,374,377	178,263	74,552,640
Other operating income	2,534,457	(96,187)	2,438,270
Selling and distribution expenses	(5,006,458)	168,568	(4,837,890)
Administrative expenses	(30,636,097)	627,433	(30,008,664)
Other operating expenses	(2,454,200)	1,757,539	(696,661)
Results from operating activities	38,812,079	2,635,616	41,447,695
Finance income	5,556,842	(167,609)	5,389,233
Finance costs	(15,866,769)	374,682	(15,492,087)
Net finance income/(Costs)	(10,309,927)	207,073	(10,102,854)
Share of profit of equity-accounted investees (net of tax)	984,653	-	984,653
Profit before income tax expense-Continuing operations	29,486,805	2,842,689	32,329,494
Taxation	(16,768,953)	(35,725)	(16,804,678)
Profit for the year - Contnuing operations	12,717,852	2,806,964	15,524,816
Profit/ (loss) from discontinued operations (Net of Tax)	-	(2,806,964)	(2,806,964)
Profit for the year	12,717,852	-	12,717,852

47 FINANCIAL RISK MANAGEMENT

Financial instruments used by the Group in its business activities contain multiple variables that are affected by various market and environmental conditions. Such variations are generally not within the control of the users, and therefore cause fluctuations in values of financial instruments. Fluctuations in value could result in a situation undesirable to the Group thereby exposing it to risk. These risks need to be managed, as unmanaged risks can lead to unplanned outcomes where the Group could fall short of its financial and budgetary objectives. The Group has adopted a financial risk management strategy aimed at minimising the risks associated with the use of financial instruments by establishing several policies and guidelines that are followed by the companies in the Group. These policies and guidelines are reviewed from time to time and updated to reflect current requirements in accordance with the developments in the operating environment.

Group's core business of beverage is essentially a cash business hence has a short cash cycle. This results in low financial risk adding to greater degree of control of finance. Other sectors such as Telecommunication, Plantation, Insurance, Finance and other diversified holdings exercise policies stemming from Melstacorp's practices of effective financial risk management as common members of the board ensures uniformity. Continental Insurance is exceptional and adhere to an even higher degree of management to comply with IBSL regulatory compliance/guidelines respectively.

Financial Instruments

Group's financial instruments consist of ASSETS - its portfolio of equity investments, deposits in banks, accounts receivable. LIABILITIES - Loan obligations, accounts payable and accrued liabilities such excise duty, taxes and payroll.

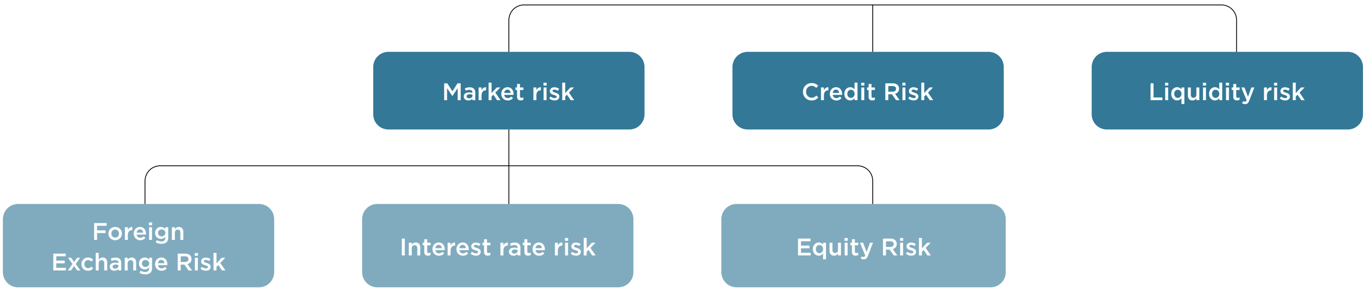
Financial Risk Management Objectives and Policies

Whilst 'risk management' is ingrained in the business from the Board down to operational level, financial risk management at Group is entrusted to a niche of in-house financial professionals ably supported by external economists, financial consultants, legal counsel, tax experts, banks and auditors.

In the normal course of business, the Group is exposed to financial risks that have the potential to negatively impact its financial performance. This is further accredited by the AAA/Stable rating assigned by Fitch this year.

This part of the report covers the financial impact that could arise from market risk, credit risk and liquidity risk, the most important elements of the financial risk that the Group is subject to.

The Group has exposure to the following risks from financial instruments



47.1 Market risk

Fluctuations of those market driven variables that affect cashflows arising from financial instruments can result in the actual outcome being different to expected cashflows thereby creating the market risk. Variables such as interest rates and exchange rates can move in directions different to those originally expected and the consequent cashflows could be different to the originally anticipated cashflows.

Market risk could result in the revenues and expenses of the Group being adversely affected and impacting the profit attributable to the shareholders. In order to identify, manage and minimise the market risk, the Group has put into practice a number of policies and procedures.

47.1.1 Currency risk

The currency risk arises when a financial transaction is denominated in a currency other than that of the reporting currency of an entity. The Group has operations in a number of regions across the globe and conducts business in a variety of currencies. The Group's worldwide presence in many geographies exposes it to the currency risk in the form of transaction and translation exposure.

Transaction exposure arises where there are contracted cashflows (receivables and payables) of which the values are subject to unanticipated changes in exchange rates due to contracts being denominated in a foreign currency. Translation exposure occurs due to the fluctuations in foreign exchange rates and arises to the extent to which financial reporting is affected by exchange rate movements when the reporting currency is different to those currencies in which revenues, expenses, assets and liabilities are denominated.

As the Group transacts in many foreign currencies other than the Sri Lankan rupee which is the reporting currency, it is exposed to currency risk on revenue generation, expenses, investments and borrowings. The Group has significant investments in the Maldives, India, Oman and Fiji where the net assets are exposed to foreign currency translation risk. Revenue generations and expenses incurred in these geographies are exposed to foreign currency transaction risk.

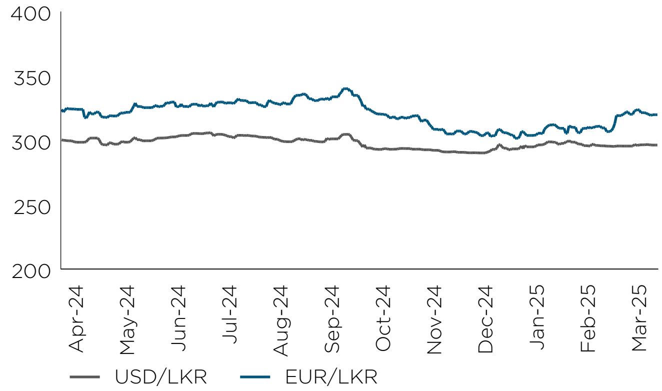
The total interest-bearing liabilities of the Group denominated in US dollar and Euro amounted to Rs. 35.09 billion (2024: Rs.33.6 billion). The overseas investments made by the Group during the financial year were mostly financed through US dollar denominated borrowings from international and local banks. The translation exposure resulting from foreign currency borrowings has been hedged to a great extent by the acquisition of financial assets denominated in matching foreign currencies. A significant portion of the foreign currency borrowings have been made by the Group companies with incomes in foreign currencies, especially in the tourism and strategic investments sectors. Transaction exposures are usually minimised by selectively entering into forward contracts when future cashflows can be estimated with reasonable accuracy with regard to amounts as well as timing. The Group treasury monitors foreign exchange markets on a continuous basis and advises on appropriate risk mitigating strategies.

The Group actively evaluates the possibility of employing hedge accounting to mitigate the exposure to currency risk by designating an effective relationship between foreign currency denominated transaction with assets or liabilities. Hedge accounting enables to minimise the timing differences in recognising foreign currency translation impact to the income statement or other comprehensive income statement and to effectively capture the economic substance of the transaction.

Movement in exchange rates during the year ended 31st March 2025

	Lowest Level		Highest Level		Spread	Year end rate
	Rate	Date	Rate	Date		
USD/LKR	290.21	13.12.2024	306.01	01.07.2024	15.8	296.32
EUR/LKR	301.62	03.01.2025	340.21	23.09.2024	38.59	319.86

USD/LKR & EUR/&LKR



EUR/USD

During the Financial Year 2024–2025, the Sri Lankan Rupee's value against the US Dollar reached its weakest point at 306.01 in early July 2024. Following this, the LKR began a period of gradual appreciation against the USD, strengthening considerably until mid- December 2024, when it reached its strongest point at 290.21. A modest weakening of the LKR occurred in early 2025 before its value against the USD stabilised in the approximate range of 295-297 by March 2025. Overall, this period reflects a continued net appreciation of the Sri Lankan Rupee against the US Dollar, extending the trend observed in the previous year. When compared to the previous year, the LKR's value against the USD exhibited reduced volatility in the current financial year, showing signs of stability in the exchange rate market.

Foreign currency sensitivity

The main foreign currencies the Group transacts in are the US dollar and the Euro. The exposure to other foreign currencies is not considered as they are mostly related to foreign operations. In order to estimate the impact of the currency risk on financial instruments, a reasonable movement in the USD/ LKR and EUR/LKR exchange rates is assumed based on the observable trend in the market.Reflecting the exchange rate volatility experienced during the financial year, a 5% threshold is applied in the current year's sensitivity analysis. In contrast, the higher exchange rate volatility of the previous financial year required the use of a 10% fluctuation rate for its sensitivity analysis.

	Effect on profit before tax			Effect on equity
	USD net financial assets / (liabilities) USD'000	EUR net financial assets / (liabilities) EUR'000	USD Forward Contracts USD'000	USD'000
As at 31st March 2025				
Net exposure	76,163	(22,217)	-	156,963
LKR depreciates by 10% (Rs.'000)	819,372	(355,850)	-	2,325,567
LKR appreciates by 10% (Rs.'000)	(819,372)	355,850	-	(2,325,567)
As at 31st March 2024				
Net exposure	85,037	(27,259)	-	146,524
LKR depreciates by 15% (Rs.'000)	2,318,068	(889,161)	-	4,402,165
LKR appreciates by 15% (Rs.'000)	(2,318,068)	889,161	-	(4,402,165)

47.1.2 Interest rate risk

Values of financial instruments could fluctuate depending on the movements in interest rates giving rise to interest rate risk. This is a consequence of the changes in the present values of future cashflows derived from financial instruments. Value fluctuations in financial instruments will result in mark to market gains or losses in investment portfolios and could have an impact on reported financial results of the Group.

The Group's investment portfolio consists of a range of financial instruments with both fixed and variable interest rates such as treasury bills and treasury bonds which are subject to interest rate risk. Liabilities with variable interest rates such as AWPLR and LIBOR linked borrowings would expose the Group to cashflow risk as the amount of interest paid would change depending on the changes in market interest rates.

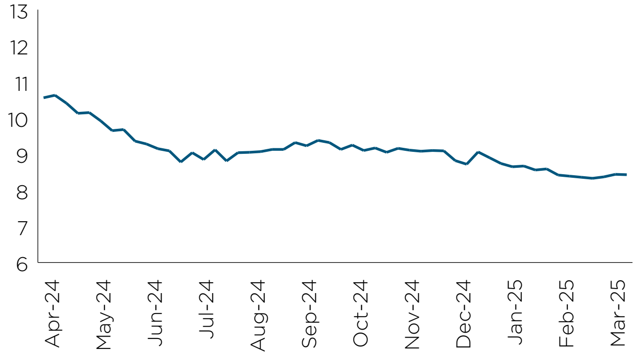
Investments with fixed interest rates would expose the Group to variations in fair values during the marking to market of portfolios. Suitable strategies are used by the Group treasury to manage the interest rate risks in portfolio investments. Using long term interest rate forecasts in order to determine the most suitable duration of investments with the objective of overcoming the re-investment risk as well as to minimise any adverse impact in marking to market of the portfolio is one of the often-used strategies. Interest rate swaps could be used when there is a need to hedge the risks on debt instruments with variable rates. Close monitoring of market trends is carried out to improve the accuracy of such decisions.

The Group treasury monitors the interest rate environment on a continuous basis to advise the sector finance managers on the most suitable strategy with regard to borrowings. The Group usually negotiates long term borrowings during the periods in which interest rates are low in order to extend the favourable impact to future reporting periods..

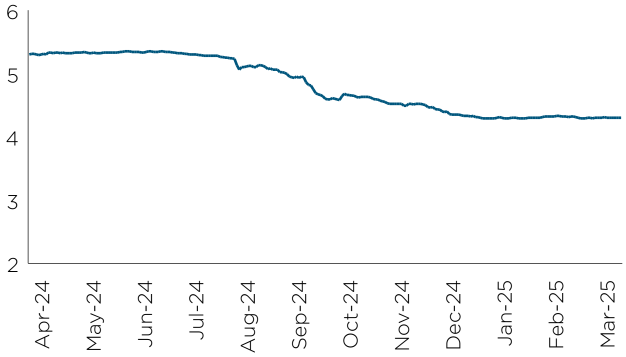
Movement in interest rates during the year ended 31st March 2025

	Lowest Level		Highest Level		Spread (basis points)	Year end rate %
	Rate %	Date	Rate %	Date		
LKR Interest rate (Weekly AWPLR)	8.33	Mar-25	10.63	Apr-24	230	8.43
USD Interest rate - SOFR (3 months)	4.285	Jan-25	5.347	Jun-24	106	4.298

AWPLR



3 Months Term SOFR



Throughout the financial year, the Average Weighted Prime Lending Rate (AWPLR) continued its downward trajectory, albeit with a narrower range of fluctuation compared to the previous year, suggesting a more stable interest rate environment. The 3-month Term Secured Overnight Financing Rate (SOFR) experienced a sharp and sustained decline during the financial year, diverging from the moderate fluctuations and overall upward trend observed in 2023–24.

Interest rate sensitivity

At the reporting date, the interest rate sensitivity analysis for the Group and Company's interest-bearing financial instruments is presented below. This analysis illustrates the potential impact on profit due to probable interest rate movements, assuming all other variables remain constant. To assess interest rate risk on financial instruments, a reasonable movement in interest rates is estimated based on observable market trends. Given the interest rate volatility observed during the financial year, a fluctuation of 250 basis points has been considered for the sensitivity analysis of LKR financial liabilities as at the reporting date. This is a significant decrease from the previous financial year, where higher interest rate volatility necessitated a larger fluctuation of 1,000 basis points. Conversely, the sensitivity threshold for USD financial liabilities has been increased to 100 basis points from 25 basis points in the prior year, reflecting higher interest rate volatility in USD interest rate.

Interest rate sensitivity analysis- Group

As at 31 March,	2025			2024		
	Exposure	Impact on profit		Exposure	Impact on profit	
		LKR Interest rate -250 bp	LKR Interest rate +250 bp		LKR Interest rate -1000 bp	LKR Interest rate +1000 bp
LKR financial liabilities (Rs.'000)	17,683,764	442,094	-442,094	18,586,439	1,858,644	-1,858,644

As at 31 March,	2025			2024		
	Exposure	Impact on profit		Exposure	Impact on profit	
		USD interest rates - 100bp	USD interest rates + 100bp		USD interest rates - 25 bp	USD interest rates + 25 bp
USD financial liabilities (In equivalent Rs.'000)	24,834,581	248,346	-248,346	24,520,732	61,302	-61,302

Interest rate sensitivity analysis- Company

As at 31 March,	2025			2024		
	Exposure	Impact on profit		Exposure	Impact on profit	
		LKR Interest rate -250 bp	LKR Interest rate +250 bp		LKR Interest rate -1000 bp	LKR Interest rate +1000 bp
LKR financial liabilities (Rs.'000)	5,116,202	127,905	-127,905	4,873,849	487,385	-487,385

47.1.3 Equity price risk

The Group has adopted the policy that its investment in subsidiaries, joint ventures and associate companies are recorded at cost as per LKAS 27 and 28 standards and therefore are scoped out from the Sri Lanka Accounting Standards, SLFRS 9 - Financial Instruments.

Investments made by the Group which do not belong to the above categories are classified as financial assets and recorded at fair value in financial statements.

At the reporting date the carrying values of equity investments are as follows

- Quoted equity securities: Rs. 51.03 billion (as at 31.03.2024; Rs. 38.3 Billion)
- Unquoted equity securities: Rs. 269.2 million (as at 31.03.2024; Rs. 275.9 million

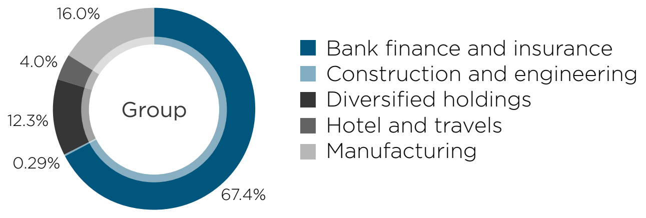
Certain companies of the Group have their major equity investment portfolios held on a long term basis; hence immune to daily fluctuations. Those are classified as financial investments at fair value through OCI (FVTOCI). Further, a small trading portfolio is managed by two reputed Unit Trust companies licensed by the SEC and individual companies manage their own short term portfolios as well. These investments are held by compiling with group investment policies. Safe Custodian agreements with banks are in place that adds a control dimension.

The Group manages the equity price risk through diversification of its investments to each sector. Further the Management daily monitors the reports of the equity portfolios

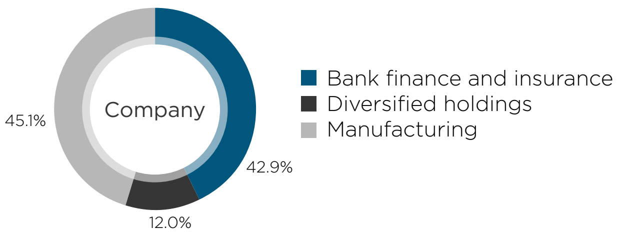
The extend of diversification of short term equity investments (FVTPL) are analysed bellow.

As at 31 March,	Group				Company			
	2025		2024		2025		2024	
	Rs'000	%	Rs'000	%	Rs'000	%	Rs'000	%
Bank finance and insurance	247,217	67.4%	195,872	69.8%	48,004	42.9%	46,248	52.96%
Construction and engineering	1,073	0.29%	657	0.2%	-	0.0%	-	0.00%
Diversified holdings	45,290	12.3%	32,808	11.7%	13,377	12.0%	7,615	8.72%
Hotel and travels	14,723	4.0%	13,362	4.8%	-	0.0%	-	0.00%
Manufacturing	58,643	16.0%	38,103	13.6%	50,516	45.1%	33,470	38.32%
	366,946	100.0%	280,802	100.0%	111,897	100.0%	87,333	100.0%

Short term equity investments (FVTPL)



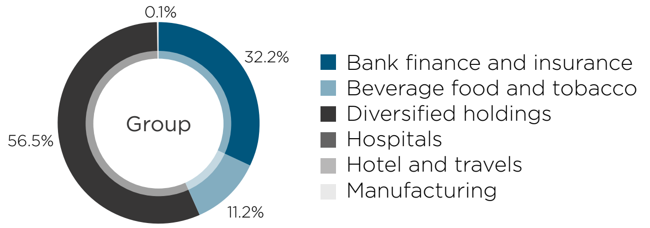
Short term equity investments (FVTPL)



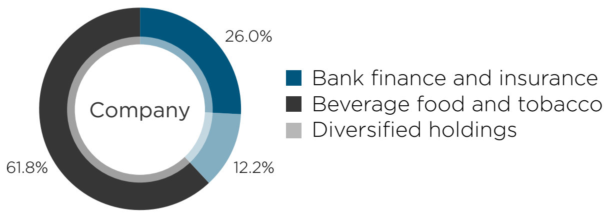
The extend of diversification of long term equity investments (FVTOCI) are analysed bellow.

As at 31 March,	Group				Company			
	2025		2024		2025		2024	
	Rs.'000	% from total exposure	Rs.'000	% from total exposure	Rs.'000	% from total exposure	Rs.'000	% from total exposure
Bank finance and insurance	16,307,189	32.2%	9,486,436	24.9%	12,041,630	26.0%	7,020,528	19.76%
Beverage food and tobacco	5,657,656	11.2%	3,491,412	9.2%	5,657,656	12.2%	3,491,412	9.83%
Diversified holdings	28,645,568	56.5%	25,010,045	65.8%	28,645,382	61.8%	25,009,920	70.41%
Hospitals	3,462	0.01%	3,775	0.01%	-	-	-	-
Hotel and travels	4,920	0.01%	4,428	0.01%	-	-	-	-
Manufacturing	46,610	0.1%	32,022	0.1%	-	-	-	-
	50,665,405	100.0%	38,028,118	100.0%	46,344,668	100.0%	35,521,860	100.0%

long term equity investments (FVTOCI)



long term equity investments (FVTOCI)



46.2 Credit Risk

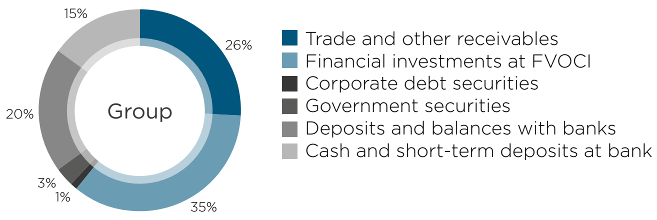
The risk assumed by an entity resulting from the risk of a counterparty defaulting on its contractual obligations in relation to a financial instrument or a customer contract is known as the credit risk. The Group's exposure to credit risk arises from its operating and investing activities including transactions with banks in placing deposits, foreign exchange transactions and through the use of other financial instruments. The maximum credit risk of the Group and the Company is limited to the carrying value of these financial assets as at the reporting date.

Maximum Credit Exposure

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows,

As at 31 March,	Note	Group				Company			
		2025		2024		2025		2024	
		Rs.'000	% from total exposure	Rs.'000	% from total exposure	Rs.'000	% from total exposure	Rs.'000	% from total exposure
Trade and other receivables	46.2.1	37,918,268	25.80%	36,173,927	28.98%	229,307	0.43%	2,763	0.01%
Amounts due from related companies	46.2.2	533,616	0.36%	1,298,286	1.04%	526,553	1.00%	479,062	1.13%
Loans granted to related parties		-	-	-	-	5,698,229	10.77%	6,084,664	14.40%
Financial investments at FVOCI		51,129,757	34.78%	38,497,260	30.84%	46,344,668	87.58%	35,521,860	84.09%
Financial investments at FVTPL		432,482	0.29%	818,973	0.66%	111,897	0.21%	87,333	0.21%
Corporate debt securities	46.2.3	1,644,655	1.12%	1,807,854	1.45%	-	-	50,042	0.12%
Government securities	46.2.4	5,091,855	3.46%	1,868,097	1.50%	-	-	-	-
Deposits and balances with banks	46.2.5	28,889,758	19.65%	29,109,280	23.32%	-	-	-	-
Cash and short-term deposits at bank	46.2.6	21,348,065	14.52%	15,241,139	12.21%	4,503	0.01%	18,151	0.04%
		146,988,456	100.00%	124,814,816	100.00%	52,915,157	100.00%	42,243,875	100.00%

Maximum Credit Exposure



Maximum Credit Exposure

Expected credit loss assessment

The Group adopted Expected Credit Loss (ECL) approach to impairment of its financial assets. This enables better credit risk reporting of financial instruments by carrying reasonably quantified default risk adjusted value of assets in the balance sheet and minimising the timing difference in recognition of future default loss.`

ECL measurement approach that is best suited for each class of asset is determined based on underlying risk characteristics of the asset. Subsequent to selection between general and simplified approaches to measurement, the Group assesses financial assets using data that is determined to be predictive of default risk, including but not limited to external ratings, historical payment patterns, audited financial statements, cash flow projections. Group companies apply experienced credit judgement taking in to account qualitative and quantitative factors that are indicative of the risk of default. Scalar macroeconomic factor adjustments such as GDP forecast, also incorporated to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected recovery period.

"The Group re-evaluated its approach to measurement of ECL in the light of the current economic crisis in Sri Lanka, as the consequent unexpected deterioration in credit quality of investment portfolios (financial institutions) and trade receivables (non-financial institutions), will have a significant impact on the ECL measurement. The Group considered all reasonable and supportable information available without undue cost or effort at the reporting date as well as practical expedients made available. Economic Factor Adjustment (EFA) and Probability of Default (PD) updated to reflect the impact of adverse economic condition in measuring ECL while Loss Given Default (LGD) was used without modification. The Group also assessed it financial instruments for Significant Increase in Credit Risk (SICR) with available, reasonable and supportable information including economic support and relief measures provided to counterparties."

Movement in ECL allowance during the financial year

For the year ended 31 March,	Group		Company	
	Trade and other receivables	Other financial assets Bank deposits	Trade and other receivables	Other financial assets Bank deposits
Balance as at 01st April 2023	3,459,183	2,584	-	-
Acquisition of subsidiaries	450,739	-	-	-
Exchange difference/direct write-offs and reversals	21,018	341	-	-
Net charge for the year	2,031,235	(2,074)	223	-
Balance as at 31st March 2024	5,962,175	851	223	-
Acquisition of subsidiaries	-		-	-
Exchange difference/direct write-offs and reversals	(83,539)	(362)	-	-
Net charge for the year	(1,021,944)	(251)	-	-
Balance as at 31st March 2025	4,856,692	238	223	-

47.2.1 Trade and other receivables

Trade receivables consist of recoverable from a large number of customers spread across diverse industries, segments and geographies. More than 90% of the Group's trade receivables are due for settlement within 90 days as at the end of the financial year. The credit policy for each segment of business varies due to the diversity of operations in the Group. The credit policies that best suit their respective business environment are developed for each sector and the responsibility rests with the heads of finance and the senior management teams.

Group companies formulate their credit policies subsequent to analysing credit profiles of customers. In this regard factors such as the credit history, legal status, market share, geographical locations of operations, and industry information are considered. References from bankers or credit information databases are obtained when it is considered necessary. Each Group company has identified credit limits for their customers. In the event a customer does not meet the criteria or the stipulated benchmark on a transaction, then the business is carried out with such customers only up to the value of the collaterals or advances obtained.

As the large majority of Beverage accounts receivable balances are collectable from licensed retailers, management believes that the sector's credit risk relating to accounts receivable is at an acceptably low level.

The Group has observed higher credit risk in telecommunication sector due to large number of small customers. However, risk is managed and mitigated by adopting timely disconnection policy and converting customer to prepaid mode.

The requirement for an impairment is analysed at each reporting date on an individual basis for major customers. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

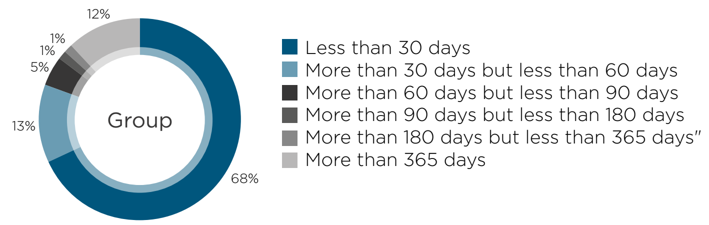
The group's maximum exposure to credit risk from Insurance contract receivables are mainly consist with Premium Receivables.

Some of the actions specific to Premiums Receivables in Non-Life Insurance are shown below.

- remium Payment Warranty (PPW) is strictly implemented and all Non - Life Insurance policies with payments outstanding for more than 60 days are cancelled.
- Follow-up meetings on debt collection are conducted with the participation of finance, distribution and underwriting officials on a monthly basis.
- Claim settlements are processed only after reviewing the position of outstanding receivables.

For the year ended 31 March,	Group			Company		
	Gross carrying amount	Impairment Provision	Net carrying amount	Gross carrying amount	Impairment Provision	Net carrying amount
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Less than 30 days	19,713,098	(6,752)	20,302,431	2,189	-	2,189
More than 30 days but less than 60 days	3,614,916	(3,877)	3,270,176	-	-	-
More than 60 days but less than 90 days	1,371,288	(2,529)	1,246,917	-	-	-
More than 90 days but less than 180 days	418,278	(9,269)	368,275	-	-	-
"More than 180 days but less than 365 days"	367,479	(139,284)	137,105	-	-	-
More than 365 days	3,424,385	(4,420,210)	(997,381)	-	-	-
	28,909,444	(4,581,921)	24,327,523	2,189	-	2,189

Trade Receivable Settlement Profile



47.2.2 Amounts due from related companies

The amounts due from related parties mainly consist of receivables from associates and other related ventures and those are closely monitored by the group.

47.2.3 Corporate debt securities

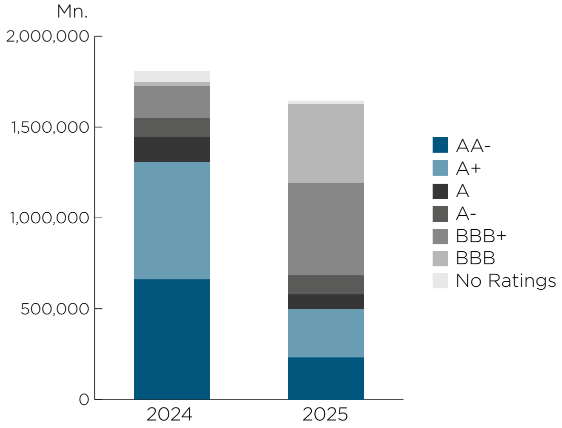
The Corporate debt securities are entirely consist of Corporate Debentures which are listed in Colombo Stock Exchange wich are guaranteed by local and foreign credit rating agencies as BBB or Better.

An Analysis of credit ratings of the issuers of debenture are as follows,

Credit Rating	Group				Company			
	2025		2024		2025		2024	
	Amount	% from total exposure	Amount	% from total exposure	Amount	% from total exposure	Amount	% from total exposure
AA-	231,758	14%	660,556	40%	-	-	50,042	100%
A+	265,772	16%	647,193	39%	-	-	-	-
A	80,906	5%	136,655	8%	-	-	-	-
A-	103,936	6%	103,911	6%	-	-	-	-
BBB+	509,867	31%	176,963	11%	-	-	-	-
BBB	432,861	26%	22,246	1%	-	-	-	-
No Ratings *	19,555	1%	60,330	4%	-	-	-	-
	1,644,655	100%	1,807,854	110%	-	-	50,042	100%

* However minor potion of investments have been made on corporate debt instruments which does not backed with credit ratings. However those investments were made after having a thorough credit assessment on respective companies and after obtaining collaterals such as Mortgage bonds and personal guarantees.

Corporate debt securities by Credit Rating - Group



47.2.4 Government securities

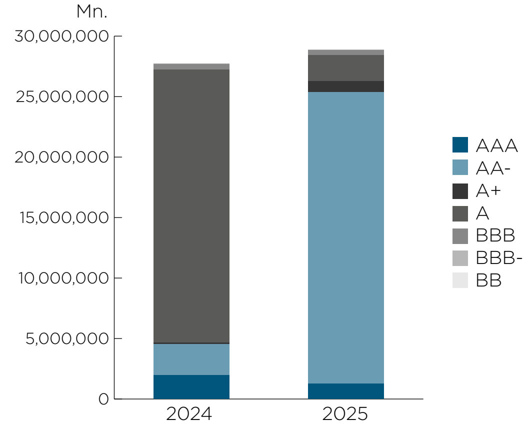
Government securities are referred to as risk free instruments in its nature.

47.2.5 Deposits and balances with banks

The Group has a number of bank deposits in Sri Lankan rupees and other currencies. These deposits have been placed in several banks in order to minimise the credit risk in accordance with the policy directions provided by the Board. In order to further minimise the credit risk, the Group's exposure and credit ratings of banks are regularly monitored and a diversified investment portfolio is maintained. In the event of any weakening of credit metrics of a bank the Group may decide to liquidate its investments and move to an institution with a higher credit rating.

As at 31 March, (Fitch national credit rating scale or equivalent)	Group				Company			
	2025		2024		2025		2024	
	Amount of deposits	Concentration	Amount of deposits	Concentration	Amount of deposits	Concentration	Amount of deposits	Concentration
	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%
AAA	1,260,607	4.36%	1,961,543	6.74%	-	-	-	-
AA-	24,132,695	83.53%	2,572,265	8.84%	-	-	-	-
A+	887,837	3.07%	110,746	0.38%	-	-	-	-
A	2,134,787	7.39%	22,607,804	77.66%	-	-	-	-
BBB	418,060	1.45%	430,695	1.48%	-	-	-	-
BBB-	50,888	0.18%	51,553	0.18%			-	-
BB	5,122	0.02%	5,153					
Total gross carrying amount	28,889,996	100.00%	29,110,131	99.98%	-	-	-	-
Impairment of bank deposits	(238)		(851)		-	-	-	-
Total net carrying amount	28,889,758		29,109,280		-		-	-

Bank Deposits Analysed by Credit Rating - Group

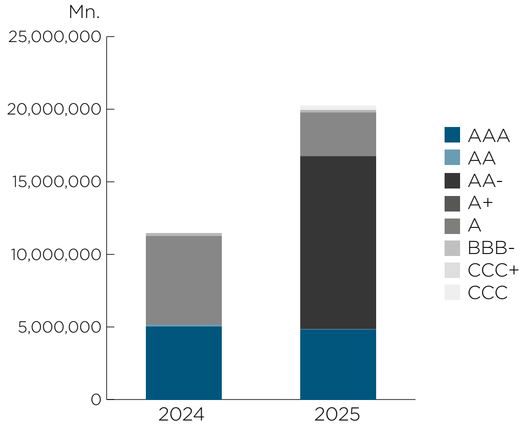


47.2.6 Cash and short-term deposits at bank

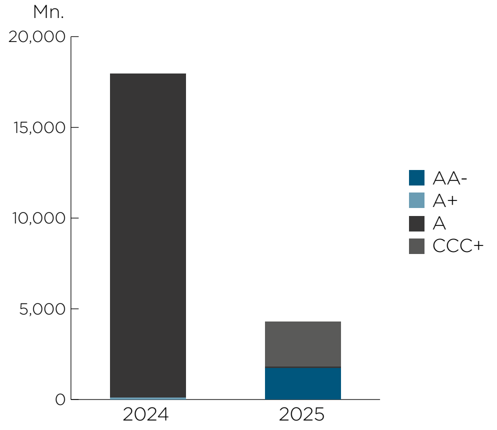
Further the cash at bank is mainly consist of Fixed deposits / Call Deposits which matures within 3 months,favourable balances in Savings, money market and current accounts of private and government commercial banks.

(Fitch national credit rating scale or equivalent)	Group				Company			
	2025		2024		2025		2024	
	Amount of deposits	Concentration	Amount of deposits	Concentration	Amount of deposits	Concentration	Amount of deposits	Concentration
	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%
AAA	4,826,301	23.83%	5,031,044	33.69%	-	-	-	-
AA	2,188	0.01%	127,176	0.85%	-	-	-	-
AA-	11,909,111	58.80%	-	-	1,729	40.24%	-	-
A+	44,330	0.22%	176	0.001%	-	-	93	0.52%
A	2,967,634	14.65%	6,111,999	40.93%	92	2.14%	17,863	99.48%
BBB-	196,727	0.97%	192,371	1.29%	-	0.00%	-	-
CCC+	11,274	0.06%	-	-	2,476	57.62%	-	-
CCC	295,281	1.46%	-	-	-	0.00%	-	-
Cash and short-term deposits at bank	20,252,846	100.00%	14,933,229	100.00%	4,297	100.00%	17,956	100.00%
Cash in hand and funds in transit	1,095,219		307,911		206		195	
Total Cash and shortterm deposits	21,348,065		15,241,140		4,503		18,151	

Cash and Short-term Deposits Analysed by Credit Rating Group



Cash and Short-term Deposits Analysed by Credit Rating -Company



47.3 Liquidity risk

Liquid assets of a company consist of cash and assets which can be converted to cash in a short period of time to settle liabilities as they arise. Liquidity is an important factor in the operations of a business as it is an essential requirement for the successful operation of an entity.

A shortage of liquidity would have a negative impact on stakeholder confidence in a business entity and hampers its operations. The Group has ensured that it maintains sufficient liquidity reserves to meet all its operational and investment requirements by closely monitoring and forecasting future funding needs and securing funding sources for both regular and emergency requirements.

Shortening the working capital cycle is one of the main practises preferred in ensuring that there is sufficient liquidity at a given time. Adequate short-term working capital facilities provided by banks are available to all the Group companies which are utilised in the event of a requirement. These facilities are available at favourable rates and have been mostly provided without collateral. The Group maintains a constant dialogue with the banking sector institutions to ensure that there are sufficient working capital facilities available whenever required and closely monitors their utilisation.

The Group has implemented procurement and vendor evaluation policies to prevent payment of excessive prices to suppliers and to obtain favourable credit periods in order to ensure a strong working capital position. Special attention has been given to cash inflows and outflows both at a consolidated and sector levels. The maturity profile of the Group's investments is monitored and adjusted to meet expected future cash outflows in the short, medium and long terms.

"Funding requirements of the sectors and the parent company are evaluated at regular intervals by analysing business expansion strategies.
The Group has adopted a conservative investment strategy in order to preserve the scarce capital as well as to minimise the risk. At opportune moments funds are mobilised by accessing capital markets. The Group attempts to minimise future interest expenses on borrowings by negotiating favourable interest rates with the respective lenders and makes use of attractive interest rates offered by international banks on foreign currency denominated funding mostly to finance its overseas investments.."

The table below summarises the maturity analysis of the Group's financial liabilities based on contractual undiscounted payments.

Group

As at 31st March 2025	Carrying Amount	Undiscounted Contractual Cash Flows					
		On demand Rs.'000	Less than 1 year Rs.'000	1 to 2 years Rs.'000	2 to 5 years Rs.'000	More than 5 years Rs.'000	Total Rs.'000
Interest bearing liabilities	47,758,569	-	15,028,757	12,323,088	19,785,552	11,473,563	58,610,960
Lease liabilities	14,345,914	-	2,382,782	1,406,945	3,286,407	20,403,073	27,479,206
Bank overdrafts and other short term borrowings	27,322,884	13,793,317	13,529,567	-	-	-	27,322,884
Trade and other payables	50,726,250	41,078,586	9,647,664	-	-	-	50,726,250
Amounts due to related companies	2,300,791	2,300,791	-	-	-	-	2,300,791
	142,454,408	57,493,656	40,588,770	13,730,033	23,071,959	31,876,636	166,440,091

Group

As at 31st March 2024	Carrying Amount	Undiscounted Contractual Cash Flows					
		On demand Rs.'000	Less than 1 year Rs.'000	1 to 2 years Rs.'000	2 to 5 years Rs.'000	More than 5 years Rs.'000	Total Rs.'000
Interest bearing liabilities.	50,151,560	-	13,830,738	16,976,504	21,006,026	11,873,712	63,686,980
Lease liabilities	16,333,440	-	2,752,587	2,365,639	3,712,533	21,443,477	30,274,236
Bank overdrafts and other short term borrowings.	29,506,705	24,019,490	5,487,215	-	-	-	29,506,705
Trade and other payables.	50,385,929	43,076,385	7,309,544	-	-	-	50,385,929
Amounts due to related companies.	1,663,646	1,663,646	-	-	-	-	1,663,646
	148,041,280	68,759,521	29,380,084	19,342,143	24,718,559	33,317,189	175,517,496

Company

As at 31st March 2025	Carrying Amount	Undiscounted Contractual Cash Flows					
		On demand Rs.'000	Less than 1 year Rs.'000	1 to 2 years Rs.'000	2 to 5 years Rs.'000	More than 5 years Rs.'000	Total Rs.'000
Interest bearing liabilities	-	-	-	-	-	-	-
Lease Liabilities	8,828	-	9,179	-	-	-	9,179
Bank overdrafts and other short term borrowings	5,116,202	70,655	5,045,547	-	-	-	5,116,202
Trade and other payables	406,347	406,347	-	-	-	-	406,347
Amounts due to related companies	618,600	618,600	-	-	-	-	618,600
	6,149,977	1,095,602	5,054,726	-	-	-	6,150,328

As at 31st March 2024	Carrying Amount	Undiscounted Contractual Cash Flows					
		On demand Rs.'000	Less than 1 year Rs.'000	1 to 2 years Rs.'000	2 to 5 years Rs.'000	More than 5 years Rs.'000	Total Rs.'000
Interest bearing liabilities.	-	-	-	-	-	-	-
Lease liabilities	16,614	-	8,742	9,179	-	-	17,921
Bank overdrafts and other short term borrowings.	4,873,849	108,686	4,765,163	-	-	-	4,873,849
Trade and other payables.	655,343	655,343	-	-	-	-	655,343
Amounts due to related companies.	548,785	548,785	-	-	-	-	548,785
	6,094,591	1,312,814	4,773,905	9,179	-	-	6,095,898

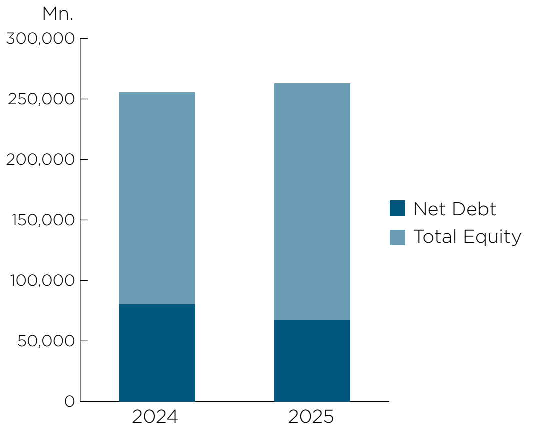
48 FINANCIAL CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

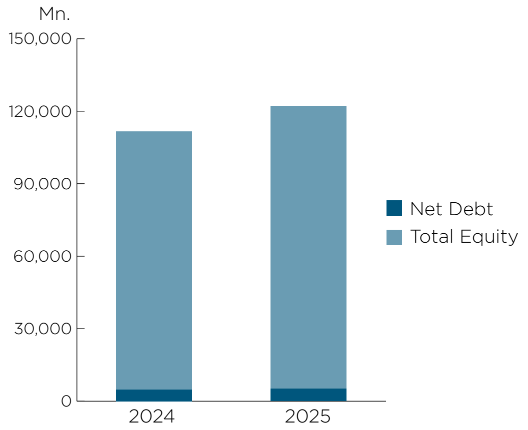
In order to maintain or adjust the capital structure, the Group's may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

As at 31 March,	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Total interest bearing loans and borrowing	47,758,569	50,151,560	-	-
Lease Liabilities	14,345,914	16,333,440	8,828	16,614
Bank overdrafts and other short term borrowings	27,322,884	29,506,705	5,116,202	4,873,849
Less: cash & cash equivalents	(21,908,504)	(15,741,527)	(4,503)	(18,151)
Net Debt	67,518,863	80,250,178	5,120,527	4,872,312
Total Equity	195,181,286	175,313,613	117,013,329	106,767,256
Total Capital	262,700,149	255,563,791	122,133,856	111,639,568
Gearing Ratio	26%	31%	4%	4%

The capital structure - Group



The capital structure - Company



Statement of Value Added

VALUE ADDED

For the year ended 31 March,	2025		2024	
	Group Rs,000	Company Rs,000	Group Rs,000	Company Rs,000
Gross Turnover	261,340,894	182,428	235,686,109	259,421
Other Operating Income	5,329,521	12,726,223	2,534,457	16,687,688
Finance Income	3,624,783	1,113,980	5,556,842	1,675,878
Share of Profits of Equity Accounted Investees	1,418,429	-	984,653	-
	271,713,627	14,022,631	244,762,061	18,622,987

VALUE DISTRIBUTED

For the year ended 31 March,	2025			
	Group		Company	
	Rs,000	As a % of Total	Rs,000	As a % of Total
To the State as Taxes	108,510,171	39.9%	275,311	2.0%
Operating Expenses	93,762,242	34.5%	1,575,738	11.2%
To the Employees	28,775,035	10.6%	312,848	2.2%
To Providers of Debt Capital	7,552,455	2.8%	523,880	3.7%
To the Shareholders as Dividends	6,539,118	2.4%	6,992,382	49.9%
Retained with the Business				
As Depreciation	10,842,342	4.0%	3,333	0.0%
As Retained Earnings	15,732,264	5.8%	4,339,139	30.9%

For the year ended 31 March,	2024			
	Group		Company	
	Rs,000	As a % of Total	Rs,000	As a % of Total
To the State as Taxes.	86,926,534	35.5%	398,956	2.1%
Operating Expenses.	98,446,471	40.2%	2,814,918	15.1%
To the Employees.	26,690,350	10.9%	244,954	1.3%
To Providers of Debt Capital.	11,168,984	4.6%	1,089,295	5.8%
To the Shareholders as Dividends.	6,613,568	2.7%	3,158,226	17.0%
Retained with the Business.				
As Depreciation.	8,811,870	3.6%	10,970	0.1%
As Retained Earnings.	6,104,284	2.5%	10,905,668	58.56%

Summarised Financial Information

In Rs. 000 - Company	2025	2024	2023	2022	2021	2020	2019
RESULTS							
Gross Turnover	182,428	259,421	259,234	263,618	257,463	212,752	209,203
Net Turnover	182,428	259,421	259,234	-	-	-	-
Dividend income							
From subsidiaries	11,601,406	15,890,725	11,333,602	263,618	6,373,594	6,029,869	3,331,648
From equity accounted investees	-	-	-	10,709,293	-	-	-
From other short term and long term Investments	827,589	422,014	364,680	598,046	614,543	690,371	896,023
Finance income	1,113,980	1,675,878	2,730,887	1,005,956	1,116,172	2,026,350	1,322,939
Finance expenses	524,833	1,094,590	2,363,980	673,625	720,226	(1,592,872)	(637,473)
Profit / (Loss) before Tax	11,684,612	14,601,593	7,001,701	8,613,539	7,147,372	5,359,804	4,214,914
Profit / (Loss) after Tax	11,331,521	14,063,894	5,378,346	7,141,221	6,130,825	5,095,778	3,796,145
FUNDS EMPLOYED							
Stated Capital	70,000,000	70,000,000	70,000,000	70,000,000	89,100,000	89,100,000	89,100,000
Reserves	30,904,543	23,134,294	11,679,576	12,123,483	(4,983,549)	(1,877,918)	(3,708,246)
Retained Earnings	16,108,786	13,632,962	10,034,813	9,575,828	11,930,964	8,710,425	5,945,377
Shareholders Funds	117,013,329	106,767,256	91,714,389	91,699,311	(4,983,549)	6,832,507	2,237,131
Total Borrowings	5,116,202	4,873,849	7,630,054	10,721,143	9,364,103	10,262,646	16,460,961
Non Current Liabilities net of Borrowings	1,390,923	1,315,283	1,192,608	816,427	612,186	594,221	555,001
Current Liabilities net of Borrowings	1,201,801	1,444,463	1,214,277	4,447,783	927,560	794,283	3,826,370
ASSETS EMPLOYED							
Non-current assets	118,850,968	108,374,755	96,098,827	95,115,846	94,941,043	97,592,040	94,134,676
Current assets	5,871,287	6,026,096	5,652,501	12,568,818	12,010,220	9,991,617	18,044,791
	124,722,255	114,400,851	101,751,328	107,684,664	106,951,263	107,583,657	112,179,467
CASHFLOW							
Net cashflow from operating activities	10,390,567	14,838,785	10,914,653	6,958,083	4,837,876	4,744,195	3,640,998
Net cashflow from investing activities	(1,780,809)	(1,774,404)	27,548	(1,753,392)	(1,045,779)	6,761,753	(23,212,454)
Net cashflow from financing activities	(8,865,759)	(10,460,047)	(7,893,755)	(6,359,826)	(2,945,095)	(5,278,992)	2,900,805
Net increase/(decrease) in cash & cash equivalents	(256,001)	2,604,334	3,048,446	(1,155,135)	847,002	6,226,956	(16,670,651)
KEY INDICATORS							
Earnings per share (Rs.)	9.72	12.07	4.62	6.13	5.26	4.37	3.26
Net assets per share (Rs.)	100.41	91.61	78.7	78.69	82.42	82.32	78.37
Market value per share (Rs) year end	127.00	88.00	54.8	41.1	44	23.5	36
Return on shareholders' funds	10%	13%	6%	8%	6%	5%	4%
Dividends per share (Rs.)	7.32	8.27	6.76	5.4	5.25	2	
Dividend payout	75.28%	68.53%	146.48%	88.12%	99.81%	45.80%	0.00%
Dividend yield	5.8%	9.4%	12.30%	13.10%	11.93%	8.50%	0.00%

THE BLUEPRINT OF CONTINUITY

At Melstacorp, our supplementary information weaves together disclosures, supporting data, and essential insights to provide a deeper, more transparent understanding of our performance. It strengthens stakeholder confidence by connecting the finer details to our broader strategic vision, ensuring that every decision, result, and initiative is communicated with clarity, precision, and purpose. By presenting a comprehensive and cohesive view, we empower stakeholders to make informed decisions and nurture lasting trust.

Seeds are vessels of possibility, holding within them the blueprint for growth, renewal, and resilience. They preserve continuity, safeguarding the tree's strength and ensuring its survival and legacy endure through time.

Shareholder Information

1 STOCK EXCHANGE LISTING

The Issued Ordinary Shares of the company are listed with the Colombo Stock Exchange.
Ticker Symbol - MELS.N0000
Market Sector - Diversified

2 DISTRIBUTION OF SHAREHOLDING

As at Holding	31 March 2025			31 March 2024		
	No. of share Holders	Total Holding	% of Holding	No. of share Holders	Total Holding	% of Holding
1-1,000	7,371	3,126,503	0.27	7,343	3,190,489	0.27
1,001-10,000	3,997	14,614,162	1.25	4,179	15,452,055	1.33
10,001-100,000	770	23,400,593	2.01	758	22,951,225	1.97
100,001-1,000,000	134	36,285,959	3.11	118	36,658,473	3.14
1,000,001 & Over	28	1,087,969,855	93.36	27	1,087,144,830	93.29
TOTAL	12,300	1,165,397,072	100.00	12,425	1,165,397,072	100.00

3 ANALYSIS OF SHAREHOLDING

As at Holding	31 March 2025			31 March 2024		
	No. of share Holders	Total Holding	% of Holding	No. of share Holders	Total Holding	% of Holding
Individuals	11,984	376,931,610	32.34	12,100	379,841,129	32.59
Institutions	316	788,465,462	67.66	325	785,555,943	67.41
TOTAL	12,300	1,165,397,072	100.00	12,425	1,165,397,072	100.00
Resident	12,195	981,527,287	84.22	12,320	964,349,821	82.75
Non Resident	105	183,869,785	15.78	105	201,047,251	17.25
TOTAL	12,300	1,165,397,072	100	12,425	1,165,397,072	100

4 MARKET PRICE

For the year ended	31 March 2025	31 March 2024
Last Traded	127.00	88.00
Highest	143.00	94.00
Lowest	73.60	52.00

5 TWENTY FIVE LARGEST SHAREHOLDERS

RANK	Shareholding as at 31 March NAME	2025		2024	
		NO. OF SHARES	%	NO. OF SHARES	%
1	MILFORD EXPORTS (CEYLON) (PVT) LIMITED	498,819,000	42.80	498,819,000	42.80
2	LANKA MILK FOODS (CWE) LIMITED	151,846,000	13.03	151,846,000	13.03
3	MR. M.A. YASEEN	148,794,980	12.77	157,108,880	13.48
4	MRS. L.E.M. YASEEN	80,258,788	6.89	68,000,028	5.83
5	COMMERCIAL BANK OF CEYLON PLC/M.A. YASEEN	39,000,000	3.35	39,000,000	3.35
6	MRS. R.R.TAKAHASHI	31,100,000	2.67	31,500,000	2.70
7	COMMERCIAL BANK OF CEYLON PLC/L.E.M. YASEEN	25,000,000	2.15	25,000,000	2.15
8	MR. D.HASITHA.S. JAYAWARDENA	20,545,532	1.76	7,531,332	0.65
9	MRS. P.M.P.G.N. PRIYADARSHANI	17,448,213	1.50	15,700,000	1.35
10	MRS. S.M. CHRYSOSTOM	11,390,000	0.98	11,390,000	0.98
11	MR. L.E. BADER	8,920,133	0.77	13,286,987	1.14
12	STASSEN EXPORTS (PVT) LIMITED	8,746,800	0.75	8,746,800	0.75
13	CITIBANK NEWYORK S/A NORGES BANK ACCOUNT 2	7,575,221	0.65	-	-
14	RUBICOND ENTERPRISES LIMITED	5,943,859	0.51	5,943,859	0.51
15	MCSEN RANGE PRIVATE LIMITED	5,459,864	0.47	5,459,864	0.47
16	BBH-REDWHEEL FRONTIER MARKETS EQUITY MASTER FUND LIMITED	4,937,755	0.42	4,937,755	0.42
17	SEYLAN BANK PLC/ARRC CAPITAL (PVT) LTD	4,403,614	0.38	433,001	0.04
18	HATTON NATIONAL BANK PLC-SENFIN GROWTH FUND	2,944,742	0.25	522,405	0.04
19	PEOPLE'S LEASING & FINANCE PLC / DON AND DON HOLDINGS (PRIVATE) LIMITED	2,009,106	0.17	-	-
20	UNION ASSURANCE PLC-UNIVERSAL LIFE FUND	1,887,045	0.16	-	-
21	RENUKA HOTELS PLC	1,800,000	0.15	2,000,000	0.17
22	EST.OF LAT M.J. FERNANDO	1,603,308	0.14	1,603,308	0.14
23	MELLON BANK N.A.-ACADIAN FRONTIER MARKETS EQUITY FUND	1,485,392	0.13	2,254,951	0.19
24	DEUTSCHE BANK AG AS TRUSTEE FOR JB VANTAGE VALUE EQUITY FUND	1,346,503	0.12	-	-
25	DEUTSCHE BANK AG TRUSTEE TO LYNEAR WEALTH DYNAMIC OPPORTUNITIES FUND	1,204,000	0.10	-	-
		1,084,469,855	93.06	1,051,084,170	90.19
	OTHERS	80,927,217	6.94	114,312,902	9.81
	TOTAL	1,165,397,072	100.00	1,165,397,072	100.00
	Percentage of Shares held by the public	41.65%		41.61%	
	Total No. of share holders who hold the public holding	12,293		12,418	

6 FLOAT ADJUSTED MARKET CAPITALISATION

The Public Holding of the Company as at 31 March 2025 was 41.65% comprising of 12,293 shareholders and the Float adjusted Market Capitalisation of Rs.61,643,816,641.00 Interms of Rule 7.13 1(a) of the listing rule of CSE , the Company Qualifies with the Minimum Public Holding Requirement under the Option One.

Company Management

M. A. N. S. Perera
FCA, MBA
Managing Director

Maj. Gen. (Rtd) Dampath Fernando
RWP. RSP. VSV. USP. psc. MBA(UK)
Director Operations - Plantations (BPL/MPL) /
Group General Manager
HR & Admin

Prasanna Pinto
MBM, BBA, FCA, FCMA
Group Financial Controller

Prasanna Karunanayake
B.Sc. (Eng), MBCS, ACMA, CGMA
Group Chief Information Officer

Thilina N Fernando
LL.M London (International Business and Commercial Law),
Attorney-at-Law, Notary Public,Commissioner for Oaths,
Registered Company Secretary
Group Head of Legal

Ms. Anjana Weerasinghe
MBA (UOC) (Merit), B.B. Mgt (Hons), ACA
Group Chief Internal Auditor

Group Directory

A

Aitken Spence PLC

Board of Directors

Ms. D. S. T. Jayawardena - Executive Chairperson
(Appointed w.e.f. 06.02.2025)
Dr. M. P. Dissanayake - Deputy Chairman and Managing Director
Dr. R. M. Fernando
J. M. S. Brito
N. J. de S. Deva Aditya
R. N. Asirwatham
C. R. Jansz
M. R. Mihular (Appointed w.e.f.02.12.2024)
Dr. R. A. Fernando (Appointed w.e.f. 30.12.2024)
P. Englisch (Appointed w.e.f. 30.12.2024)
C.J. Sevilla (Appointed w.e.f. 30.12.2024)
C.H. Gomez (Resigned w.e.f 30.12.2024 and appointed w.e.f.01.04.2025)
Deshamanya D. H. S. Jayawardena (Deceased on 03.02.2025)
M. A. N. S. Perera (Resigned w.e.f 25.11.2024)

Secretaries : Aitken Spence Corporate Finance (Private) Limited

Registered Office
315, Vauxhall Street, Colombo 02
Tel: +94 11 2308308
Fax : +94 11 2445406
Web: www.aitkenspence.com
Co. Reg. No. PQ 120
Auditors : Messrs KPMG (Chartered Accountants)

B

Balangoda Plantations PLC

Board of Directors

D. Hasitha S. Jayawardena- Chairman (Appointed w.e.f. 06.02.2025)
C. R. Jansz
M. A. N. S. Perera
M. R. Mihular (Appointed w.e.f.01.10.2024)
Dr. R. A. Fernando (Appointed w.e.f.01.10.2024)
K. Dayaparan
P. A. Jayatunga (Appointed w.e.f. 17.02.2025)
D. H. S. Jayawardena – (Deceased on 03.02.2025)
Dr. A. Shakthevale (Resigned w.e.f 01.10.2024)
D. S. K. Amarasekera (Resigned w.e.f 01.10.2024)

Secretary : P. A. Jayatunga

Registered Office
110, Norris Canal Road, Colombo 10
Tel: +94 11 2522871-2
Fax: +94 11 2522913
Co. Reg. No. PQ 165
Auditors : Messrs KPMG (Chartered Accountants)

Bell Solutions (Pvt) Ltd

Board of Directors

Dr. T. K. D. A. P. Samarasinghe – Managing Director
M. A. N. S. Perera
L. U. D Fernando
D. H. S. Jayawardena – (Deceased on 03.02.2025)

Secretary : Mr. K.S .T.N.Fernando

Registered Office
110, Norris Canal Road, Colombo 10
Tel: +94 11 5335000
Co. Reg. No. PV 61398
Auditors : Messrs Amarasekara & Company (Chartered Accountants)

B

Bellactive (Pvt) Ltd

Board of Directors

Dr. T. K. D. A. P. Samarasinghe – Managing Director
M. A. N. S. Perera
L. U. D Fernando
D. H. S. Jayawardena – (Deceased on 03.02.2025)

Secretary : Mr. K.S .T.N.Fernando

Registered Office

110, Norris Canal Road, Colombo 10
Tel: +94 11 5335000
Co. Reg. No. PV 61396
Auditors : Messrs Amarasekara & Company (Chartered Accountants)

Bellvantage (Pvt) Ltd

Board of Directors

Bellvantage (Private) Limited
Board of Directors
Dr. T. K. D. A. P. Samarasinghe
L. U. D. Fernando
M. A. N. S. Perera
P. Karunanayake

Secretary : Aitken Spence Corporate Services (Private) Limited

Registered Office

110, Norris Canal Road, Colombo 10
Co. Reg. No. PV : 65022
Auditors : Messrs Amarasekara & Company (Chartered Accountants)

Bogo Power (Pvt) Ltd

Board of Directors

C. R. Jansz
M. A. N. S. Perera
Dr. N. M. Abdul Gaffar
D. H. S. Jayawardena – (Deceased on 03.02.2025)

Secretary : P. A. Jayatunga

Registered Office

833, Sirimavo Bandaranaike Mawatha, Colombo 14
Tel: +94 11 2522871-2 Fax: +94 11 2522913
Co. Reg. No. PV 64901
Auditors : Messrs Ernst & Young (Chartered Accountants)

Browns Beach Hotels PLC

Board of Directors

Ms. D. S. T. Jayawardena - Executive Chairperson (Appointed w.e.f. 06.02.2025)
Dr. M. P. Dissanayake
C. R. Stanislaus
R. N. Asirwatham
N. J. de S. Deva Aditya
M. R. Mihular (Appointed w.e.f 30.09.2024)
Dr. R. A. Fernando (Appointed w.e.f 30.09.2024)
P. Englisch (Appointed w.e.f 30.12.2024)
C. M. S. Jayawickrama (Appointed w.e.f 01.04.2025)
J. M. S. Brito (Appointed w.e.f 09.05.2025)
M. A. N. S. Perera (Resigned w.e.f 23.12.2024)
D. H. S. Jayawardena – (Deceased on 03.02.2025)

Secretaries : Aitken Spence Corporate Finance (Private) Limited

Registered Office

315, Vauxhall Street, Colombo 02
Tel: +94 11 2308308 Fax: +94 11 2308099
Co. Reg. No. PQ 202
Auditors : Messrs KPMG (Chartered Accountants)

C

Continental Insurance Lanka Limited

Board of Directors

G. D. C. De Silva - Deputy Chairman
C. P. Abeywickrema
T. S. A. Fernandopulle
T. F. Datwyler
T. R. A. Angunawela
L. H. R. Perera
Dr. A. N. Balasuria (Appointed w.e.f 23.04.2025)
Dr. K. T Iraivan (Appointed w.e.f 23.04.2025)

Secretaries : P. W. Corporate Secretarial (Pvt) Limited

Registered Office

79, Dr. C. W. W. Kannangara Mawatha, Colombo 07 Tel : +94 11 5200300
Co. Reg. No. PB 3784
Auditors : Messrs KPMG (Chartered Accountants)

Continental Insurance Life Lanka Limited

Board of Directors

G. D. C. De Silva - Deputy Chairman
C. P. Abeywickrema
T. F. Datwyler
N. P. Hettiarachchi
Dr. K. T Iraivan (Appointed w.e.f 23.04.2025)

Secretaries : P. W. Corporate Secretarial (Pvt) Limited

Registered Office

79, Dr. C.W. W. Kannangara Mawatha, Colombo 07 Tel : +94 11 5200300
Co. Reg. No. PB00247558
Auditors : Messrs KPMG (Chartered Accountants)

D

DCSL Breweries Lanka Limited

Board of Directors

D. Hasitha S. Jayawardena
C. R. Jansz
Capt. K. J. Kahanda (Retd.)
M. A. N. S. Perera
L. U. D. Fernando
D. S. T. Jayawardena
V. J. Senaratne
D. H. S. Jayawardena - (Deceased on 03.02.2025)
N. C. Gunawardena (Resigned w.e.f.18.09.2024)

Secretary: Central Corporate and Consultancy Services (Private) Limited

Registered Office

110, Norris Canal Road, Colombo 10
Tel: +94 11 5900300
Fax: +94 11 5900333
Co. Reg. No. PB 910
Auditors : Messrs KPMG (Chartered Accountants)

DCSL Brewery (Pvt) Ltd

Board of Directors

C. R. Jansz
Capt. K. J. Kahanda (Retd.)
D. Hasitha S. Jayawardena
L. U. D. Fernando
D. H. S. Jayawardena – (Deceased on 03.02.2025)

Secretary : Aitken Spence Corporate Services (Private) Limited

Registered Office

110, Norris Canal Road, Colombo 10
Tel: +94 11 5900300
Fax: +94 11 5900333
Co. Reg. No. PV 00215865
Auditors : Messrs KPMG (Chartered Accountants)

DCSL Group Marketing (Pvt) Ltd

Board of Directors

D. Hasitha S. Jayawardena
S. K. S. D. Amaratunge
N. N. Nagahawatte
L. U. D. Fernando
Capt. K. J. Kahanda (Retd.)
N. C. Gunawardena - (Resigned w.e.f. 18.09.2024)

Secretary : Aitken Spence Corporate Services (Private) Limited

Registered Office

110, Norris Canal Road, Colombo 10
Tel: +94 11 5900300
Fax: +94 11 5900333
Co. Reg. No. PV 00297383
Auditors : Messrs KPMG (Chartered Accountants)

Distilleries Company of Sri Lanka PLC

Board of Directors

D. Hasitha S. Jayawardena– Chairman (Appointed w.e.f. 06.02 2025)
C. R. Jansz
Capt. K. J. Kahanda (Retd.) - Managing Director
N. J. de S. Deva Aditya
Ms. D. S. T. Jayawardena
M. A. N. S. Perera
Dr. R.A. Fernando
A. Goonesekere (Appointed w.e.f 30.09.2024)
L. H. A. L Silva (Appointed w.e.f 01.10.2024
L. U. D. Fernando (Appointed w.e.f. 19.02.2025)
D. H. S. Jayawardena (Deceased on 03.02 2025)
Dr. A. N. Balasuriya (Resigned w.e.f 30.09.2024)

Secretary : Ms. V. J. Senaratne

Registered Office

110, Norris Canal Road, Colombo 10
Tel: +94 11 5507000 / 2695295 -7
Fax: +94 11 2696360
Co. Reg. No. PQ 112
Auditors : Messrs KPMG (Chartered Accountants)

F

Formula World (Pvt) Ltd

Board of Directors

G. D. C. De Silva
C. Abeywickremara
W. M. C. P. T. Amarasinghe

Secretary : P. W. Corporate Secretarial (Pvt) Limited

Registered Office

No. 79, C.W.W. Kannangara Mawatha,
Colombo 7. Tel: +94 11 5200200
Co. Reg. No. PV 00225362
Auditors : KPMG (Chartered Accountants)

H

Hospital Management Melsta (Pvt) Ltd

Board of Directors

Dr. K. T. Iraivan
N. N. Nagahwatte (Appointed w.e.f. 06.02.2025)
D. H. S. Jayawardena (Deceased on 03.02.2025)

Secretary : Aitken Spence Corporate Services (Private) Limited

Registered Office

110, Norris Canal Road, Colombo 10
Tel: +94 11 5288625 Fax: +94 11 2695794
Co. Reg. No. PV 130982
Auditors : Messrs KPMG (Chartered Accountants)

L

Lanka Bell Limited

Board of Directors

Dr. T. K. D. A. P. Samarasinghe – Managing Director
C. R. Jansz
M. A. N. S. Perera
D. H. S. Jayawardena (Deceased on 03.02.2025)

Secretary : Mr. K.S .T.N.Fernando

Registered Office

110, Norris Canal Road, Colombo 10
Tel: +94 11 5335000
Fax: +94 11 5545988
Co. Reg. No. PB 306
Auditors : Messrs KPMG (Chartered Accountants)

M

Madulsima Plantations PLC

Board of Directors

D. Hasitha S. Jayawardena- Chairman (Appointed w.e.f. 06.02.2025)
C. R. Jansz
M. A. N. S. Perera
K. Dayaparan
M. R. Mihular (Appointed w.e.f.01.10.2024)
Dr. R A Fernando (Appointed w.e.f.01.10.2024)
P. A. Jayatunga (Appointed w.e.f. 17.02.2025)
D. H. S. Jayawardena – (Deceased on 3.02.2025)
Dr. A. Shakthevale (Resigned w.e.f 01.10.2024)
D. S. K. Amarasekera (Resigned w.e.f 01.10.2024)

Secretary : P. A. Jayatunga

Registered Office

833, Sirimavo Bandaranaike Mawatha,
Colombo 14
Tel: +94 11 2522871-2
Fax: +94 11 2522913
Co. Reg. No. PQ 184
Auditors : Messrs KPMG (Chartered Accountants)

Melsta Health (Pvt) Ltd

Board of Directors

D Hasitha S Jayawardena
C. R. Jansz
M. A. N. S. Perera
Dr. K. T. Iraivan
Dr. A. N. Balasuriya
D. H. S. Jayawardena – (Deceased on 03.02.2025)

Secretary : Ms. V. J. Senaratne

Registered Office

110, Norris Canal Road, Colombo 10
Tel: +94 11 5288625 Fax : +94 11 2695794
Co. Reg. No. PV 118630
Auditors : Messrs KPMG (Chartered Accountants)

Group Directory

M

Melsta Healthcare Colombo (Pvt) Ltd

Board of Directors

M. A. N. S. Perera
L. U. D. Fernando
Dr. K. T. Iraivan

Secretary : Aitken Spence Corporate Services (Private) Limited

Registered Office

110, Norris Canal Road, Colombo 10
Tel: +94 11 5288625 Fax : +94 11 2695794
Co. Reg. No. PV 130988
Auditors : Messrs KPMG (Chartered Accountants)

Melsta Hospitals Colombo North (Pvt) Ltd

Board of Directors

C. R. Jansz
D. Hasitha S. Jayawardena
Dr. K. T. Iraivan
M. A. N. S Perera

Secretary : Aitken Spence Corporate Services (Private) Limited

Registered Office

110, Norris Canal Road, Colombo 10.
Tel : +94 11 5288625 Fax: +94 11 2695794
Co. Reg. No. PV 89856
Auditors : Messrs KPMG (Chartered Accountants)

Melsta Hospitals Ragama (Pvt) Ltd

Board of Directors

C. R. Jansz
D. Hasitha S. Jayawardena
M. A. N. S. Perera
Dr. K. T. Iraivan

Secretary : Mr. K.S.T.N.Fernando

Registered Office

110, Norris Canal Road, Colombo 10.
Tel : +94 11 5288625 Fax: +94 11 2695794
Co. Reg. No. PV 77421
Auditors : Messrs KPMG (Chartered Accountants)

Melsta House (Pvt) Ltd

Board of Directors

D. Hasitha S. Jayawardena
M. A. N. S. Perera
L. U. D. Fernando
D. S. C Mallawaarachchi

Secretary : Mr. K.S.T.N.Fernando

Registered Office

110, Norris Canal Road, Colombo 10.
Tel : +94 11 5288625 Fax: +94 11 2695794
Co. Reg. No. PV 12386
Auditors : Messrs KPMG (Chartered Accountants)

Melsta Laboratories (Pvt) Ltd

Board of Directors

M. A. N. S. Perera
L. U. D. Fernando
Dr. K. T. Iraivan
Dr. A. C. Jayakody

Secretary : Mr. K.S.T N Fernando

Registered Office

110, Norris Canal Road, Colombo 10
Tel: +94 11 5288625 Fax: +94 11 2695794
Co. Reg. No. PV 130983
Auditors : Messrs KPMG (Chartered Accountants)

M

Melsta Logistics (Pvt) Ltd

Board of Directors

M. A. N. S. Perera
L. U. D. Fernando
T. Q. Fernando (Resigned w.e.f 24.04.2024)

Secretary : Aitken Spence Corporate Services (Private) Limited

Registered Office

160, Negombo Road, Seeduwa
Tel: +94 11 5223300
Fax: +94 11 5223322
Co. Reg. No. PV 14051
Auditors : Messrs Amarasekara & Company (Chartered Accountants)

Melsta Pharmaceuticals (Pvt) Ltd

Board of Directors

M. A. N. S. Perera
L. U. D. Fernando
N. Nagahawatte
Dr. K. T. Iraivan

Secretary : Aitken Spence Corporate Services (Private) Limited

Registered Office

110, Norris Canal Road, Colombo 10
Tel: +94 11 5288625 Fax: +94 11 2695794
Co. Reg. No. PV 124904
Auditors : Messrs KPMG (Chartered Accountants)

Melsta Properties (Pvt) Ltd

Board of Directors

Capt. K. J. Kahanda (Retd.)
S. Rajanathan (Deceased on 06.02.2025)
R. R. P. L. S. Ratnayake

Secretary : Aitken Spence Corporate Services (Private) Limited

Registered Office

110, Norris Canal Road, Colombo 10
Tel: +94 11 5900300 Fax : +94 11 2695794
Co. Reg. No. PV 78422
Auditors : Messrs KPMG (Chartered Accountants)

Melsta Technologies (Pvt) Ltd

Board of Directors

B. K. J. P. Rodrigo
P. Karunanayke
D. M. Welikandage

Secretary : Aitken Spence Corporate Services (Private) Limited

Registered Office

110, Norris Canal Road, Colombo 10
Tel: +94 11 5288625 Fax : +94 11 2695794
Co. Reg. No. PV 104028
Auditors : Messrs KPMG (Chartered Accountants)

Group Directory

M

Melsta Tower (Pvt) Ltd

Board of Directors

M. A. N. S. Perera
L. U. D. Fernando
Ms. S. A. Atukorale

Secretary : Aitken Spence Corporate Services (Private) Limited

Registered Office
110, Norris Canal Road, Colombo 10
Tel: +94 11 5900300 Fax : +94 11 2695794
Co. Reg. No. PV 90157
Auditors : Messrs KPMG (Chartered Accountants)

Milford Holdings (Pvt) Ltd

Board of Directors

D. Hasitha S. Jayawardena (Appointed w.e.f. 25.04.2024)
C. R. Jansz
Capt. K. J. Kahanda (Retd.)
D. H. S. Jayawardena – (Deceased on 03.02.205)

Secretary : Aitken Spence Corporate Services (Private) Limited

Registered Office
110, Norris Canal Road, Colombo 10
Tel: +94 11 2695295-7 Fax: +94 11 2696360
Co. Reg. No. PV 5944
Auditors : Messrs KPMG (Chartered Accountants)

P

Pelwatte Agriculture & Engineering Services (Pvt) Ltd

Board of Directors

D. A. de S. Wickramanayake
C. S. Weeraratne

Secretaries : Managers & Secretaries (Pvt) Limited

Registered Office
27, Melbourne Avenue, Colombo 04
Tel: +94 11 2589390 Fax: +94 11 2500674
Co. Reg. No. PV 66850
Auditors : Messrs Ernst & Young (Chartered Accountants)

Pelwatte Sugar Distilleries (Pvt) Ltd

Board of Directors

Capt. K. J. Kahanda (Retd.)
D. A. de S. Wickramanayake

Secretaries : Managers & Secretaries (Pvt) Limited

Registered Office
27, Melbourne Avenue, Colombo 04
Tel: +94 11 2589390 Fax: +94 11 2500674
Co. Reg. No. PV 10221
Auditors : Messrs Ernst & Young (Chartered Accountants)

Pelwatte Sugar Industries PLC

Board of Directors

Capt. K. J. Kahanda (Retd.)
R. Wettewa
D. A. de S. Wickramanayake
D. H. J. Gunawardena
C. S. Weeraratne
D. A. E. de S. Wickramanayake
K. K. U. Wijeyesekera
D. H. S. Jayawardena – (Deceased on 03.02.2025)

Secretaries : Managers & Secretaries (Pvt) Limited

Registered Office
27, Melbourne Avenue, Colombo 04
Tel: +94 11 2589390 Fax: +94 11 2500674
Co. Reg. No. PQ 30
Auditors : Messrs Ernst & Young (Chartered Accountants)

Periceyl (Pvt) Ltd

Board of Directors

D. Hasitha S. Jayawardena
C. R. Jansz
S. K. S. D. Amarathunga
M. A. N. S. Perera
D. H. S. Jayawardena – (Deceased on 03.02.205)

Secretary : Ms. V. J. Senaratne

Registered Office
110, Norris Canal Road, Colombo 10
Tel: +94 11 2808565
Fax: +94 11 5551777
Co. Reg. No. PV 5529
Auditors : Messrs Ernst & Young (Chartered Accountants)

S

Splendor Media (Pvt) Ltd

Board of Directors

Ms. G. Chakravarthy
N. N. Nagahawatte
O. A. R. P. Obeysinghe
Ms. D. S. T. Jayawardena (Resigned w.e,f 10.03.2025)

Secretary : Aitken Spence Corporate Services (Private) Limited

Registered Office

110, Norris Canal Road, Colombo 10
Tel: +94 11 5639501
Fax: +94 11 5373344
Co. Reg. No. PV 1230
Auditors : Messrs KPMG (Chartered Accountants)

T

Texpro Industries Limited

Board of Directors

D. S. C. Mallawaarachchi (Appointed w.e.f. 17.01.2025)
L.U.D Fernando (Appointed w.e.f 17.01.2025)
D. H. S. Jayawardena - (Deceased on 03.02.2025)
J. D. Peiris –(Resigned on 25-01-2025)

Secretaries : Aitken Spence Corporate Services (Private) Limited

Registered Office

1st Floor, Lakshman's Building, 321, Galle Road, Colombo 03
Tel: +94 11 2565951
Co. Reg. No. PB 748
Auditors : Messrs KPMG (Chartered Accountants)

Timpex (Pvt) Ltd

Board of Directors

J. D. Peiris
N.N.Nagahwatte (Appointed w.e.f. 31.01.2025)
D. S. C. Mallawaarachchi (Appointed w.e.f 31.01.2025)
D. H. S. Jayawardena - (Deceased on 03.02.205)

Secretaries: Aitken Spence Corporate Services (Private) Limited

Registered Office

1st Floor, Lakshman's Building, 321, Galle Road, Colombo 03
Tel: +94 11 2565951
Co. Reg. No. PV 17863
Auditors : Messrs KPMG (Chartered Accountants)

Associates

Amethyst Leisure Limited

Board of Directors

Ms. D. S. T. Jayawardena - Chairperson
M. A. N. S. Perera
C. M. S. Jayawickrama
Ms. V. J. Senaratne
B. G. D. L. P. Wijeratne

Secretaries : Aitken Spence Corporate Finance (Private) Limited

Registered Office

315, Vauxhall Street, Colombo 02

Tel: +94 11 2308308 Fax: +94 11 2308099

Co. Reg. No. PQ 202

Auditors: Messrs KPMG (Chartered Accountants

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held on Wednesday, 17th September 2025 at 11.00 a.m. via the zoom platform at the "Mini Auditorium" of the Distilleries Company of Sri Lanka PLC located at No. 110, Norris Canal Road, Colombo 10, to consider and if thought fit to pass the following resolutions:

1. To receive and consider the Annual Report of the Board of Directors together with the Financial Statements of the Company for the year ended 31st March 2025 and the report of the auditors thereon.
2. To re-appoint M/s. KPMG, Chartered Accountants, as the Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be agreed by the Board of Directors and to audit the Financial Statements of the Company for the accounting period ending 31st March 2026 in terms of S.158 of the Companies Act No.07 of 2007.
3. To propose the following resolution as an ordinary resolution for the re-appointment of Mr. C R Jansz who is over 70 years.

   "IT IS HEREBY RESOLVED that the age limit referred to in section 210 of the Companies Act No. 7 of 2007 shall not apply to Mr. C R Jansz who has reached the age of 72 years prior to the Annual General Meeting and that he shall accordingly be re-appointed"
4. To propose the following resolution as an ordinary resolution for the re-appointment of Mr. N. de S. Deva Aditya who is over 70 years.

   "IT IS HEREBY RESOLVED that the age limit referred to in section 210 of the Companies Act No. 7 of 2007 shall not apply to Mr. N. de S. Deva Aditya who has reached the age of 77 years prior to the Annual General Meeting and that he shall accordingly be re- appointed"
5. To re-elect as a Director Mr Kolitha Jagath Kahanda who retires from office at the end of this Annual General Meeting in terms of Article 86 of the Articles of Association of the Company and being eligible has offered himself for re-election.
6. To elect Mr L H A Lakshman Silva who retires in terms of the Article 93 of the Articles of Association of the Company, as a Director.
7. To elect Mr Ashoka Goonesekere who retires in terms of the Article 93 of the Articles of Association of the Company, as a Director:
8. To approve the donations and contributions made by the Directors during the year under review, and to authorize the Directors to determine contributions to charities for the ensuing year.

By Order of the Board

CORPORATE SERVICES (PRIVATE) LIMITED

Secretaries
MELSTACORP PLC

Colombo, on this 25th day of August 2025

NOTES:

1. The Annual General Meeting of Melstacorp PLC will be held as a virtual meeting via the online meeting platform Zoom by participants joining in person or proxy and through audio or audio visual means in the manner specified below.

1. Shareholder Participation
   a. Any Shareholder entitled to attend and vote is entitled to appoint a proxy or proxies in his/her stead. A form of proxy accompanies this notice. A proxy need not be a Shareholder of the Company.

   b. The Shareholders are encouraged to appoint a Director of the Company as their proxy to represent them at the meeting.

   c. The Shareholders may also appoint any other persons other than a Director of the Company as their proxy and the proxy so appointed shall participate at the meeting through audio or audio visual means only.

   d. The Shareholders who wish to participate at the meeting will be able to join the meeting through audio or audio visual means, via the online meeting platform Zoom. To facilitate this process, the Shareholders are required to furnish the details of the Shareholder and proxy holder, if any, by perfecting Annexure II to the circular to Shareholders uploaded to the Company website and the website of the Colombo Stock Exchange and forward the same to [agm2025@melsta.com] or by post to the registered address of the Company No. 110, Norris Canal Road, Colombo 10. Sri Lanka, to reach the Company not less than three (3) days before the date appointed for holding the meeting so that the meeting login information could be forwarded to the e-mail address as provided. The circular to the Shareholders will be posted to all the Shareholders along with the Notice of Meeting and the Form of Proxy.

e. To facilitate the appointment of proxies, the Form of Proxy uploaded to the Company website and Colombo Stock Exchange website and the duly filled Form of Proxy should be sent to reach the Registrars of the Company via e mail [agm2025@melsta.com] or by post to the registered address of the Company No. 110, Norris Canal Road, Colombo 10. Sri Lanka, not less than thirty six (36) hours before the time fixed for the meeting.

II. Shareholder's Queries

1. The Shareholders are hereby advised that if they wish to raise any queries, such queries should be sent to reach the Company, via e-mail to agm2025@melsta.com or by post to the registered address of the Company No. 110, Norris Canal Road, Colombo 10, Sri Lanka not less than three (03) days before the date of the meeting. This is in order to enable the Company to compile the queries and forward the same to the attention of the Board of Directors so that same could be addressed at the meeting.

2. Voting in respect of the resolutions sought to be passed will be registered by using the online meeting platform Zoom or another designated ancillary online application. All of such procedures will be explained to the Shareholders prior to the commencement of the meeting.

3. Shareholders can use the "Q&A Forum" to communicate your questions/concerns as and when required.

4. The Annual Report of the Company for the year 2024/2025 will be available for perusal of the Company website www.melstacorp.com and the Colombo Stock Exchange website on www.cse.lk.

5. For any questions please contact
Mr. Thilina Fernando, Melstacorp PLC during office hours. Telephone : + 94 11 5900380, +94 11 5900300, Ext: 380, E-mail: agm2025@melsta.com

Notes

Form of Proxy

Folio No.

I/We..

of..being a Shareholder / Shareholders of

Melstacorp PLC hereby appoint Don Hasitha Stassen Jayawardena* or failing him Cedric Royle Jansz* or failing him Mellawatantrige Anton Niroshan Sampath Perera* or failing him Niranjan de Silva Deva Aditya* or failing him Kolitha Jagath Kahanda* or failing him Don Therese Stasshani Jayawardena* or failing her Lintotage Udaya Damien Fernando * or failing him Reyaz Mihular* or failing him Ravindra Ajith Fernando* or failing him Ashoka Goonesekere* or failing him Lakshman Silva* or failing him..

....

of... as my/our* proxy to vote for me/us on my/our behalf for/ or against the resolution and/or to speak at the Annual General Meeting of the Company to be held on the 17th day of September 2025 and at any adjournment thereof.* Please delete the inappropriate words.

	For	Against
1. To receive and consider the Annual Report of the Board of Directors together with the Financial Statements of the Company for the year ended 31st March 2025.	☐	☐
2. To re-appoint M/s KPMG, Chartered Accountants, as the auditors of the Company and authorize the Board of Directors to fix their remuneration in terms of S.158 of the Companies Act 07 of 2007	☐	☐
3. To re-appoint Mr. C. R. Jansz who is over 70 years in terms of Section 210 of the Companies Act No. 7 of 2007 as set out in the notice.	☐	☐
4. To re-appoint Mr. N. de S. Deva Aditya who is over 70 years in terms of Section 210 of the Companies Act No. 7 of 2007 as set out in the notice.	☐	☐
5. To re-elect as a Director Mr. Kolitha Jagath Kahanda who retires from office at the end of this Annual General Meeting in terms of Article 86 of the Articles of Association of the Company as set out in the notice.	☐	☐
6. To elect as a Director Mr. L H A Lakshman Silva who retires in terms of the Article 93 of the Articles of Association of the Company, as a Director as set out in the notice.	☐	☐
7. To elect as a Director Mr. Ashoka Goonesekere who retires in terms of the Article 93 of the Articles of Association of the Company, as a Director as set out in the notice.	☐	☐
8. To approve the donations and contributions made by the Directors during the year under review, and to authorize the Directors to determine contributions to charities for the ensuing year.	☐	☐

* Please delete the inappropriate words.

** Please write your Folio Number which is given on the top left of the address sticker

....

Signature of Shareholder

Dated this ....day of........................2025

Form of Proxy

Notes:

1. Proxy need not be a Shareholder of the Company.
2. In terms of Article 72 of Articles of Association of the Company.

   The instrument appointing a proxy shall be in writing and, In the case of an individual shall be signed by the appointor or by his attorney; and in the case of a corporation shall be signed as provided by its Articles of Association by person/s authorised to do so, on behalf of the corporation. The Company may, but shall not be bound to require evidence of the authority of any person so signing, A proxy need not be a Shareholder of the Company.
3. In terms of Article 73 of the Articles of Association of the Company.

   The instrument appointing a proxy, and the power of attorney (if any) under which it is signed, or a notarially certified copy of such power, or any other document necessary to show the validity of or otherwise relating to the appointment of the Proxy shall be deposited for inspection at the Office or sent by electronic mail to an electronic mail account notified by the Company to the Shareholders in writing not less than thirty-six hours before the time appointed for holding the meeting or adjourned meeting, or in the case of a poll before the time appointed for taking of the poll at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid, provided however in the case of a meeting called by shorter notice as set out in Section 135(3) of the Act a proxy and any other documents as aforesaid shall be valid if deposited at the Office or received by electronic mail to an electronic mail account notified by the Company to the Shareholders in writing not less than twenty-four hours before the time appointed for holding the meeting called by such shorter notice or such adjourned meeting.
4. In terms of Article 67 of the Articles of Association of the Company.

   In the case of joint-holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint-holders, and for this purpose seniority shall be determined by the order in which the name stands in the Register of Shareholders in respect of the joint holding.
5. Instructions as to completion are noted overleaf;

Instructions as to completion

1. Kindly perfect the Form of Proxy by filling in the mandatory details required above, signing in the space provided and filling in the date of signature.
2. If the Form of Proxy is signed by an Attorney, the relative power of attorney should also a company the proxy form for registration, if such power of attorney has not already been registered with the Company.
3. In the case of a Company / Corporation, the Form of Proxy shall be executed in the manner specified in the Articles of Association of Melstacorp PLC.
4. In the absence of any specific instructions as to voting, the proxy may use his / her discretion in exercising the vote on behalf of his appointer.
5. Duly filled forms of proxy should be sent to reach the Company via e-mail to **agm2025@melsta.com** or by post to the registered address of the Company No: 110, Norris Canal Road, Colombo 10, Sri Lanka, **not less than thirty-six (36) hours before the time appointed for the holding of the meeting.**

Corporate Information

Company Name

Melstacorp PLC

Domicile and Legal Form of the Holding Company

Public Limited Liability Company Incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange

Registration No.

PB 11755 PQ

Ultimate Parent Company

Milford Exports (Ceylon) (Pvt) Ltd.

Registered Office

110, Norris Canal Road, Colombo 10, Sri Lanka.
Tel: +94 11 5900300
Fax: +94 11 5900333
Web: www.melstacorp.com

Board of Directors

Mr. D. Hasitha S. Jayawardena - Executive Chairman (Appointed w.e.f. 06th February 2025)
Mr. C. R. Jansz-Deputy Chairman
Mr. M. A. N. S. Perera-Managing Director
Capt. K. J. Kahanda (Retd.) Mr. N. de S. Deva Aditya
Ms. D. S. T. Jayawardena
Mr. L. U. D. Fernando
Mr. M. R. Mihular
Dr. R. A. Fernando
Mr. A. Goonesekere (Appointed w.e.f. 01.10.2024)
Mr. L. H. A. L. Silva (Appointed w.e.f. 01.10.2024)
Deshamanya D.H.S.Jayawardena (Deceased on 03.02.2025)
Dr. A. N. Balasuriya (Resigned w.e.f 01.10.2024)

Audit Committee

Mr. M. R. Mihular - Chairman
Dr. R.A. Fernando
Ms. D. S. T. Jayawardena

Remuneration Committee

Dr. R.A. Fernando - Chairman
Mr. M. R. Mihular
Ms. D. S. T. Jayawardena

Related Party Transactions Review Committee

Mr. M. R. Mihular - Chairman
Dr. R.A. Fernando
Ms. D. S. T. Jayawardena

Nominations and Governance Committee

Dr. R. A. Fernando – Chairman
Mr. M. R. Mihular
Mr. L. A. H. L. Silva
Ms. D .S. T. Jayawardena

Risk Committee

Mr. M. R. Mihular – Chairman
Dr. R. A. Fernando
Mr. L. A. H. L. Silva
Ms. D .S. T. Jayawardena
Mr. N. de S. Deva Aditya

Company Secretary

Corporate Services (Private) Limited
No.216, De Saram Road,
Colombo 10. Sri Lanka.
Tel: +94 11 4605100 Fax: +94 11 4718220

Registrars

Central Depository Systems (Pvt) Ltd.
Registrar Services and Corporate Actions Unit
No.341/5, M &M Center, Kotte Road, Rajagiriya, Sri Lanka.
Tel: +94 11 2356456
Fax: +94 11 2440396

Auditors

Messrs KPMG (Chartered Accountants)
32A, Sir Mohamed Macan Marker Mawatha,
Colombo 03, Sri Lanka.

Bankers

Bank of Ceylon
Commercial Bank of Ceylon PLC
DFCC Bank PLC
Hatton National Bank PLC

Credit Rating

The Company has been assigned 'AAA (lka)' National Long Term Rating with a Stable Outlook by Fitch Ratings Lanka Limited.

Designed & produced by
emagewise

www.melstacorp.com

Melstacorp PLC
110, Norris Canal Road, Colombo 10, Sri Lanka
Tel: +94 11 5 900 300 | Fax: +94 11 5 900 333