# Standing Through Every Moment

**CEYLON TEA BROKERS PLC**

Annual Report 2025/26

# Standing Through Every Moment

For two decades, Ceylon Tea Brokers has built its reputation as a steady and dependable presence within one of the most demanding and unpredictable industries. Operating in a landscape shaped by constant change and economic uncertainty, the company has remained grounded in its purpose to provide clarity, stability, and confidence to those it serves.

Over the past 20 years, the journey has not been without challenge. Shifting market conditions, economic pressures, and industry complexities have tested resilience at every stage. Yet, through each phase, Ceylon Tea Brokers has demonstrated an ability to adapt, respond, and move forward with assurance, without losing sight of its core responsibility.

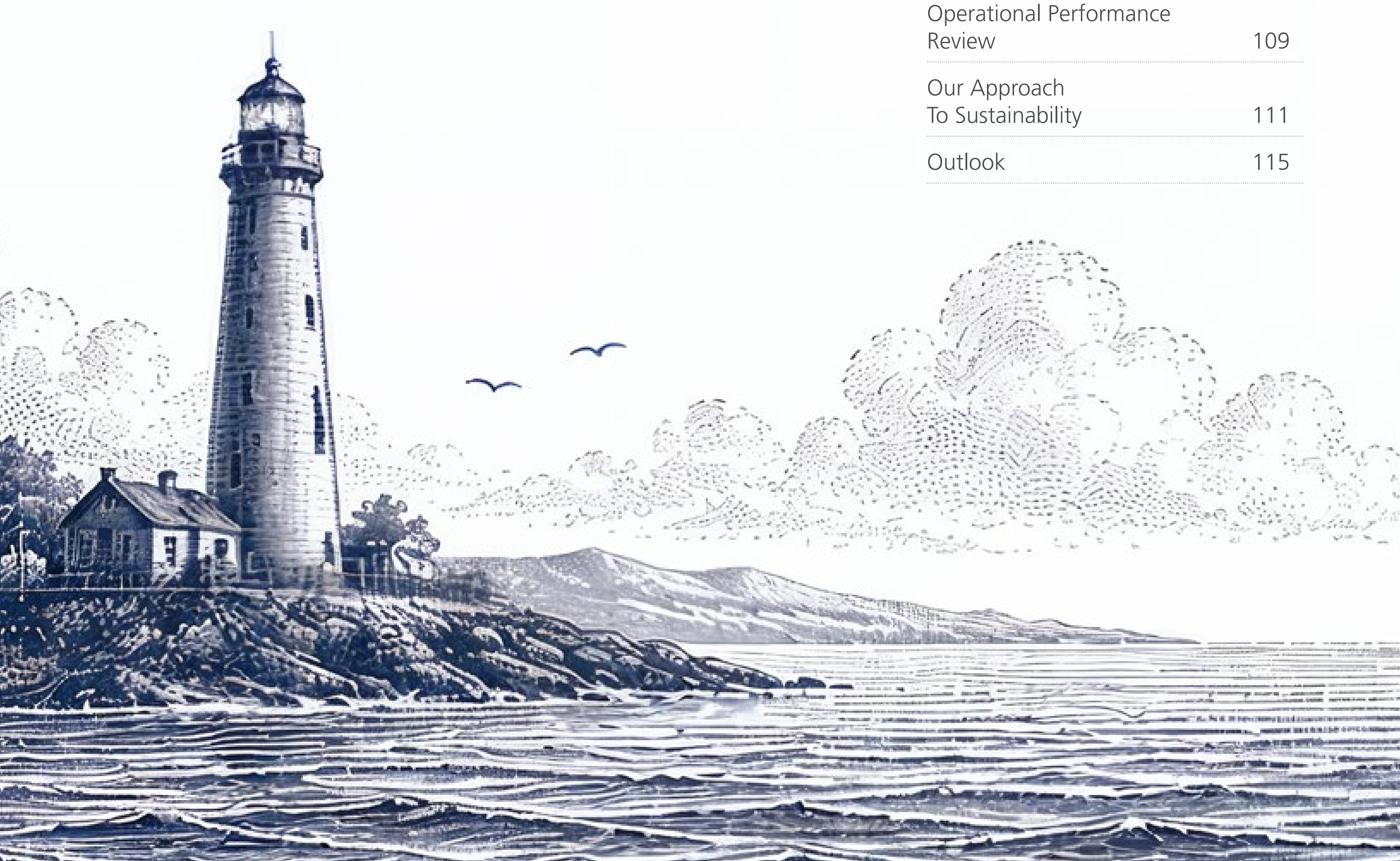
Today, the company stands as a trusted partner to its stakeholders, offering not only expertise, but a sense of reliability that has been built over time. Its role extends beyond transactions, reflecting a deeper commitment to guide, support, and create long-term value in an environment where certainty is often hard to find.

This annual report reflects a year shaped by both challenge and progress, and more importantly, a journey defined by consistency, discipline, and trust. It is also a recognition of the people behind the business, whose dedication and professionalism continue to strengthen the foundation on which the company stands.

As Ceylon Tea Brokers marks this 20-year milestone, it does so with quiet confidence remaining steady in direction, clear in purpose, and committed to being a constant presence for all those who rely on it.

# Contents





## Governance Reports



## Financial Reports



## Supplementary Information



GRI 2021 : 2-2, 2-3

# Welcome to Our 8th Integrated Report

We are pleased to present our eighth Integrated Report, prepared in alignment with the International <IR> Framework of the International Integrated Reporting Council (IIRC). The report brings together a comprehensive overview of our financial performance, operational highlights, Environmental, Social and Governance (ESG) performance and strategic initiatives over the year 2025/26. It also reflects our commitment to transparency, accountability, and sustainable growth.

Our vision is to be a dynamic and leading service organization, which we aim to achieve through stakeholder engagement, reducing our environmental impact, developing our people, and creating sustainable value through our business model. Our annual report (hereinafter referred to as the 'report') demonstrates our continued commitment to conducting business in a responsible and sustainable manner. Our focus is on creating sustainable value in our economy, society and environment.

## Basis of Preparation

### Reporting Period

The Annual Report 2025/26 of Ceylon Tea Brokers PLC reports for the 12 months period from 1st April 2025 to 31st March 2026. This period is consistent with the Company's usual annual reporting cycle.

### Reporting Scope and Boundary

The contents of this report relate to the operations of Ceylon Tea Brokers PLC "Company" including its fully owned subsidiary, Logicare (Pvt) Ltd, collectively referred to as "Group". The Company does not have any other subsidiaries, associates, joint ventures, overseas operations, or other businesses for the purpose of reporting except for Logicare (Pvt) Ltd. The Company's shareholding structure, operations and its geographical presence are disclosed on page 250 and 08 respectively. Non-financial information presented in this report refers to the Group unless explicitly stated.

### Determining Materiality

Materiality analysis is a key process that enables the Company to define key triple bottom line issues that are vital to our business and stakeholders, both internal and external. Our focus on materiality is based on material aspects recognised by both internal and external stakeholders. This process is crucial to drive performance, improve our sustainability framework and use the corporate governance practices at all levels of the Group.

The Company conducts regular external stakeholder engagement in ascertaining aspects material to its significant stakeholders. In addition, materiality is also assessed internally in ascertaining the aspects material to the Company and to fine-tune and streamline its strategy and processes to manage these material issues.

### Navigation Icons

Throughout this report, we have incorporated the following navigation icons to illustrate the interconnectedness of relevant information.

**Strategic Pillars**

Competent Team

Operational Excellence

Service Excellence

**Stakeholders**

Investors

Customers

Employees

Suppliers

Community & Environment

Regulator

**Capitals**

Financial

Manufactured

Human

Intellectual

Natural

Social & Relationship

GRI 2021 : 2-3, 2-4

## Standards and Frameworks

| Financial Reporting | Narrative Reporting | Sustainability Reporting | Corporate Governance |
|---|---|---|---|
| • Sri Lanka Financial Reporting Standards<br>• Companies Act No.7 of 2007<br>• Listing Requirements of the Colombo Stock Exchange<br>• Sri Lanka Accounting Standards | • Integrated Reporting Framework<br>• Guidelines for the presentation of Annual Reports issued by CA Sri Lanka | • GRI Standards (2021) of the Global Reporting Initiative<br>• Non-Financial Reporting Guidelines issued by CA Sri Lanka<br>• Gender Parity Reporting Framework of CA Sri Lanka<br>• Sustainable Development Goals (SDG)<br>• 10 principles of the UN Global Compact | • Listing Requirements of the Colombo Stock Exchange<br>• Companies Act No.7 of 2007<br>• Code of Best Practice on Corporate Governance issued by CA Sri Lanka (2023) |

### ESG Metrics

Our Integrated Report extends beyond financial reporting to include key environmental, social and governance (ESG) performance metrics. The reporting boundary for financial and non-financial reporting remains consistent.

### Restatements and Significant Changes from the Previous Report and Date of Most Recent Previous Report

The Company's most recent report was for the financial year 2024/25. There have not been any changes in reporting scope and/or boundaries from the previous year.

### Forward Looking Statements

In this Annual Report, readers will find forward-looking statements that stem from the Group's present expectations and forecasts regarding future events. These statements inherently carry risks, uncertainties, and assumptions, many of which are tied to factors beyond the Group's influence. It's important for investors to be aware that these factors may diverge significantly from the expressions contained within any forward-looking statement, and the Group cautions accordingly.

### Feedback

We are dedicated to continually improving the quality and readability of our Annual Report, and we value your feedback, suggestions, and comments. Please direct any input or inquiries to;

Mr. Ramal Samarasinghe
*Director Finance*
ramal@ceylonteabrokers.com

### Board Responsibility Statement

The Board of Directors of Ceylon Tea Brokers PLC holds the ultimate responsibility for upholding the integrity of this Report. We affirm that the 2025/26 Report comprehensively addresses all pertinent material matters and accurately represents the integrated performance of the Group. Furthermore, we confirm that the Report has been meticulously prepared in alignment with the Integrated Reporting Framework of the International Integrated Reporting Council. The Report is approved and authorized for publication.

Chairman

Managing Director

Chief Executive Officer

Chairperson of Audit Committee

PDF

This Annual Report is published within three months of the date of the Consolidated Statement of Financial Position. The web version is also published online on the same date as the date of issue of this Annual Report at **www.ceylonteabrokers.com/financial-reports/**

GRI 2021 : 2-1, 2-6

# 20 Years of Standing Through It All

## Who We Are

### About Ceylon Tea Brokers PLC

Ceylon Tea Brokers PLC plays a pivotal role in Sri Lanka's tea industry by connecting producers and buyers through efficient, transparent, and value-driven tea broking services. Operating at the heart of the Colombo Tea Auction, the Company facilitates market access for a diverse network of stakeholders while contributing to the continued growth and sustainability of one of the country's most important export industries.

Today, the Company serves over 178 producer clients and 263 buyers, handling approximately 16.69% of the total volume traded through E-Auction and private sale. These longstanding relationships have been built on trust, consistency, and an unwavering commitment to delivering superior service and market expertise.

As the first tea broking company to be listed on the Colombo Stock Exchange, Ceylon Tea Brokers PLC has consistently demonstrated its ability to adapt to evolving market dynamics while maintaining its competitive position within a highly established industry. Over the years, the Company has strengthened its reputation as a reliable and respected partner, guided by strong corporate governance, sound industry knowledge, and a customer-focused approach.

**16.69%**
**Traded**
Market Share on Quantity Sold

**178** **Producers** Serves
**263** **Buyers**

**125**
**Employees**

**204,064 Sq Ft**
**Warehousing**
Across 3 Nos Warehouses

A key driver of CTB is its people. Supported by an experienced leadership team, our professionals bring together technical expertise, market insight, and a deep understanding of the tea trade. Their commitment, agility, and dedication enable the Company to respond effectively to industry developments while continuously enhancing the value delivered to clients and stakeholders.

Ceylon Tea Brokers PLC remains focused on strengthening its market presence, fostering enduring partnerships, and embracing innovation to support the evolving needs of the tea industry. Through these efforts, the Company continues to create sustainable value while contributing to the advancement of Sri Lanka's globally renowned tea sector.

### Our Business


Tea Broking & Marketing


Financing Services


Advisory Services


Logistics & Warehousing

Connecting producers and buyers through market expertise, trusted partnerships and integrated services, we create value across every link of the tea value chain.

## Tea Broking and Marketing Services

Ceylon Tea Brokers PLC is a licensed Produce Broker for tea, registered with the Sri Lanka Tea Board under License No. PB/102/2026. As a trusted intermediary between tea producers and buyers, the Company plays a vital role in facilitating the efficient marketing and sale of tea through the Colombo Tea Auction, ensuring transparency, market access, and value creation for all stakeholders.

Beyond its core tea broking function, the Company provides comprehensive marketing support services to its producer clients, acting as a critical link between tea manufacturers and buyers in local market. Leveraging its extensive buyer network and market presence, CTB actively promotes and markets the teas produced by its clients to a diverse portfolio of buyers, helping producers secure optimal market exposure and achieve competitive prices.

The Company facilitates the matching of producer offerings with buyer requirements by communicating product availability, quality attributes, and unique characteristics of individual teas to prospective purchasers. In addition, CTB continuously shares market intelligence, buyer feedback, emerging demand trends, pricing movements, and changing customer preferences with producers, enabling them to better align production with market expectations.

Through its deep understanding of market dynamics and close relationships with buyers, the Company assists producers in identifying new market opportunities, expanding their customer base, strengthening product positioning, and maximizing value realization. By bridging the gap between producers and buyers, CTB plays a vital role in enhancing the marketability and commercial success of its clients' teas while supporting the continued growth and reputation of Ceylon Tea in global markets.

## Financing Services

Ceylon Tea Brokers PLC supports its producer clients by providing financing facilities designed to meet their working capital requirements and sustain operational continuity. Recognizing the importance of timely access to funding within the tea manufacturing cycle, the Company offers loans and advances tailored to the needs of tea factories and producers marketed through its portfolio.

These financing solutions enable producers to manage cash flow requirements effectively, support day-to-day operations, and maintain production efficiency throughout the year. By facilitating access to capital, CTB contributes to the financial stability and long-term growth of its producer base while strengthening relationships across the tea value chain.

## Advisory Services

Ceylon Tea Brokers PLC provides specialized advisory services aimed at enhancing the quality, consistency, and marketability of tea produced by its clients. Leveraging extensive industry knowledge and technical expertise, the Company works closely with tea factories to provide manufacturing advice and personalized support tailored to their specific operational requirements.

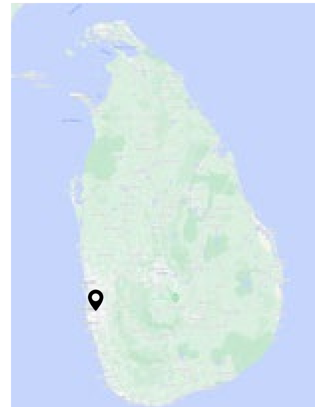
Through continuous engagement with producers, the Company provides timely insights into evolving market conditions, quality expectations, packaging and presentation preferences, and opportunities within key export destinations. CTB also assists producers in identifying opportunities for quality enhancement, adopting best manufacturing practices, and aligning production processes with changing buyer requirements and market trends. This enables tea factories to make informed production and marketing decisions, improve product positioning, and respond effectively to evolving customer preferences.

# Who We Are

By serving as a critical link between buyers and producers, CTB facilitates the seamless flow of market information across the value chain, helping producers strengthen customer relationships, access niche market opportunities, enhance the competitiveness of their teas, and maximize value realization at auction. These collaborative efforts contribute to strengthening the reputation and global competitiveness of Ceylon Tea while supporting the sustainable growth of producer clients.

The Company serves a diverse network of tea factories across all major tea-growing elevations in Sri Lanka, including Uva High, Uva Medium, Western High, Western Medium, and Low Grown regions. This extensive reach enables CTB to support a broad spectrum of producers while providing buyers with access to a wide range of distinctive regional teas that reflect the unique characteristics of Sri Lanka's tea-growing terroirs.

Logistics and Warehousing Services
Ceylon Tea Brokers PLC enhances its service offering to tea buyers through comprehensive logistics and warehousing solutions provided by its fully owned subsidiary, Logicare (Private) Limited. These services are designed to support the efficient movement, storage, and handling of tea, enabling buyers to streamline their supply chains and respond effectively to market demands.

## Logicare (Private) Limited

Leveraging modern transportation capabilities and strategically located warehousing facilities, Logicare provides reliable end-to-end logistics solutions for both tea industry participants and third-party clients. By ensuring the safe, timely, and cost-effective management of goods, the Company helps clients optimize operational efficiency while maintaining the quality and integrity of their products throughout the supply chain.

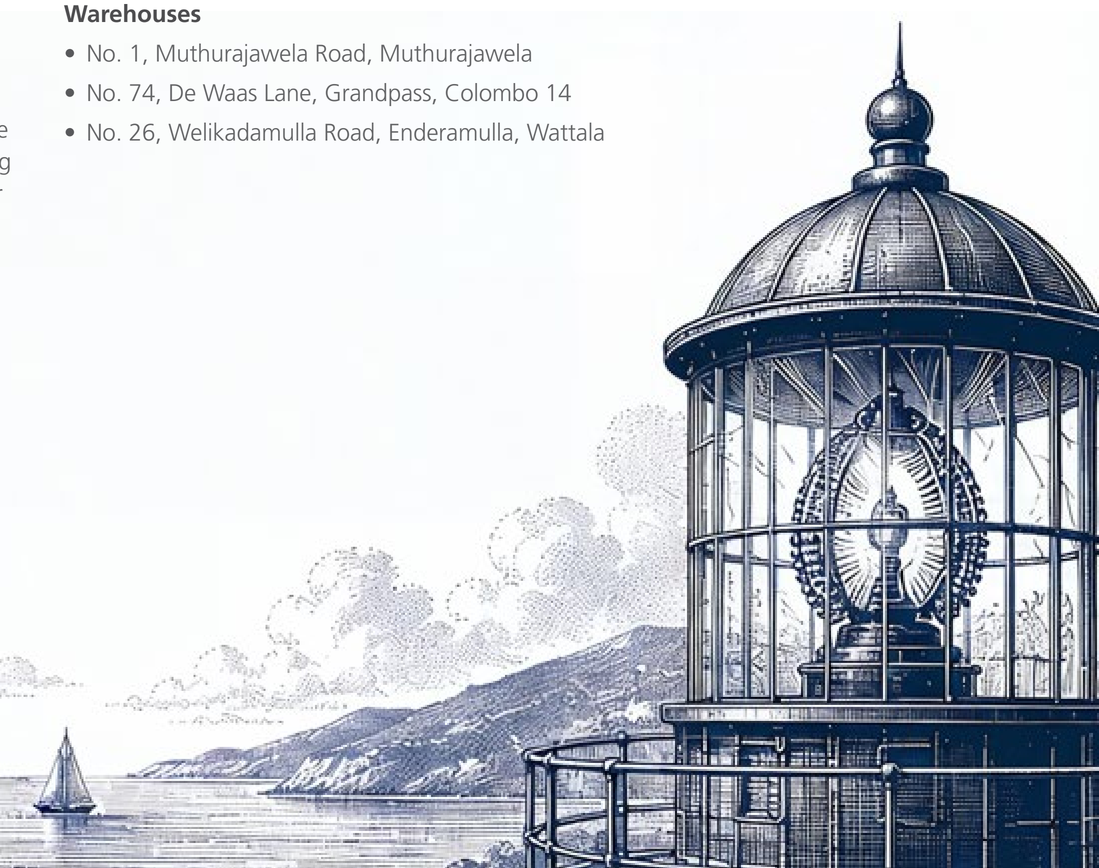
Committed to innovation and sustainability, Logicare continuously integrates advanced technologies and best practices into its operations to deliver customized logistics solutions that meet the evolving needs of its clients. Through these value-added services, the Group strengthens its position as a trusted partner across the tea value chain, offering buyers seamless access to integrated broking, logistics, and supply chain support.

### Our Locations

- Head Office :No, 481, T.B. Jayah Mawatha, Colombo 10, Sri Lanka.
- Sample Room: No. 74, De Waas Lane, Grandpass, Colombo 14.

### Warehouses

- No. 1, Muthurajawela Road, Muthurajawela
- No. 74, De Waas Lane, Grandpass, Colombo 14
- No. 26, Welikadamulla Road, Enderamulla, Wattala



# Vision, Mission and Core Values

## Our Vision

To be a dynamic and leading service organization.

## Our Mission

In our core business of Tea broking, to be the preferred choice of the industry.

Provide a professional and fully integrated service, thus adding value to our clients, employees, shareholders and the country.

Be a socially responsible corporate citizen.

## Our Core Values

Ability

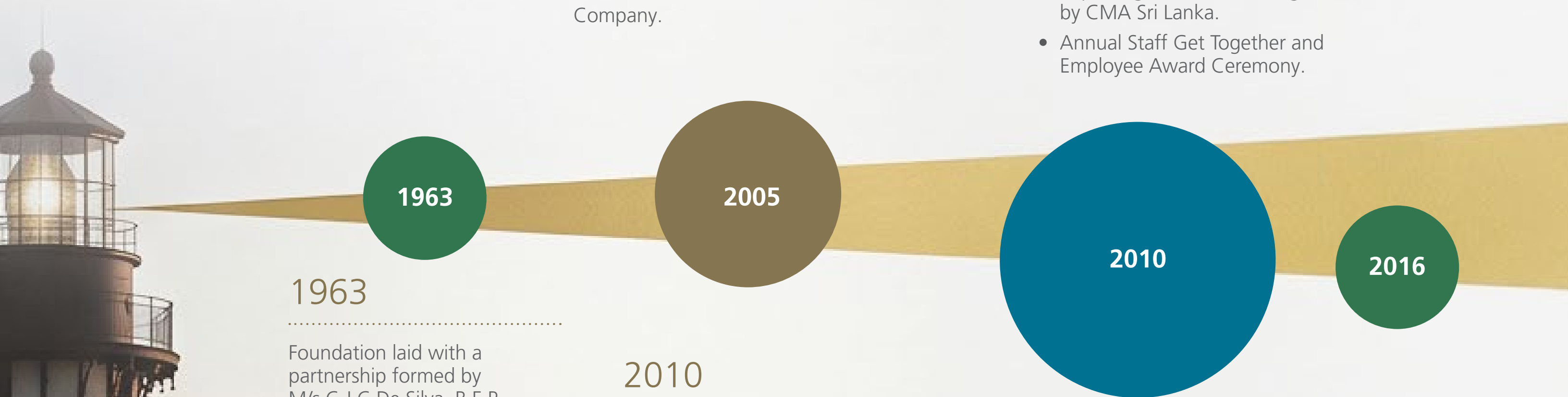
Credibility

Integrity

Teamwork

# Twenty Years Holding Steady Direction

## Milestones




### 1963

Foundation laid with a partnership formed by M/s C.J.C De Silva, R.E.P. Abeywardena and J. Peiris.

### 1999

Incorporated as a private limited company.

### 2005

Acquired by the Capital Alliance Group.

### 2006

Renamed Ceylon Tea Brokers (Pvt) Ltd.

### 2007

Converted to a Public Company.

### 2010

Listed on the Colombo Stock Exchange as the first standalone Tea Broking Company.

### 2015

Corporate office shifted to a strategic location at Nawam Mawatha, Colombo 02.

### 2016

Bronze Award – 'Service Organization Category' at the 52nd Annual Report Awards competition organized by CA Sri Lanka.

### 2017

- Acquisition of Logicare (Pvt) Ltd to enter into the logistics business
- Silver Award - 'Service Organisation Category' at the 53rd Annual Report Awards competition organized by CA Sri Lanka.
- Merit Award - 'SME Category' at the CMA Excellence in Integrated Reporting Awards 2017 organized by CMA Sri Lanka.
- Annual Staff Get Together and Employee Award Ceremony.

### 2018

- First ever Rights Issue.
- Silver Award - 'Service Organisation Category' at the 54th Annual Report Awards competition organized by CA Sri Lanka.
- Best Integrated Report - 'SME Category' at the CMA Excellence in Integrated Reporting Awards 2018 organized by CMA Sri Lanka.
- Overall Merit Award at the CMA Excellence in Integrated Reporting Awards 2018 organized by CMA Sri Lanka.

## 2019

- Achieved a profit after tax of Rs. 113.55 Mn for the year ended 31st March 2019.
- Silver Award - 'Service Organization Category' at the 55th Annual Report Awards competition organized by CA Sri Lanka.
- Best Integrated Report - 'SME Category' at the CMA Excellence in Integrated Reporting Awards 2019 organized by CMA Sri Lanka.
- Overall Merit Award at the CMA Excellence in Integrated Reporting Awards 2019 organised by CMA Sri Lanka.

## 2021

- Commencement of Online Auctions by the Tea Trade.

## 2022

- Bronze Award- "Service Organization Category "at the 56th Annual Report Awards competition organized by CA Sri Lanka
- Achieved a market share of 15.77% on the value of Teas sold.

## 2023

- Achieved the highest ever revenue and profit after tax of Rs. 1,154.97 Mn and Rs..239.68 Mn respectively for the year ended 31st March 2023.
- Silver Award - "Service Organizations Category " at the 57th Annual Report Awards competition organized by CA Sri Lanka.
- Best Integrated Report - "SME Category" at the CMA Excellence in Integrated Reporting Awards 2022 organized by CMA Sri Lanka.
- Overall Merit Award at the CMA Excellence in Integrated Reporting Awards 2022 organized by CMA Sri Lanka.

## 2024

- Joint Bronze Award – "Service (Excluding Financial Services & Communication & IT Sector)" at the Best Presented Annual Report Awards, Integrated Reporting Awards and SAARC Anniversary Awards for Corporate Governance Disclosure 2022 organised by South Asia Federation of Accountants (SAFA)
- Silver Award - "Service Sector Category" at the TAGS Awards 2023 organised by CA Sri Lanka.
- Best Integrated Report - "SME Category" at the CMA Excellence in Integrated Reporting Awards 2023 organised by CMA Sri Lanka.
- "Next Ten Best Integrated Reports" Award at the CMA Excellence in Integrated Reporting Awards 2023 organised by CMA Sri Lanka.
- "Runner Up - Logistics & Transport Sector" at the National Business Excellence Awards 2024 organized by the National Chamber of Sri Lanka – Logicare.

## 2025

- On 25th September 2024, Ceylon Tea Brokers PLC relocated its head office from Level 7, Millennium House, 46/58, Nawam Mawatha, Colombo 02 to a new, more spacious and strategically located premises at No. 481, T. B. Jayah Mawatha, Colombo 10.
- Bronze Award – "Service (Excluding Financial Services & Communication & IT Sector)" at the Best Presented Annual Report Awards, Integrated Reporting Awards and SAARC Anniversary Awards for Corporate Governance Disclosure 2023 organized by South Asia Federation of Accountants (SAFA)
- Bronze Award at the Tags Awards 2024 - Service Sector (Excluding Other Service Categories) by the Institute of Chartered Accountants of Sri Lanka.
- Best Integrated Report – Small and Medium Enterprises Industry at CMA Excellence in Integrated Reporting Awards 2024
- Certificate of compliance at CMA Excellence in Integrated Reporting Awards 2024
- National Logistics Awards – Logicare (Pvt) Ltd was presented a Bronze Award in the Warehousing and Distribution Category Under the Small Sub Sector
- National Award of Excellence Best Supply Chain Practicing Organization 2024 – Special Commendation Medium Scale awarded to Logicare (Pvt) Ltd by the Institute of Supply and Materials Management
- WILAT Awards – Logicare (Pvt) Ltd emerged as a Winner for the Digitalization Champion Award Warehousing and Transportation Industry

## 2026

- Completion of 20 years as Ceylon Tea Brokers
- CILT Awards - Logicare (Pvt) Ltd emerged as a Winner for the Digital Transformation Award 2025 for Medium scale, Organized by Chartered Institute of Logistics and Transport Sri Lanka
- National Award of Excellence Best Supply Chain Practicing Organization 2025 – Special Commendation Medium Scale awarded to Logicare (Pvt) Ltd by the Institute of Supply and Materials Management.

# Awards

## CILT Awards

Logicare (Pvt) Ltd emerged as a Winner for the Digital Transformation Award 2025 for Medium scale, Organized by Chartered Institute of Logistics and Transport Sri Lanka





## National Award of Excellence Best Supply Chain Practicing Organization 2025

Special Commendation Medium Scale awarded to Logicare (Pvt) Ltd by the Institute of Supply and Materials Management

# ESG Performance

As a responsible corporate citizen, we remain committed to continuous improvement in our ESG initiatives to drive meaningful change and build a more sustainable future.

**Our Purpose**
Be a Socially Responsible Corporate Citizen

**Environmental**
We are dedicated to minimizing our environmental footprint while seizing opportunities to shape a greener future.

**Social**
Together, we strive and thrive, united in our pursuit of a better tomorrow.

**Governance**
As a responsible and responsive corporate citizen, we uphold the highest standards of integrity and accountability in all our endeavors.

| | 2025/26 | 2024/25 |
|---|---|---|
| **Environmental Performance** | | |
| Fuel Consumption (Liters) | 71,392 | 73,667 |
| Water Consumption for Operations (m3) | 3,781 | 3,855 |
| Paper Usage (Sheets/Mn) | 2.31 | 2.80 |
| **Social Performance** | | |
| Employee turnover (%) | 8% | 14.8% |
| Total number of female employees as a percentage of total | 22% | 21% |
| Female employees in decision making roles | 7 | 9 |
| Total number of injuries | - | - |
| Average training hours per employee | 4 | 4 |
| Total Employee Benefits Distributed (Rs. Mn) | 431.56 | 395.35 |
| Income Tax Paid (Rs. Mn) | 58.16 | 71.24 |
| Donation and Other Social contributions(Rs. Mn) | 0.619 | 1.34 |
| **Governance Performance** | | |
| Number of total audits conducted on management systems | 1 | 1 |
| Data privacy trainings (No of Hours) | 40 | 39 |
| Number of meetings conducted by the Audit Committee | 5 | 7 |

**Employee Benefits**
**431.56** Rs. Mn
2024/25 - 395.3 Rs. Mn

**Fuel Consumption**
**71,392** Liters
2024/25 - 73,667 Liters

**Training on Data Privacy**
**40** Hours
2024/25 - 39 Hours

The mandatory application of the SLFRS S1 & S2 standards will be effective from 1st January 2027.

# Financial Highlights

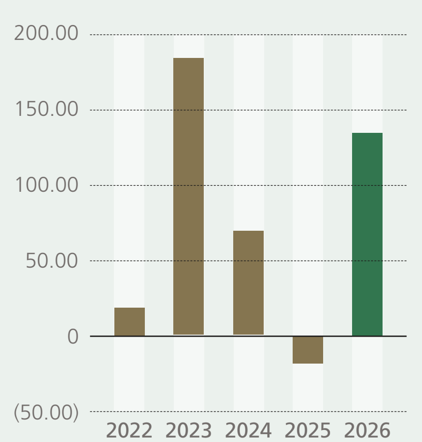
| Five Year Summary as at 31st March | 2026 | | 2025 | | 2024 | | 2023 | | 2022 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Group | Company | Group | Company | Group | Company | Group | Company | Group | Company |
| Revenue (Rs. Mn) | 1,545.30 | 1,128.30 | 1,370.44 | 1,001.49 | 1,638.35 | 1,072.12 | 1,711.45 | 1,154.97 | 867.31 | 580.67 |
| Expenses(Rs. Mn) | (1,329.76) | (909.72) | (1,260.91) | (809.98) | (1,496.81) | (860.74) | (1,434.90) | (823.00) | (811.30) | (434.35) |
| Profit / (Loss) Before Taxation (Rs. Mn) | 218.71 | 218.57 | 109.53 | 191.51 | 151.84 | 211.38 | 276.55 | 331.97 | 56.01 | 146.32 |
| Profit / (Loss) After Taxation (Rs. Mn) | 135.58 | 138.79 | (18.29) | 121.20 | 69.78 | 141.91 | 184.35 | 239.68 | 19.10 | 109.80 |
| Total Assets (Rs. Mn) | 5,034.96 | 4,467.28 | 3,770.57 | 3,191.72 | 3,634.01 | 2,901.24 | 3,360.07 | 2,777.66 | 2908.86 | 2276.82 |
| Shareholder's Funds (Rs. Mn) | 632.97 | 933.98 | 550.11 | 896.27 | 654.29 | 866.01 | 620.11 | 850.09 | 510.35 | 675.00 |
| | | | | | | | | | | |
| Return on Shareholder's Funds After Tax (%) | (21) | (15) | (3) | (13.52) | (10.66) | (16.39) | (29.73) | (28.19) | (3.74) | (16.27) |
| Return on Assets After Tax (%) | 2.69 | 3.11 | (0.49) | (3.80) | (1.92) | (4.89) | (5.49) | (8.63) | (0.66) | (4.82) |
| Net Assets Per Share (Rs.) | 3.47 | 5.12 | 3.02 | 4.91 | 3.59 | 4.75 | 3.40 | 4.66 | 2.80 | 3.70 |
| Earnings Per Share (Rs.) | 0.74 | 0.76 | (0.10) | 0.66 | 0.38 | 0.78 | 1.01 | 1.31 | 0.105 | 0.60 |
| Dividend Per Share (Distribution from during the year profit) (Rs.) | 0.50 | 0.50 | 0.60 | 0.60 | 0.44 | 0.44 | 0.68 | 0.68 | 0.36 | 0.36 |
| Current Ratio (Times) | 1.05 | 1.11 | 1.10 | 1.20 | 1.18 | 1.30 | 1.26 | 1.34 | 1.24 | 1.28 |
| Total Asset Turnover (Times) | 0.31 | 0.25 | 0.36 | 0.31 | 0.45 | 0.37 | 0.51 | 0.42 | 0.30 | 0.26 |
| Market Price (Rs.) | 11.20 | 11.20 | 6.4 | 6.4 | 5.00 | 5.00 | 4.1 | 4.1 | 3.2 | 3.2 |
| P/E Ratio (Times) | 15.14 | 14.74 | (63.82) | 9.63 | 13.16 | 6.41 | 4.06 | 3.13 | 30.48 | 5.33 |
| Earning Yield (Rs.) | 0.07 | 0.07 | (0.02) | 0.10 | 0.08 | 0.16 | 0.25 | 0.32 | 0.03 | 0.19 |
| Price/Book value ratio (Times) | 3.23 | 2.19 | 2.12 | 1.30 | 1.39 | 1.05 | 1.21 | 0.88 | 1.14 | 0.86 |

**Revenue - Company**
**1,128.30** Rs. Mn
2024/25 - 1,001.50 Rs. Mn

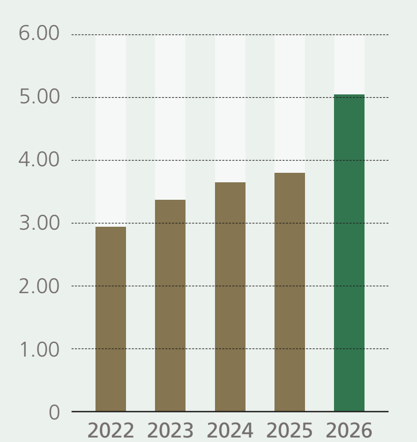
**Shareholder Funds - Company**
**933.98** Rs. Mn
2024/25 - 896.28 Rs. Mn

**Total Assets - Company**
**4,467.28** Rs. Mn
2024/25 - 3,191.72 Rs. Mn

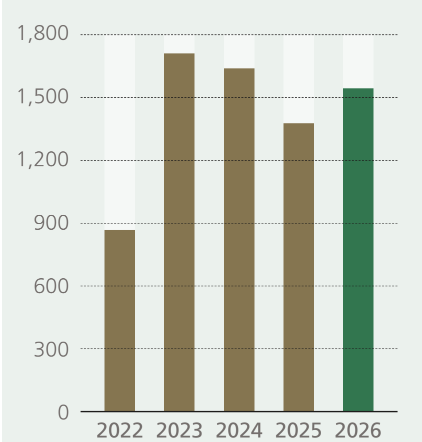
Profit / (Loss) After Taxation
(Rs. Mn)

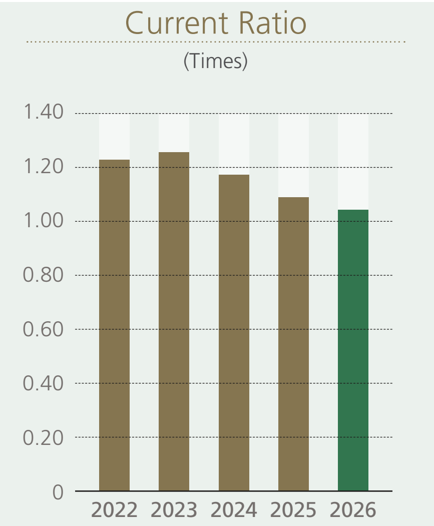


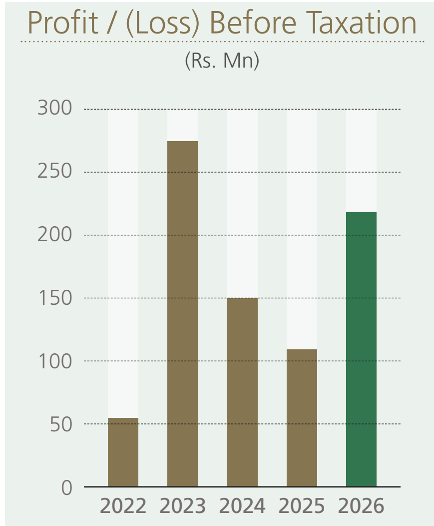

Total Assets
(Rs. Mn)

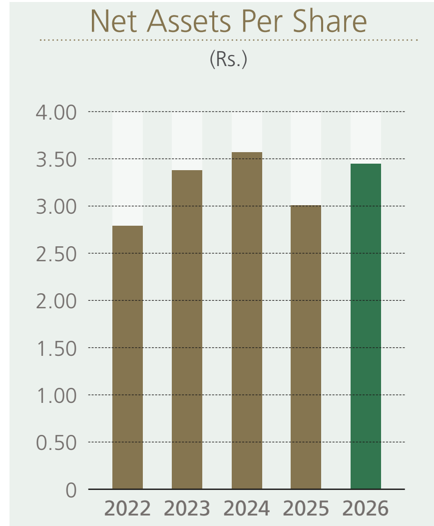


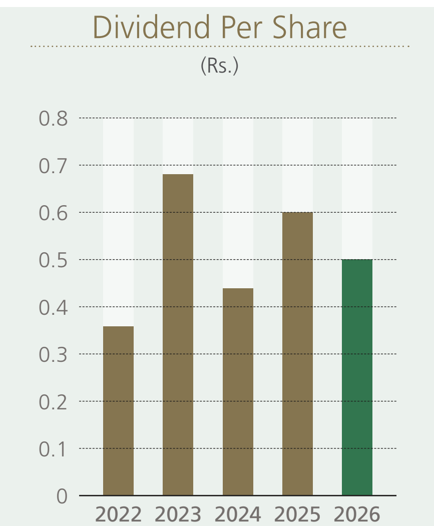

Revenue
(Rs. Mn)

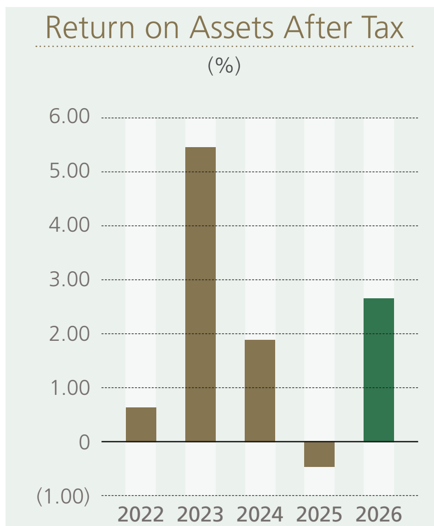


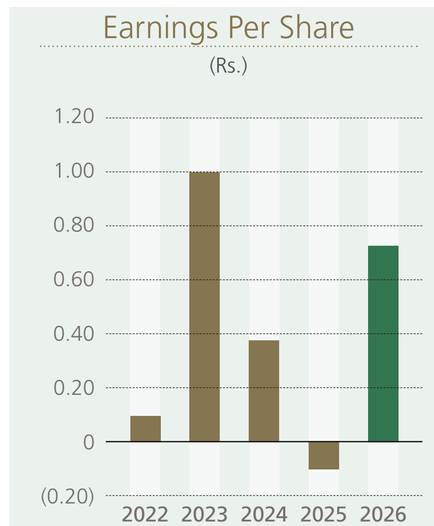

Current Ratio
(Times)
1.40
1.20
1.00
0.80
0.60
0.40
0.20
0
2022 2023 2024 2025 2026

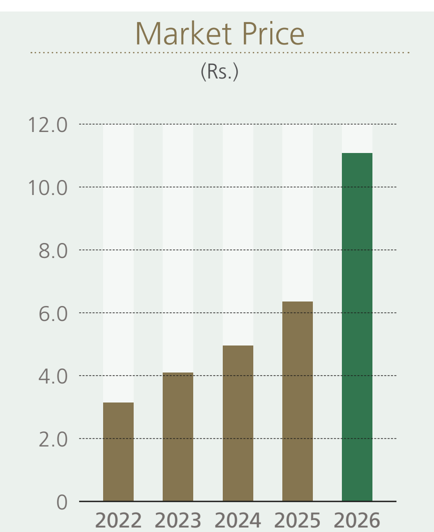

Profit / (Loss) Before Taxation
(Rs. Mn)
300
250
200
150
100
50
0
2022 2023 2024 2025 2026

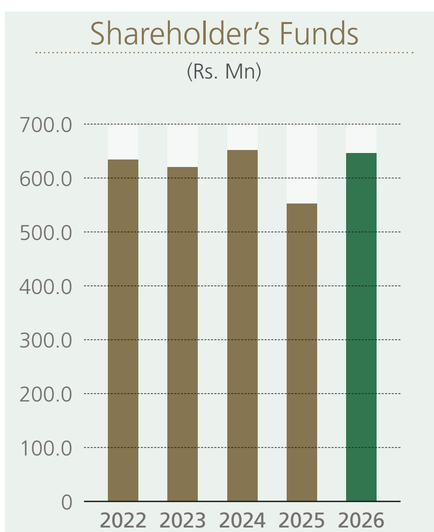

Net Assets Per Share
(Rs.)
4.00
3.50
3.00
2.50
2.00
1.50
1.00
0.50
0
2022 2023 2024 2025 2026

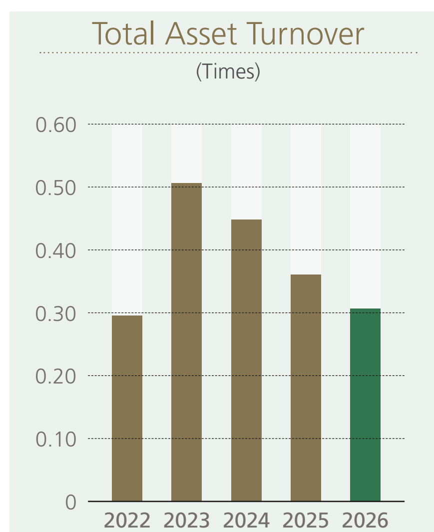

Dividend Per Share
(Rs.)
0.8
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0
2022 2023 2024 2025 2026


Return on Assets After Tax
(%)
6.00
5.00
4.00
3.00
2.00
1.00
0
(1.00)
2022 2023 2024 2025 2026


Earnings Per Share
(Rs.)
1.20
1.00
0.80
0.60
0.40
0.20
0
(0.20)
2022 2023 2024 2025 2026


Market Price
(Rs.)
12.0
10.0
8.0
6.0
4.0
2.0
0
2022 2023 2024 2025 2026


Shareholder's Funds
(Rs. Mn)
700.0
600.0
500.0
400.0
300.0
200.0
100.0
0
2022 2023 2024 2025 2026


Total Asset Turnover
(Times)
0.60
0.50
0.40
0.30
0.20
0.10
0
2022 2023 2024 2025 2026

# Non-Financial Highlights

## Operational Performance

**Market Share on Quantity Sold**
16.69%
2024/25 - 15.95%

**Market Share on Value of Teas Sold**
17.00%
2024/25 - 16.12%

**Quantity Sold**
44.30 Mn Kg
2024/25 - 41.14 Mn Kg

**Tea Broking Revenue**
525.12 Rs. Mn
2024/25 - 499.43 Rs. Mn

**LRA Assigned**
**Rating with a Stable Outlook**
(SL) BBB
2024/25 - (SL) BBB - LRA

## Manufactured Capital

**Tea Tasting, Sampling and Auction Rooms**
1,492 Sq Ft
Tea Tasting Room

5,900 Sq Ft
Tea Sampling Room

296 Sq Ft
Auction Rooms

**Warehouse Capacity (Leased/Own)**
204,064 Sq Ft

**No of Warehouse (Location)**
03Nos

**PPE & Leasehold Land**
1,010 Rs. Mn
2024/25 - 976 Rs. Mn

## Human Capital

**Total Employees**
125 nos
94 CTB
31 Logicare

**Gender Diversity**
78% Male
22% Female

**Number of Training Hours**
547.5Hrs
2024/25 - 790 Hrs

**Total Compensation**
431.56Rs. Mn
2024/25 - 395.3 Rs. Mn

## Intellectual Capital

**Brand Equity and Reputation**

LOGICARE
PRIVATE LIMITED

**Awards**

**Logicare (Pvt) Ltd**

### CILT Awards

Digital Transformation Award 2025 for Medium Scale.

Special Commendation Medium Scale awarded to Logicare (Pvt) Ltd by the Institute of Supply and Materials Management.


## Natural Capital

**Fuel Consumption**

**71,392** Liters

2024/25 - 73,667 Liters

**Paper Usage (Sheets)**

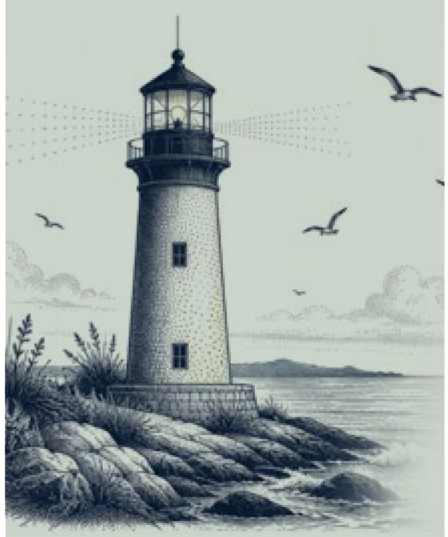
**2.31** Mn

2024/25 - 2.80 Mn

**Water Consumption**

**3,781** m3

2024/25 - 3,855 m3



## Social & Relationship Capital

**CSR Initiatives**

**0.025**

Allocated Per Kilo of Tea Sold

2024/25 - 0.025 Rs.

**Donation and Other Social Contributions**

**0.619**

2024/25 - 1.34 Rs. Mn

**Customers Handled During the Year**

**178**

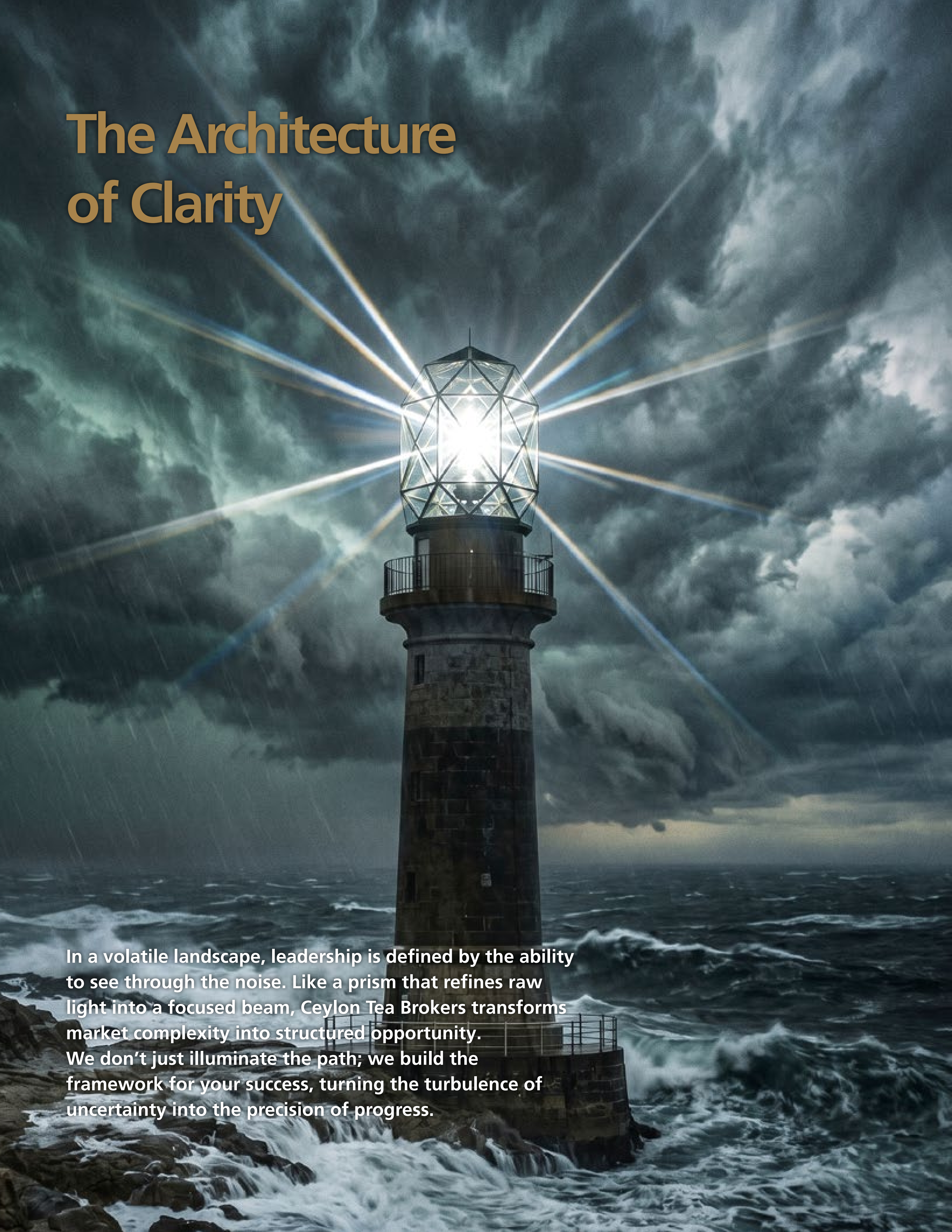
Tea Producers

**263**

Tea Buyers

**43**

Logistic Clients



# The Architecture of Clarity

In a volatile landscape, leadership is defined by the ability to see through the noise. Like a prism that refines raw light into a focused beam, Ceylon Tea Brokers transforms market complexity into structured opportunity.
We don't just illuminate the path; we build the framework for your success, turning the turbulence of uncertainty into the precision of progress.

# Leadership Rooted in Steady Direction

## Chairman's Message

"We connect producers with markets, insights and opportunities, combining trusted relationships, industry expertise and integrated services to strengthen the tea value chain. Through collaboration, innovation and a commitment to excellence, we create sustainable value for clients, buyers and stakeholders."

**Niraj De Mel**
*Chairman*

# Chairman's Message

"The 2025/2026 financial year stands as a testament to our resilience, disciplined progress, and growing confidence in Sri Lanka's economic recovery, as we achieved one of the strongest performances in our Company's history amid a transforming domestic and global environment"

I am pleased to report that the 2025/2026 financial year has yielded one of the strongest performances in our company's history, marked by exceptional growth in both revenue and net income. A comprehensive review of these milestone achievements and our strategic direction is detailed further later in this report.

## Introduction

The financial year under review marked a continued strengthening of Sri Lanka's economic recovery, with the nation sustaining robust growth momentum amid an environment of deflation, a combination that underscored the effectiveness of disciplined monetary policy and a strengthening rupee. Achieving economic growth under such conditions is a notable feat, and one that reflects the underlying soundness of the policy framework put in place in preceding years. Investor confidence was equally encouraging, finding its clearest expression in the strong performance of the Colombo Stock Exchange, which reached an all-time high during the period, reflecting a decisive shift in sentiment toward the country's long-term prospects.

This positive domestic trajectory unfolded against a challenging global backdrop, as the outbreak of open conflict between the United States and Iran in early 2026 disrupted energy markets and trade flows across the region. That Sri Lanka navigated this period of external turbulence with stability intact is a testament to the resilience of the foundations built over the preceding years of reform & recovery.

## Macroeconomic Stabilization and Governance

Sri Lanka's fiscal position continued to strengthen markedly during 2025/26, reflecting the tangible results of sustained consolidation efforts. The primary surplus surged by approximately 170 percent compared to the previous year, while the overall budget deficit narrowed sharply, underscoring the effectiveness of revenue mobilization measures put in place under the reform program. Tax revenues reached an estimated 14.8 percent of GDP for 2025, driven by strong performance in VAT collection, income taxes, and taxes on vehicle imports following the gradual easing of trade restrictions. It was this very relaxation of import controls that, while contributing to a rise in merchandise imports, demonstrated the government's confidence in the durability of the external position and marked a meaningful step toward the normalization of trade activity.

That confidence was borne out in the performance of the external sector. Merchandise exports recorded solid growth over the January to November 2025 period, supported by robust performance in textiles and garments as well as agricultural categories, while workers' remittances and services income provided continued support to the current account. Gross official reserves remained comfortably above six billion US dollars for much of the year, offering a meaningful buffer against external headwinds and reinforcing the credibility of the broader reform program.

It was within this context of improving fundamentals that Sri Lanka's engagement with the IMF continued to serve as a central pillar of the macroeconomic framework. The third and fourth reviews of the Extended Fund Facility were successfully completed during the year, each resulting in the release of additional tranches and reaffirming the program's strong trajectory. The year was not, however, without its tests. Cyclone Ditwah, which struck in late November 2025, prompted the deferral of the fifth review, with the IMF approving emergency financing of approximately USD 206 million under the Rapid Financing Instrument to address immediate balance of payments and fiscal pressures. Review discussions were expected to resume in early 2026, with the authorities reaffirming their unwavering commitment to the reform agenda.

### Economic Performance and Sectoral Dynamics

The broader economy continued its recovery through 2025/26, with GDP growth registering strong year-on-year gains supported by an expanding financial services sector, improving credit conditions, and recovering private consumption. This growth was achieved alongside a deflationary environment, with core inflation easing to low single digits by late 2025. Capital expenditure remained subdued relative to budgeted allocations, though consumption held its ground, supported by meaningful gains in both public and private sector real wages over the course of the year.

Within this backdrop, the tea industry delivered a commendable performance through the first eleven months of 2025, with export volumes and earnings both growing meaningfully on a year-on-year basis, reflecting stronger global demand and improved average realised prices. The industry appeared on course for a record year before Cyclone Ditwah struck in late November, the most severe storm to hit the island in a century. The high and mid-grown heartlands of Nuwara Eliya, Uva, and Badulla bore the brunt of the damage, halting production for approximately one week and causing the loss of at least one million kilograms in December alone. Despite this, the industry's swift response in restoring access routes and resuming operations meant that full year 2025 exports still recorded growth over 2024, a result that speaks to the resilience embedded across the value chain.

### External Sector Developments

Sri Lanka's external sector delivered a strong performance through 2025, with the current account recording a sizeable surplus supported by robust growth across key inflow categories. Merchandise exports grew steadily on a year-on-year basis, led by textiles and garments, while the gradual relaxation of trade restrictions contributed to a rise in imports. Tourism reached a historic high of over 2.36 million arrivals for the full year, generating approximately USD 3.2 billion in earnings, while worker remittances surged to over USD 8 billion, a record level representing growth of nearly 23 percent year-on-year. Together, these inflows supported gross official reserves of approximately USD 6.8 billion by end-2025. Ceylon tea exports also recorded year-on-year growth in both volume and earnings despite the disruption from Cyclone Ditwah.

The outbreak of conflict between the United States and Iran in early 2026 has introduced meaningful uncertainty into the external outlook. Iran is among the top buyers of Ceylon tea and is linked to Sri Lanka through an ongoing tea-for-oil debt settlement arrangement, and the conflict risks disrupting this relationship through logistical complications and weakened demand. Tourism arrivals have also softened in early 2026 as regional uncertainty dampened travel confidence. Nevertheless, the underlying strength of Sri Lanka's external position, built on diversified inflow streams and a record reserve buffer, provides the resilience needed to weather this period of turbulence, and a resolution to the conflict would be expected to support a swift recovery in both tourism and trade flows.

### Sri Lankan Economy

As per the central Bank annual report for the year 2025, the economy recorded a real GDP growth of 5% in both 2024 and 2025. The real GDP from agriculture, forestry and fishing related activities improved during the year by 1.4% in 2025 compared to the increase of 0.6% in 2024. Total tea production in 2025 gained by 0.93% compared to the increase of 2.4% reported in 2024. Service-related activities and industry sector increased by 3.3% and 7.8% in 2025 compared to the growth of 2.4% and 11.1% in 2024 respectively.

**Revenue - Group**

**1,545.29** Rs. Mn

2024/25 - 1,370.44 Rs. Mn

**Per capita GDP**

**5,003** US$

2024/25 - 4,546 US$

The per capita GDP has been stated as US$ 5,003 in 2025 compared to US$ 4,546 in 2024.

The service sector has contributed 58.5% to the GDP in 2025 as against 59.4% reported in 2024. Agriculture, forestry and fisheries sector contributed 7.1% to the GDP from 7.3% stated in 2024. Industrial activities contributed 27.4% in 2025, which was 26.7% in 2024.

The unemployment rate decreased to 3.9% during 2025, compared to 4.4% in 2024. Overall, inflation developments during 2025 were influenced largely by supply-side factors, aimed at a slow recovery of aggregate demand. Accordingly, y-o-y headline inflation, measured by the Colombo Consumer Price Index (CCPI, 2021=100)2 accelerated to 2.1% by end 2025 from -1.7% recorded at the end of 2024, while the annual average CCPI based headline inflation in 2025 decelerated to -0.5% from 1.2% recorded in 2024.

The merchandise trade deficit widened in 2025 compared to the preceding year, largely reflecting a sharper expansion in import expenditure than in export earnings. The trade deficit was USD 7.9 bn in 2025 compared to USD 6.1 bn in 2024. Export earnings recorded a positive trajectory, in most of 2025, on a y-o-y basis, mainly supported by the

# Chairman's Message

increase in industrial exports. Meanwhile, import expenditure rose significantly in 2025 due to notable surge in vehicle imports following the relaxation of import restrictions in January 2025, alongside higher imports of investments goods. As a percentage of GDP, the trade deficit widened to 7.3% in 2025 from 6.1% in the previous year. There was an increasing trend in Average Weighted Prime Lending Rate (AWPLR) and weekly AWPLR is stated at 10.42% as at 22nd June 2026.

The current account surplus amounted to USD 1.7 bn (1.6% of GDP) in 2025 compared to USD 1.2 bn (1.2% of GDP) in 2024.

*Sources*
CBSL Annual Economic Review Annual Economic Review | Central Bank of Sri Lanka (cbsl.gov.lk)

### Economic Outlook

Sri Lanka enters the period ahead from a position of hard-earned stability. The foundations laid through years of reform, fiscal discipline, and institutional commitment have placed the economy on a footing that is meaningfully stronger than at any point since the 2022 crisis. Reserves remain well buffered, inflows are diversified, and domestic momentum continues to build.

The principal risk on the horizon is the ongoing conflict between the United States and Iran, which has introduced uncertainty into global energy markets and tempered near-term confidence in trade and tourism. Sri Lanka's posture of economic neutrality and the strength of its external buffers provide a degree of natural insulation, and should tensions ease, the conditions for a swift return to stronger growth are firmly in place.

Alongside these macroeconomic considerations, the growing emphasis on environmental, social, and governance standards across global markets presents both a challenge and an opportunity for Sri Lanka's export industries, with those who adapt early best placed to capture the premium that responsible practices increasingly command.

## Sri Lanka's Tea Industry

### Tea Production

| Elevation | 2025 | 2024 | 2023 |
|---|---|---|---|
| High Grown | 56.50 | 55.72 | 58.64 |
| Mid Grown | 47.71 | 47.62 | 42.34 |
| Low Grown | 160.41 | 158.82 | 155.11 |
| **Total** | **264.62** | **262.16** | **256.09** |

Tea production recorded a marginal increase of approximately 1%. Although the year commenced on a positive note and maintained a surplus of approximately 7 million kilos over the previous year by the halfway mark, the drought conditions that emerged in July and intensified in August had a severe impact, as well as the disruption caused by Ditwah resulting in only a marginal year-on-year (YoY) increase. The Low grown elevation recorded a 1.6 million kilo increase over 2024 whilst High grown made a small gain of 800,000 kilos. Medium grown elevation was almost unchanged from the previous year. The positive impact of uninterrupted fertilizer application during the latter part of 2023 and throughout 2024 contributed to improved crop volumes during the first half of the year.  However, these gains were largely negated by the extremely hot and dry weather conditions experienced during the aforementioned months, which further undermined any recovery in the third quarter.

| Year | Total Tea Production (Mn / Kgs) |
|---|---|
| 2022 | 251.50 |
| 2021 | 299.34 |
| 2020 | 278.49 |
| 2019 | 300.12 |
| 2018 | 303.94 |
| 2017 | 307.72 |
| 2016 | 292.57 |
| 2015 | 328.78 |
| 2014 | 338.10 |
| 2013 | 340.00 |
| 2012 | 328.40 |
| 2011 | 327.50 |

**Sri Lanka's Tea Production**
**264.62** Mn Kg
2024/25 - 262.16 (Mn. Kg)

"Sri Lanka continues to enjoy one of the highest FOB unit prices for all teas exported from a tea-producing nation."

The last occasion when the National production was in the range between 325 & 340 million kilos was in 2015, achieving a decent 328.78 million kilos as shown in the above table. Since then, Sri Lanka has failed to cross the 300 million kilo mark except on 3 instances. The last 6 years have been well below this mark, which is a matter of grave concern. The production for first half of 2026 just announced also shows a 3.8 million kilo deficit against the corresponding period of 2025.

Ageing tea bushes, declining soil fertility, a significant reduction in the workforce, and rising fertilizer and other input costs have collectively contributed to this situation, which requires urgent and proactive intervention. Significant investment is required to rehabilitate tea fields and modernise factory infrastructure.

### Tea Prices (per kilo)

| Elevation | 2025 | | 2024 | | 2023 | | 2022 | |
|---|---|---|---|---|---|---|---|---|
| | LKR | USD | LKR | USD | LKR | USD | LKR | USD |
| High Grown | 1,178.25 | 3.92 | 1,141.63 | 3.78 | 1,072.48 | 3.27 | 1,093.10 | 3.37 |
| Mid Grown | 1,048.89 | 3.49 | 1,064.48 | 3.52 | 1,012.35 | 3.09 | 1,030.82 | 3.18 |
| Low Grown | 1,258.25 | 4.18 | 1,304.38 | 4.32 | 1,252.15 | 3.82 | 1,339.86 | 4.13 |
| **Total** | **1,201.58** | **3.99** | **1,225.17** | **4.06** | **1,171.29** | **3.58** | **1,234.24** | **3.80** |

In comparison to 2024, prices in 2025 were lower except for the High grown elevation. The strengthening of the Sri Lankan Rupee against the US Dollar had a dampening effect on tea prices. The total annual average of all teas sold recorded a decline of Rs. 23.59 per kilo YoY. It is encouraging, however, that High Grown teas performed better, recording an increase of Rs. 36.62 per kilo over the previous year despite the stronger Rupee. Medium and Low elevations were lower against the previous year, with the latter losing by Rs. 46.13 per kilo. In USD terms too, the High growns recorded a gain whilst the other 2 elevations and the National average were below 2024.

It is significant to note that 2017 averages in USD terms are still the highest except for 'Low growns', which recorded its highest ever of USD 4.32 per kilo in 2024, improving on the previous high of USD 4.18 per kilo.

| Year | Qty. (Mn/ kg) | Value (Rs./ Bn) | Average FOB Price per Kg (Rs.) | Value (USD/Mn) | Average FOB Price per Kg (USD) |
|---|---|---|---|---|---|
| 2025 | 257.44 | 453.28 | 1,760.70 | 1.51 | 5.85 |
| 2024 | 245.79 | 433.47 | 1,763.61 | 1.43 | 5.84 |
| 2023 | 241.91 | 428.29 | 1,770.44 | 1.31 | 5.41 |
| 2022 | 250.19 | 441.09 | 1,643.11 | 1.27 | 5.06 |
| 2021 | 286.02 | 263.35 | 920.76 | 1.32 | 4.63 |

**Tea Exports Value**

**453.28** Rs. Bn

2024/25-433.47 (Rs. Bn)

"Sri Lanka's stronger economic foundations, resilient external position and commitment to responsible growth provide a platform to navigate uncertainty, embrace emerging opportunities and build sustainable prosperity for the future."

# Chairman's Message

| Year | Qty. (Mn/kg) | Value (Rs./Bn) | Average FOB Price per Kg (Rs.) | Value (USD/Mn) | Average FOB Price per Kg (USD) |
|---|---|---|---|---|---|
| 2015 | 306.97 | 186.05 | 593.08 | 1.34 | 4.36 |
| 2014 | 327.87 | 212.91 | 649.37 | 1.63 | 4.97 |
| 2013 | 319.66 | 199.44 | 623.91 | 1.54 | 4.83 |
| 2012 | 319.95 | 180.43 | 563.94 | 1.41 | 4.42 |
| 2011 | 322.56 | 164.85 | 511.08 | 1.49 | 4.62 |
| 2010 | 324.36 | 162.79 | 501.88 | 1.44 | 4.44 |

**Market Share on Quantity Sold**

**16.69 %**

2024/25 - 15.95%

**Market Share on Value of Teas Sold**

**17 %**

2024/25 - 16.12%

It is encouraging that tea exports in 2025 recorded a significant improvement, increasing by 11.64 million kilos (4.75%) over 2024. This is the highest since 2021, when a quantity of 286 million kilos was exported, although both are far from the 'highs' ranging between 319 and 330 million kilos shipped in the years 2010 to 2015 as shown above. Export revenue once again surpassed the record-breaking performance achieved in 2024, generating Rs. 453.28 billion at an average FOB price of Rs. 1,760.70 per kilo.

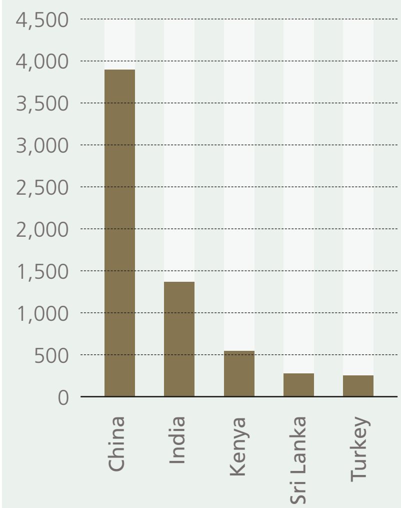
In USD terms, Sri Lanka earned a revenue of USD 1.51 billion, increasing on the previous year's USD 1.43 billion. The FOB unit price as shown in the above table is marginally above that of 2024 at USD 5.85 per kilo.

Sri Lanka continues to enjoy one of the highest FOB unit prices for all teas exported from a tea-producing nation. However, the lower production restricts the expansion of foreign currency earnings.

Cyclone Ditwah also severely impacted Sri Lanka's tea export sector in late November 2025, inundating warehouses in Kelanimulla, Kotigawatte, and Wellampitiya. Over one million kilos of tea were ruined, and packing machines and materials were damaged. Despite having faced similar setbacks twice before, many exporters resumed operations within a month to fulfill customer orders which is remarkable.

Tea Producers Quantity

(Mn. Kg)




### The Global Perspective

As per the International Tea Committee bulletin 2025, the 5 leading tea-producing, exporting and importing countries for 2025 are tabulated below.

| Producers | | | Exports | | | Importers | | |
|---|---|---|---|---|---|---|---|---|
| No | Country | Qty. (Mn/kg) | No | Country | Qty. (Mn/kg) | No | Country | Qty. (Mn/kg) |
| 1. | China | 3920.00 | 1. | Kenya | 652.80 | 1. | Pakistan | 260.72 |
| 2. | India* | 1369.98 | 2. | China | 418.76 | 2. | USA | 111.92 |
| 3. | Kenya | 550.38 | 3. | India* | 280.40 | 3. | Russian Federation | 106.48 |
| 4. | Sri Lanka | 264.62 | 4. | Sri Lanka | 257.44 | 4. | Egypt | 105.25 |
| 5. | Turkey | 254.13 | 5. | Vietnam | 131.54 | 5 | United Kingdom | 94.63 |

*Includes imported teas re-exported where applicable

The top 5 global producers remain among the same countries as in 2024 except that Sri Lanka regained fourth position among global tea producers, moving Türkiye to fifth place. China and India have improved their production YoY, whilst Kenya has declined by 8% in comparison to the previous year.

Among tea exporting nations, Kenya has surged by 10% YoY in 2024. Meanwhile, China too has increased its export volume by 12%. India recorded a 10% gain in exports over 2024 and continues to hold the No. 3 position ahead of Sri Lanka. The leading tea importing nations are the same as the previous year except that Egypt overtook the United Kingdom to secure fourth position among them, with the UK moving to fifth place. China continues to increase its production, accounting for a 54% share of the total global production and India holding a 19 % share.

In the light of the great strides made by China, India and Kenya, though the latter's performance for 2025 was negative, Sri Lanka weakened further to a share of 3.6% of the world production. This is a matter of serious concern. Achieving the industry's stated production target of 400 million kilos by 2030 now appears increasingly challenging, given the marginal growth recorded in 2025. Increasing harvest by 135 million kilos, or by little over 50% from present levels within the next 5 years, given the current circumstances, seems to be a daunting task. Absence of a proper plan to reach such a target and the reluctance of producers to replant places the lid on any hope of achieving the target. With soaring fertilizer and other input prices due to the present situation in the Middle Eastern region, the ever-increasing wages as well as manufacturing costs and dwindling workforce restrict producers from carrying out long-term capital expenditure.

It may therefore be prudent for producers to work around an annual production ranging between 275 to 300 million kilos and focus on further enhancing product quality. Adopting such a strategy would ensure that Ceylon Tea continues to be heavily demanded by tea connoisseurs and packers alike at higher prices than the present global price levels.

## Company Performance

The company generated the highest ever annual revenue with a turnover of Rs. 1.128 Billion. The value of tea marketed through the company in the year under review was the highest ever which is as a result of the increase in the market share by value. The quantity of tea market in the financial year was only marginally less than the highest ever volume marketed in 2021/2022. The profit after tax (PAT) was one of the impressive achievement in the last 5 years. The specific details which reflect the position and which would be of interest to the shareholders are tabulated below.

| | 2025/26 | 2024/25 | 2023/24 | 2022/23 | 2021/22 |
|---|---|---|---|---|---|
| Quantity of Tea Marketed through the company (Mn/Kg) | 44.3 | 41.1 | 36.8 | 36 | 44.4 |
| Value of Tea Marketed through the company (Rs./Mn) | 52,498.44 | 49,928.33 | 43,301.41 | 51,869.7 | 28,965.3 |
| Revenue generated by the company (Rs./Mn) | 1,128.3 | 1,001.5 | 1,082.4 | 1,153.5 | 580.7 |
| Profit After Tax (Rs./Mn) | 138.8 | 121.2 | 141.9 | 239.7 | 109.8 |
| Total Equity (Rs./Mn) | 933.9 | 896.3 | 866 | 850.1 | 675 |

On behalf of the board of Directors, I congratulate our focused, energetic and astute management team for delivering excellent top line and bottom line results.
50 Tea auctions were conducted throughout 2025 with one auction postponed owing to the disruption caused by the Ditwah cyclone. All auctions were conducted on the electronic platform whilst for nostalgic reasons an ex-estate auction was held once every quarter on the "out-cry" system.

## Corporate Development and Market Focus

The year under review tested the industry in ways rather different from the year before it. Where 2024/25 rewarded us with firm prices and steady demand, 2025/26 presented a more demanding proposition: volumes held, but value came under sustained pressure.

The national crop for 2025 closed at 264.12 million kilos, marginally ahead of the 262.69 million kilos of the preceding year. Behind that modest headline, however, lay a year of two halves. The first six months carried real promise, with production running comfortably ahead of the corresponding period. The second half proved considerably harder. Adverse weather, culminating in the severe disruption caused by Cyclone Ditwah in late November and December, removed an estimated one million kilos from the crop and halted production across affected districts for the better part of a week. The human cost of that event, borne heavily by plantation communities, was of course far greater than the tonnage lost.

# Chairman's Message

"Our goal is not simply to grow market share, but to elevate the industry as a whole, ensuring long-term value for clients, employees, shareholders and all stakeholders connected to our journey."

**National Averages**
**1,167.72** Rs.
2024/25 - 1,225.17 Rs.

**National Averages**
**3.88** US$
2024/25 - 4.06 US$

Price behaviour was the defining feature of the year. The national average at the Colombo Auction eased to Rs. 1,167.72 per kilo against Rs. 1,225.17 in the previous calendar year, a decline of approximately Rs. 57. In United States dollar terms the average settled at USD 3.88 compared with USD 4.06. Much of this movement is attributable to the appreciation of the rupee rather than to any collapse in underlying demand, and it is important that stakeholders read the figures in that light.

Compounding this was a global market in surplus. The year opened with the African region carrying close to 150 million kilos of unsold stock, much of it in the lower grades, a position aggravated by the minimum pricing interventions introduced in those markets. Our own High Grown category was not immune, with a significant proportion of offerings remaining unsold at auction through parts of the year. An oversupplied world market punishes undifferentiated product, and the year offered a pointed reminder that Sri Lanka's competitive advantage must rest on quality and consistency rather than on volume alone.

Against this backdrop, the export performance was genuinely encouraging. The country shipped 257.44 million kilos in 2025 against 245.79 million kilos in 2024, and export earnings advanced to a record Rs. 453.28 billion, equivalent to USD 1.51 billion. Of particular note was the reordering of our principal markets, with Iraq emerging as the single largest destination for Ceylon Tea, ahead of Russia and Türkiye. Demand from the Middle East and North Africa continued to strengthen, and Libya's growth was especially pronounced. This shift in the geography of our customer base carries strategic implications for the industry that deserve close attention, and we have positioned our advisory and cataloguing services accordingly.

## Company performance in this environment

In the low grown segment, which remains the engine of rural entrepreneurship and the foundation of our own franchise, we are pleased to have held our leadership position. This was not a year in which leadership could be taken for granted. Producers under margin pressure scrutinise their broker relationships closely, and the loyalty we enjoyed through the year reflects the value they place on timely advice, transparent processes and consistent settlement. Our commitment to that segment is undiminished.

Progress in the high grown category remained deliberate. The established relationships in this segment are of long standing and are not displaced quickly, and the softness in high grown realisations through the year made for a difficult period in which to gain ground. We have nonetheless continued to invest in the value-added services that have distinguished our proposition — insight-led advisory work, manufacturing guidance and real-time market intelligence — and these are increasingly recognised by producers and buyers alike.

The electronic auction platform continued to operate without interruption, and we remain an active participant in the industry's ongoing efforts to modernise the trading infrastructure of the Colombo Auction.

Looking forward. The 2026 outlook is finely balanced. The Sri Lanka Tea Board has set an ambitious national target of 300 million kilos for the year, supported by the continuation of the fertiliser subsidy, and the trajectory of that subsidy will matter a great deal to smallholder productivity. Early indications have been mixed, with cumulative production for the first half of 2026 running modestly behind the corresponding period. Our own priorities are unchanged in substance but sharper in emphasis: to deepen our relationships in the low grown segment, to make measured and sustainable progress in the high growns, to extract full benefit from the operational consolidation completed during the year, and to align our service offering with the shifting geography of demand.

Our corporate ethos remains centred on being a trusted partner and the preferred service provider in the industry. Our goal is not simply to grow market share, but to elevate the industry as a whole, ensuring long-term value for clients, employees, shareholders and all stakeholders connected to our journey.

## Logicare Private Limited

### A Year of Financial Turnaround

FY 2025/26 was a landmark year for Logicare, delivering the Company's strongest financial performance in five years. Through disciplined cost management, an improved revenue mix, and steady deleveraging, the Company transformed its profitability profile, returning to positive operating profit, and narrowing its net loss to near breakeven. Revenue growth accelerated steadily through the year, rising quarter on quarter signaling clear recovering momentum heading into FY 2026/27 with strong momentum and a solid foundation for full-year profitability.

## Record Profitability

The headline achievement of the year was a decisive return to operating strength. Profit from operations reached LKR 54.03 million, a striking reversal from the prior-year operating loss of LKR 36.37 million. EBITDA climbed 400% to LKR 122.29 million — the highest level across the five-year period reviewed.

This was driven by a higher-quality earnings base. Gross income grew 59% to LKR 111.17 million, even as the Company sharpened its focus on profitable, higher-value business. Operating expenses were reduced by 29% and administration expenses by 46% to LKR 55 million, demonstrating the impact of rigorous cost discipline throughout the organization.

After finance costs — themselves reduced 9% to LKR 62.09 million — the net loss narrowed dramatically to just LKR 8.06 million, a 92% improvement year on year that brings the Company to the threshold of profitability.

## Dividend

The excellent performance of the company and its fully owned subsidiary must benefit the shareholders. Accordingly, I am pleased to report that the board of Directors have declared a dividend of =/50 cents per share for the financial year 2025/2026 compared with =/60 cents per share paid out in the year 2024/25. The total payout amounts to Rs 91.20 Mn which is 65.7% of the distributable profit. The balance amounting to Rs 44.38 Mn has been transferred to reserves thereby increasing the total equity of the company.

## Acknowledgement

I am deeply grateful to my fellow members of the board of directors for their wise guidance, dedicated service and unwavering support throughout the past year. Their sharp insights and guidance were vital in helping our company navigate challenges and reach our strategic goals. The success of this company is built on the hard work and strong dedication of our entire team. I offer my sincere thanks to the management and every staff member for their shared effort and ongoing commitment.

To our valued clients, your continued trust and loyalty remain the true bedrock of our success. Every milestone we achieve is a reflection of the partnerships we build, and we remain dedicated to delivering exceptional value and service to support your evolving needs. I thank you for partnering with us in our journey. I wish to express our deepest appreciation to all our distinguished buyers for their unstinted patronage and steadfast support throughout the year.

I also wish to thank the Colombo Brokers Association (CBA), the Colombo Tea Traders' Association (CTTA), the Sri Lanka Tea Factory Owners' Association (SLTFOA), the Planters' Association of Ceylon (PA), the Tea Exporters' Association (TEA), the Association of Small & medium Tea Exporters (ASMET), the Sri Lanka Tea Board, the Tea Research Institute and the Ministry of Plantation and Community Infrastructure for the collaboration and assistance extended to us at all times.

Lastly, on behalf of the Board of Directors, I extend our sincere gratitude to our valued shareholders for your continued confidence, trust and steadfast support as we navigate market dynamics and build long-term value together

## Concluding thought

Keeping with our tradition, I leave you with the guiding principle for 2026 - INTEGRITY, which is the foundation of success for any organization.

**Niraj De Mel**
*Chairman*

31st August 2026

# Steering Through Changing Market Conditions

## Message from the Managing Director

"Through our broking operations, we successfully facilitated the sale of approximately 44.3 million kilograms of tea during the year."

Waruna De Silva

Dear Shareholders,

It is my pleasure to present the Annual Report of Ceylon Tea Brokers PLC for the financial year ended 31 March 2026. The year under review was one of continued progress for the Group, marked by strengthening our core tea broking operations, deepening our relationships across the tea value chain, investing in our people and technology, and advancing the performance and expansion of our subsidiary, Logicare (Private) Limited.

Our journey over the years has been one of steady transformation. Ceylon Tea Brokers has evolved significantly in both scale and capability. From a market share of approximately 3% in 2005, we have grown to become the second-largest tea broker in Sri Lanka, with our market share reaching approximately 16.69% during the 2025/26 financial year. This progress reflects the confidence placed in us by our clients, buyers and other stakeholders, as well as the commitment of our team to consistently deliver value across the tea value chain.

## Strengthening Our Core Operations

Tea broking remains at the heart of our business and continues to be the foundation upon which we are building our next phase of growth. During the year, our focus remained firmly on strengthening the quality and effectiveness of our service to both producers and buyers.

Our role extends beyond facilitating transactions at the Colombo Tea Auction. We work closely with plantation companies and private tea factories by providing tea manufacturing advisory services, supporting them in producing teas that meet market expectations. Our teams engage with factories on manufacturing practices and quality considerations, while also providing insights into prevailing market conditions and buyer preferences.

This close engagement is important not only to the success of our clients, but also to the broader Ceylon Tea industry. By helping producers manufacture better-quality teas and connecting these teas with the right markets, we contribute to strengthening the reputation and competitiveness of Ceylon Tea globally.

For the buyer, we facilitate the movement of tea samples from factories to buyers, provide information on the characteristics and quality of teas, and support communication between buyers and producers. Our understanding of market requirements enables us to provide practical feedback to factories, helping them respond more effectively to changing consumer and buyer expectations.

During the year, the Group also continued to provide working capital support to selected clients, complementing our core broking activities and strengthening our relationships across the value chain. CTB facilitated financing support amounting to approximately Rs.1,522.66 million, enabling tea producers to manage cash flow requirements and sustain production cycles during periods of market fluctuation.

In addition, through our broking operations, we successfully facilitated the sale of approximately 44.3 million kilograms of tea during the year. This volume underscores the scale of our market participation and the trust placed in CTB as a key intermediary in the Sri Lankan tea industry.

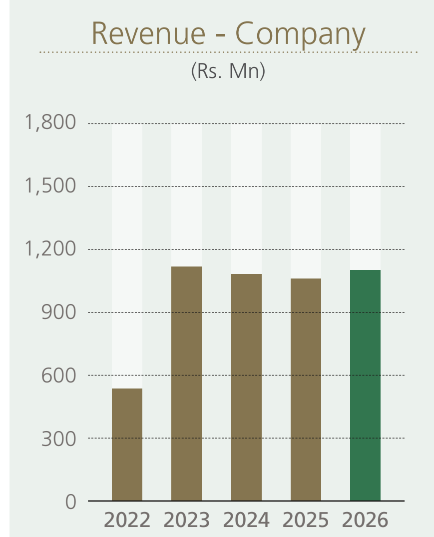
## Building Capability Through Human Capital

As a service organisation, our greatest strength remains our people. The continued expansion of our business has reinforced our belief that organisational growth must be matched by the development of human capital.

**Revenue - Company**

**1,128** Rs. Mn

2024/25 - 1,001 Rs. Mn




During the year, we continued to invest significantly in strengthening the knowledge, skills and engagement of our employees. In total, our teams completed approximately 547.5 hours of structured training, covering key areas such as tea tasting, market knowledge, advisory capabilities, functional expertise, compliance, and the effective execution of day-to-day responsibilities. This sustained investment in learning and development reflects our commitment to ensuring that our people remain well-equipped to respond to the evolving demands of the industry.

Our focus on human capital is also driven by the changing dynamics of the industry. The availability of skilled personnel remains a challenge, making it increasingly important for us to develop talent internally, retain institutional knowledge and create opportunities for our people to grow with the organisation.

# Message from the Managing Director

In parallel, we are pleased to report continued growth in our workforce. During the year, the Group's staff strength increased to 125 employees, reflecting both the expansion of our core broking operations and the growth of our logistics subsidiary. This increase in capacity has enabled us to better serve our clients while also building deeper functional expertise.

We are encouraged by the energy and adaptability of our relatively young workforce. Their willingness to embrace new ideas, technology and evolving market practices is an important differentiator for CTB and will remain central to our future growth.

## Technology and Data-Driven Decision-Making

Technology is becoming increasingly important in a market where speed, information and informed decision-making can create a significant competitive advantage.

During the year, we continued to strengthen our use of technology and data analytics across the organisation. Our analytical capabilities enabled us to monitor market developments, understand buyer trends and access more timely information to support decision-making.

The establishment and development of our analytics capabilities has strengthened our ability to interpret real-time market information and translate insights into actionable decisions. This is particularly valuable in an industry exposed to rapidly changing international demand, prices, geopolitical developments and consumer preferences.

Importantly, during the year we did not experience any cyber security concerns, reflecting the robustness of our systems and controls. We also further strengthened our cyber security framework through enhanced safeguards, monitoring mechanisms and preventive controls, ensuring the continued integrity and resilience of our digital infrastructure.

In line with our digital transformation agenda, we implemented advanced digital interventions in information sharing and communication with both buyers and producers, enabling faster, more transparent and more efficient exchange of market and product-related information. These enhancements have significantly improved responsiveness and stakeholder engagement across the value chain.

During the year, the Company also invested in digital integration and system upgrades, supporting the modernisation of our platforms, strengthening connectivity across business functions, and improving overall operational efficiency.

## Advancing Our Logistics Operations

During the year, Logicare  performed well, contributing positively to the Group's overall growth and performance. The business continued to strengthen its operations and deliver value across the service portfolio, supporting the Group's broader growth objectives.

To further strengthen the warehousing and storage business, we invested in upgrading and improving our warehousing infrastructure, with capital expenditure of approximately Rs. 3.5 million directed towards facility enhancements, storage optimisation , and operational efficiency improvements. These investments are expected to further strengthen Logicare's ability to deliver reliable, scalable and modern logistics solutions.

**Company profit after tax**

**138.78** Rs. Mn

2024/25 - 121.19 Rs. Mn

**Market Share on Value of Tea Sold**

**17.00** %

2024/25 - 16.12%

Going forward, we see further opportunities to scale Logicare's operations, optimise warehouse utilisation, and explore additional value-added logistics services that can enhance the overall ecosystem of the Group.

## Financial Performance

The Company delivered a strong financial performance during the year under review, reflecting the resilience of our core tea broking business and the improving contribution from our logistics subsidiary. Revenue for the year increased to LKR 1,128.29 million, supported by higher auction volumes, improved market participation, and expanded service offerings. Profit before tax stood at LKR 218.57 million, reflecting disciplined cost management, operational efficiencies, and stronger margins across key business segments. Profit after tax also recorded a healthy growth trajectory at Rs.138.78 million, underscoring the Group's ability to generate sustainable returns despite a challenging external environment.

CTB's financial position also remained robust, with total assets reaching Rs. 4,467.28 million and shareholders' funds increasing to Rs. 933.98 million, reinforcing our commitment to creating long-term value for our shareholders while maintaining the financial strength required to pursue future growth opportunities.

## Navigating a Challenging Industry Environment

The year under review was not without its challenges. Sri Lanka's tea industry continued to face pressure from declining production, while price volatility remained a key feature of the market. The relationship between tea quality, supply, demand and price continues to influence outcomes across the value chain.

External conditions also remained challenging. Global economic uncertainty, geopolitical tensions and disruptions in key export markets have had an impact on the tea trade. Sri Lanka's exposure to markets such as the Middle East and Russia makes the industry particularly sensitive to developments in these regions.

At the same time, the depreciation of the Sri Lankan Rupee provided some support to export earnings and helped enhance the rupee value realised at the auction. These contrasting factors underline the importance of remaining agile, closely monitoring market developments and providing timely advice to our clients.

While traditional black tea continues to command strong demand, particularly in established markets, we also observe growth in other formats, including tea bags and differentiated tea offerings.

"We believe technology and data insights are vital for a competitive edge, supporting decision-making, market responsiveness, cybersecurity, stakeholder engagement, and operational efficiency via digital integration, analytics, and system modernisation."

## Looking Ahead

As we look to the future, we remain confident in the underlying strengths of our business and the opportunities available to us.

Our immediate priority will be to continue strengthening our core tea broking operations while enhancing the advisory and value-added services we provide to clients and buyers. We will continue to invest in human capital, technology and analytical capabilities to ensure that CTB remains responsive to the changing requirements of the industry.

At the same time, we remain open to opportunities for diversification into complementary sectors, including other areas within the plantation and agricultural value chain, where we believe our expertise, relationships and capabilities can create sustainable value.

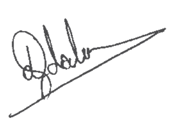
The beginning of the new financial year has presented its own headwinds, particularly from geopolitical developments affecting key export markets. Nevertheless, we remain focused on navigating these challenges with discipline and agility. The resilience demonstrated by our people, the strength of our client relationships and the capabilities we have built over the years provide us with a strong foundation to move forward.

Our journey from a market share growth to 16.69% today demonstrates what can be achieved through consistent investment, operational discipline and a clear focus on service. As we enter the next phase of our growth journey, our ambition remains unchanged: to strengthen our position as a leading tea broker, create greater value for our stakeholders and contribute meaningfully to the continued strength and global reputation of Ceylon Tea.

## Appreciation

I wish to place on record my sincere appreciation to our employees for their dedication and commitment throughout the year. I also extend my gratitude to our partner plantation companies, private tea factories, buyers, suppliers, business partners and other stakeholders for the trust they continue to place in us.

Finally, I thank our Board of Directors and our shareholders for their continued confidence and support. Together, we look forward to building on the progress achieved and creating sustainable value in the years ahead.



**Waruna De Silva**
*Managing Director*

31st August 2026

# Together We Drive Innovation, Strengthen Collaboration, and Create Sustainable Growth for the Future

## Chief Executive Officer's Review

"Our people to be at the heart of our ability to create value. Their knowledge of the tea industry, technical expertise, commercial understanding and relationships have been built over many years and represent one of our most important sources of competitive advantage."

Dinesh Fernando

Dear Shareholders,

It is my pleasure to welcome you and to present the Annual Report of Ceylon Tea Brokers PLC for the year ended 31 March 2026. The financial year was one of many challenges and triumphs.

The tea industry continued to evolve in response to developments across global markets and the wider operating environment. International tea markets reflected a range of factors, including geopolitical developments, consumer preferences, currency movements, weather patterns and cost dynamics across the value chain. Within this context, Sri Lanka's tea industry continued to demonstrate its resilience, supported by the strength and recognition of the Ceylon Tea brand and sustained international demand for quality teas.

Despite these, Ceylon Tea Brokers maintained our focus, delivering value to tea buyers and producers, achieving an impressive performance growth of 5% and reporting a market share of 16.69%, through our knowledge of the tea trade, strong relationships across the industry, and the ability to respond decisively to changing market conditions.

## Delivering High Performance and Sustainable Growth

The year under review was characterised by continued growth across our core operations. Through disciplined execution, close engagement with our clients and a strong understanding of market dynamics, we continued to strengthen our position within Sri Lanka's tea broking industry.

Our performance demonstrates that growth is not simply a financial outcome, but the result of consistently improving the way we operate. We continued to enhance our processes, strengthen service delivery, leverage technology and deepen relationships with producers, buyers and other stakeholders across the tea value chain.

We are particularly encouraged by the progress made in strengthening shareholder value, delivering sustainable returns to shareholders while maintaining the financial discipline required to support the Group's long-term resilience.

The Company delivered a strong financial performance during the year under review, reflecting the resilience of our business model, disciplined financial management, and continued focus on operational excellence. Revenue increased to Rs. 1,128.29 million, representing a growth of 13%, while Profit Before Tax improved to Rs.218.57 million, an increase of 14% over the last year. Profit After Tax stood at Rs. 138.78 million, compared to Rs.121.19 million in the preceding year, underscoring our ability to translate operational momentum into sustainable earnings growth.

## Strengthening Our Brand in a Changing Marketplace

I am pleased to share that the Group have maintained our BBB+ (SL Rating), demonstrating our continued financial stability, governance strength and creditworthiness.

The way businesses communicate and build relationships has changed significantly, and we recognise that our brand must evolve with these changes. During the year, we continued to strengthen the visibility and positioning of Ceylon Tea Brokers through social media, digital platforms and other newest communication channels.

Our digital presence has continued to evolve, with an expanding presence across platforms such as TikTok, Facebook, Instagram and LinkedIn. These channels provide additional avenues for sharing information with a diverse range of stakeholders, while also enabling us to remain connected with younger audiences and emerging professionals within the tea industry.

We view digital communication as an important extension of our corporate communication, supporting timely information-sharing and stakeholder engagement. The adoption of new digital technologies has enabled us to communicate in more accessible and relevant formats, while maintaining the professionalism and integrity expected of a tea broking company.

Our approach is centred on using digital platforms responsibly to share information, highlight industry developments and provide greater insight into our corporate activities. This allows us to remain responsive to the evolving ways in which stakeholders access and engage with information, while strengthening our connection with the wider tea industry.

It is encouraging that our efforts in brand development has strengthened customer confidence in our group, and a customer satisfaction survey conducted during the financial year recorded a 90 % likelihood of being recommended by an existing customer, a testament to the trust, confidence and strong relationships we continue to build with our clients.

## Commitment to Sustainable Practices

Our commitment to quality and professionalism continues to be reinforced through the certifications and standards that underpin our operations. We are proud to maintain internationally recognised certifications, including ISO 9001:2015, ISO 22000:2018, HACCP.

These certifications and ratings provide assurance to our stakeholders while strengthening our culture of continuous improvement, accountability and operational excellence.

# Chief Executive Officer's Review

### Warehousing, Logistics and Operational Integration

During the year under review, the Group managed over 204,064 square feet of warehousing capacity across strategically located facilities in Muthurajawela, Grandpass and Enderamulla. In February 2025, CTB's tea handling operations were successfully reintegrated into Ceylon Tea Brokers PLC, strengthening operational oversight and creating a more integrated warehousing, auction and dispatch model. This consolidation has enhanced coordination across key logistics functions, improving responsiveness and reducing operational bottlenecks.

The Group's flagship owned warehouse at Muthurajawela, with a capacity of 97,410 sq. ft., is equipped with modern warehousing technology and advanced material handling systems that improve operational efficiency while supporting environmentally responsible operations through lower carbon emissions. The facility represents a benchmark for quality, safety and efficiency within the industry, and its expansion has enabled greater consolidation of storage operations, reducing congestion at urban facilities and improving logistics flow.

Complementing this asset, the Group maintains strategically located leased warehouses under flexible short- and long-term arrangements, providing the scalability required to accommodate seasonal demand and fluctuations in auction volumes.

### Community Support and Social Impact

At Ceylon Tea Brokers PLC, we recognise our responsibility towards the communities connected to the tea industry and remain committed to creating meaningful and lasting social impact. Our community support initiatives are guided by a focus on strengthening resilience, supporting livelihoods and contributing to inclusive development.

A key pillar of our community engagement is the Tea-Growing Community Fund, through which we contribute Rs. 0.025 for every kilogram of tea sold. This long-standing initiative continues to support projects that benefit tea-growing communities and reinforces the collective responsibility of the industry towards sustainable development.

A significant community response during the year was directed towards supporting those affected by the Ditwah disaster. Working alongside industry stakeholders to provide timely relief and recovery assistance to impacted employees, families and tea sector partners, CTB distributed essential dry ration packs to employees whose households were impacted, ensuring immediate relief during a period of hardship and selected flood-affected tea factories to support workers and assist recovery efforts; supported through hired cleaning services to help employees restore their homes to safe and habitable conditions and offered partial financial assistance to support the repair of homes damaged by the cyclone, helping affected employees rebuild their living conditions.

We extend our heartfelt appreciation to all employees, volunteers and partner organisations who came together during this difficult period. Their compassion, commitment and willingness to support one another exemplify the values we uphold as an organisation.

**Market Share**

**16.69 %**

2024/25 - 15.95%

> "Resilience in a changing market, disciplined execution and a commitment to excellence continue to drive our performance, strengthen our market position and create sustainable value for all our stakeholders."

## Governance and Integrity at the Core

Strong governance remains fundamental to the way we conduct our business. As a listed group operating within an industry that depends heavily on trust, transparency and relationships, we recognise that responsible governance is essential to maintaining the confidence of our shareholders, clients, employees and other stakeholders.

We continue to strengthen our governance practices in line with evolving regulatory expectations and recognised best practices. Importantly, governance at CTB is about building a culture in which integrity, transparency and accountability are embedded in everyday decisions.

## Our People Remain Our Core Strength

At Ceylon Tea Brokers, we consider our people to be at the heart of our ability to create value. Their knowledge of the tea industry, technical expertise, commercial understanding and relationships have been built over many years and represent one of our most important sources of competitive advantage.

During the year, we continued to invest in training and development, providing employees with opportunities to strengthen their technical, professional and leadership capabilities. We are also committed to fostering a diverse and inclusive workplace, and are pleased to report a male to female employee ratio of 78:22, reflecting our ongoing efforts to improve gender balance and equal opportunity.

We also continued to place emphasis on employee engagement and wellbeing through initiatives designed to strengthen communication, teamwork and work-life balance.

## Looking Ahead with Confidence

The outlook for the tea industry will continue to present both opportunities and challenges. Climate-related pressures, geo-political pressures, evolving regulatory requirements, technological disruption and shifting international markets will require agility and forward thinking.

We will therefore continue to explore potential areas for growth while remaining firmly anchored in our core strengths. We will seek opportunities where our existing expertise, relationships, technology and brand can provide a meaningful advantage, while maintaining the financial and governance discipline that has supported our progress.

We also recognise that the future of the tea industry will depend increasingly on innovation, sustainability and the ability to respond to changing expectations. We intend to remain at the forefront of these developments, contributing not only to the success of our Group but also to the continued strength and relevance of the Ceylon Tea industry.

## A Sincere Appreciation

The financial year 2025/26 has reinforced our confidence in the resilience of our business and the strength of the platform we have built. Our performance echoes the dedication of our employees, the trust placed in us by our clients and business partners, the confidence of our shareholders and the guidance provided by our Board.

I extend my sincere appreciation to our employees for their commitment and contribution throughout the year. I also thank our clients, suppliers, business partners and other stakeholders for their continued confidence in Ceylon Tea Brokers.

Most importantly, I thank our shareholders for their continued support.

We also express our gratitude to all regulatory authorities, industry associations and community partners who continue to support the development and integrity of the tea industry in Sri Lanka.

With the strength of our people, the trust of our stakeholders and the resilience of our business, I am confident that Ceylon Tea Brokers is well positioned to pursue the opportunities ahead and deliver continued growth in the years to come.

Dinesh Fernando
*Director/Chief Executive Officer*

31st August 2026

GRI 2021 : 405-1

# The Board of Directors

## Niraj De Mel

*Chairman /*
*Independent Non-Executive Director*

## Waruna de Silva

*Managing Director*

## Dinesh Fernando

*Director / Chief Executive Officer*

## Thilina Nonis

*Executive Director*

## Zameel Mohamed

*Executive Director*

## Ajith Fernando

*Non-Executive Director*

Board Composition

- 4 Executive Directors
- 4 Independent/Non-Executive Directors
- 4 Non-Independent/Non-Executive Directors

8:4
Male : Female Ratio
2024/25 - 8:4

GRI 2021 : 405-1

## Chrisantha Perera
*Non-Executive Director*

## Shiromal Cooray
*Non-Executive Director*

## Sharmali Perera
*Non-Executive Director*

## Dr. Beshan Kulapala
*Independent Non-Executive Director*

## Dr. Mihirini De Zoysa
*Independent Non-Executive Director*

## Amrah Akbar
*Independent Non-Executive Director*

Committees
- Audit Committee
- Remuneration Committee
- Nomination Committee
- Related Party Transaction Review Committee
- Risk Management Committee
- Credit Review Committee
- IT Steering Committee

# Director's Profiles

## Niraj De Mel

*Chairman / Independent Non-Executive Director*

**Date of Appointment:**

1st April 2019

**Qualifications & Experience:**

Commenced career at Forbes & Walker Limited and has over 45 years of experience in the tea industry mostly as a buyer/exporter.

**Other Current Appointments:**

Founder/Director of The Mel's Ceylon (Pvt) Ltd.

**Previous Appointments:**

Immediate past Chairman of Sri Lanka Tea Board 2022/2024 and 2004/2005. Managing Director of Hayleys Global Beverages (Pvt) Ltd, Vanrees (Ceylon) Ltd and Bosanquet & Skrine Ltd. Chief Operating Officer of C.S. Asia Teas (Pvt) Ltd and a former Director of Mabroc Teas (Pvt) Ltd. Chairman of the Tea Exporters' Association 2011/12. Chief Executive Officer of the Tea Association of Sri Lanka and In-Country Manager of Ethical Tea Partnership (ETP), UK. Vice Chairman of Colombo Tea Traders Association (2012) & Chairman of Colombo Brokers Association (2022).

**Shareholding:**

90,000 shares

**Membership of Board Subcommittees:**

- A Member of the Risk Management Committee
- A Member of the Remuneration Committee
- A Member of the Nomination Committee
- A Member of the Related Party Transactions Review Committee
- A Member of the Audit Committee

## Waruna de Silva

*Managing Director*

**Date of Appointment:**

23rd March 2009

**Qualifications & Experience:**

Mr. Waruna de Silva joined Ceylon Tea Brokers PLC in 2008 and was appointed as the Managing Director of the Company with effect from 2025. He holds a Master of Business Administration (MBA) from Cardiff Metropolitan University, United Kingdom. He has also completed an Executive MSc in Supply Chain Management, an Executive MSc in Human Resource Management and an Executive MSc in Project Management from Asia e-University, Malaysia. He is a Passed Finalist of CMA Australia. He completed his Executive Education on Strategy and Leadership from the Wharton Business School, Philadelphia (USA) and holds the ADP Certificate; and completed Executive Education on Strategy & Enterprise-wide Transformation from Rice University, Texas (USA) and MIT Sloan School of Management, Boston (USA). He also completed the Leadership Development and High-Performance Teams programme from USC Marshall School of Business (USA) and the CXO Leadership Program at Cornell University (USA), has completed the Certificate Program for Strategic Chief Executive Officer from the Indian Institute of Management (IIM) Raipur, India, and holds a Doctor of Philosophy (PhD) in Business Management from the Swiss Institute of Management and Sciences, Switzerland.

**Other Current Appointments:**

A Director of Logicare (Pvt) Ltd

**Previous Appointments:**

Manager – Tea at Forbes & Walker Limited.

**Shareholding:**

None

**Membership of Board Subcommittees:**

- A Member of the Credit Review Committee
- A Member of the IT Steering Committee

## Dinesh Fernando

*Director / Chief Executive Officer*

**Date of Appointment:**

24th May 2019

**Qualifications & Experience:**

Master of Business Administration (MBA) from the University of Colombo. He holds a Bachelor of Arts (Hons) degree in Business & Marketing from the Coventry University, UK. A member of the Association of Chartered Certified Accountants (ACCA), UK and a Member of the Association of Business Executives (MABE), UK. He joined Ceylon Tea Brokers PLC in 2016 as a General Manager and has over 23 years of experience in tea broking.

**Other Current Appointments:**

None

**Previous Appointments:**

A Senior Manager at Mercantile Produce Brokers Limited

**Shareholding:**

None

**Membership of Board Subcommittees:**

- A Member of the Credit Review Committee
- A Member of the IT Steering Committee

## Thilina Nonis

*Executive Director*

**Date of Appointment:**

24th May 2019

**Qualifications & Experience:**

He joined Ceylon Tea Brokers in 2006 and was appointed as the Head of Marketing of the Company on 1st of April 2017. He has over 24 years of experience in tea broking.

**Other Current Appointments:**

None

**Previous Appointments:**

He commenced his career at Asia Siyaka Commodities PLC and later worked at Somerville & Company (Pvt) Ltd and Bartleet Produce Marketing (Pvt) Ltd.

**Shareholding:**

10,000 shares

**Membership of Board Subcommittees:**

- A Member of the Credit Review Committee
- A Member of the IT Steering Committee

## Zameel Mohamed

*Executive Director*

**Date of Appointment:**

24th May 2019

**Qualifications & Experience:**

Master of Business Administration (MBA) from the London Metropolitan University, UK. He joined Ceylon Tea Brokers PLC in 2018 as a Senior General Manager and has over 26 years of experience in tea broking.

**Other Current Appointments:**

- A Member of the Colombo Tea Traders Association (CTTA) Steering Committee.
- Director of Colombo Brokers Association (CBA).
- Deputy chairmen at the Colombo Brokers Association (CBA)

**Previous Appointments:**

Senior General Manager at Bartleet Produce Marketing (Pvt) Ltd
The "Tea Convener" of the Tea Sub-Committee of the Colombo Brokers' Association (CBA)

**Shareholding:**

None

**Membership of Board Subcommittees:**

- Chairman of the IT Steering Committee
- A Member of the Credit Review Committee

## Ajith Fernando

*Non-Executive Director*

**Date of Appointment:**

1st February 2005

**Qualifications & Experience:**

A Fellow of the Chartered Institute of Management Accountants, UK and holds a Master of Arts (MA) in Financial Economics from the University of Colombo. He has over 30 years' experience in the money and capital markets.

**Other Current Appointments:**

Founder of the Capital Alliance Group and currently functions as a Director. He is also Chairman of Logicare (Pvt) Ltd, Hemas Holding PLC and Sri Lanka Technology Campus (Pvt) Ltd. And a Director of Rockland Distilleries (Pvt) Ltd.

**Previous Appointments:**

He had worked with some of the leading financial institutions in Sri Lanka.

**Shareholding:**

48,837,837 Shares

**Membership of Board Subcommittees:**

- Chairman of the Credit Review Committee

# Director's Profiles

## Chrisantha Perera

*Non-Executive Director*

**Date of Appointment:**

30th October 2009

**Qualifications & Experience:**

Associated with the Tea Industry for over 60 years. Retired as Chairman/ CEO of Forbes & Walker Ltd in 2005 after serving for 44 years. Served as Chairman Ceylon Tea Brokers PLC till April 2022 and continues to serve as a Non-Executive Director.

**Other Current Appointments:**

Presently serves as a Non- Executive Director in other Public Listed & Private Companies, including Logicare (Pvt) Ltd which is a subsidiary of Ceylon Tea Brokers PLC.

**Previous Appointments:**

Chairman of the Sri Lanka Tea Board, Sri Lanka Insurance Corporation Ltd., Public Enterprises Reform Commission and Bank of Ceylon. He served as an Appointed Member of the Monetary Board of the Central Bank of Sri Lanka.

**Shareholding:**

2,000,000 Shares

**Membership of Board Subcommittees:**

- A Member of the Risk Management Committee
- A Member of the Nomination Committee

## Shiromal Cooray

*Non-Executive Director*

**Date of Appointment:**

9th October 2006

**Qualifications & Experience:**

A Fellow Member of the Chartered Institute of Management Accountants, UK and holds a Master of Business Administration (MBA) from the University of Colombo. A senior finance professional with wide experience in the private sector in number of industries.

**Other Current Appointments:**

Chairman and Managing Director of Jetwing Travels (Private) Limited – one of the leading inbound/outbound travel management companies in Sri Lanka. She is an Independent Non Executive Director of Allianz Insurance Lanka Limited and Allianz Life Insurance Lanka Limited and holds other directorates in hotels, finance, investment banking.

**Previous Appointments:**

Chairman of the Sri Lanka Institute of Directors (SLID), and the President of the Sri Lanka Association of Inbound Tour Operators (SLAITO). Director – Finance and Administration on the Board of J Walter Thompson. Non- Executive Director on the Boards of Capital Alliance Finance PLC, Trade Finance and Investments PLC , an Independent Non-Executive Director of Commercial Bank of Ceylon PLC and served on the Boards of many other private and public companies.

**Shareholding:**

10,908,751 Shares

**Membership of Board Subcommittees:**

- A Member of the Remuneration Committee

## Sharmali Perera

*Non-Executive Director*

**Date of Appointment:**

9th October 2006

**Qualifications & Experience:**

An Associate Member of the Chartered Institute of Management Accountants, UK. A founding member of Capital Alliance Group and has been with Capital Alliance since its inception in year 2000. A senior finance professional with well over 20 years of experience in the finance industry.

**Other Current Appointments:**

Chief Risk and Compliance Officer of the Capital Alliance PLC and a Director of Capital Alliance Securities (Pvt) Limited, Capital Alliance Investments Limited, Finnovation (Pvt) Limited, Capital Alliance Partners Limited and Logicare (Pvt) Limited

**Previous Appointments:**

She had worked with some of the leading financial institutions in Sri Lanka.

**Shareholding:**

1,190,392 Shares

**Membership of Board Subcommittees:**

- A Member of the Audit Committee
- A Member of the Related Party Transactions Review Committee

## Dr. Beshan Kulapala

*Independent Non-Executive Director*

**Date of Appointment:**

27th of September 2024

**Qualifications & Experience:**

He holds a PhD in Electrical Engineering from Arizona State University, along with an MBA in Business Administration and a Master of Science in Electrical Engineering (2002–2003) from the same institution. He began his academic journey at the University of Kentucky, where he earned a Bachelor of Science in Electrical Engineering.

**Other Current Appointments:**

Dr. Beshan Kulapala is the Co-Founder and CEO of Volt Charge Sri Lanka. Co-Founder/Director/CEO, Cyrus EV Chargers. Chairman of the Sarva Medical Clinic in Boralesgamuwa, Memebr of Board of Management- University of Colombo,School of Computing.

**Previous Appointments:**

Previously Beshan was the Director and a co-founder of Vega Innovations in Sri Lanka. He also created multiple technology brands under Vega, namely Chargenet: Sri Lanka's largest EV charging network with home grown EV Chargers, as well as Aigrow. He was also a Director at CodeGen and a board member of Trace Expert City.

**Shareholding:**

None

**Membership of Board Subcommittees:**

- Chairman of the Risk Management Committee

## Dr. Mihirini De Zoysa

*Independent Non-Executive Director*

**Date of Appointment:**

27th of September 2024

**Qualifications & Experience:**

She is an EMCC (European Mentoring and Coaching Council) certified leadership coach and she is a practitioner-scholar with a Doctorate (DProf) in Organizational Change from Ashridge School of Business and Middlesex University, UK; MSc in Responsibility and Business Practices from University of Bath, UK; and BSc in Economics from University of London, UK.

**Other Current Appointments:**

She is also the founder Director of Corporate Druids (Pvt) Ltd and also serves as a Non-Executive Director of CAL Partners and CAL Securities.

**Previous Appointments:**

She has worked in varied industries, including but not limited to Healthcare, Banking & Insurance, IT, Apparel, Publishing, Telecommunications, Plantations, Hospitality as well as in Non-Governmental Organizations and International Development Organizations such as the United Nations and World Bank.

**Shareholding:**

None

**Membership of Board Subcommittees:**

- Chairperson of the Related Party Transactions Review Committee
- Chairperson of the Remuneration Committee
- Chairperson of the Nomination Committee

## Amrah Akbar

*Independent Non-Executive Director*

**Date of Appointment:**

27th of September 2024

**Qualifications and Experience:**

University of Oxford: Bachelor of Arts – BA, Philosophy, Politics and Economics
ICAEW: CA – Business Administration and Management (General)
Stanford University: Executive Program – Strategic Marketing and Management

**Other Current Appointments:**

Business Director – Marketing and Business Development – MAS Active

**Previous Appointments:**

Board Director – Wearable X, USA
Board Director – Elkaduwa Plantations Ltd

**Shareholding:**

None

**Membership of Board Subcommittees:**

- Chairperson of the Audit Committee

# Corporate Management

## Waruna de Silva
*Managing Director*

## Dinesh Fernando
*Chief Executive Officer*

## Thilina Nonis
*Executive Director*

## Zameel Mohamed
*Executive Director*

## Ramal Samarasinghe
*Director Finance*

## Tharake Nilaweera
*General Manager – Marketing*

## Sahan Gunatilake
*General Manager – Manufacturing*

## Nishan Abeygunawardana
*Senior Manager - Operations*

## Harshana Perera
*Senior Manager – Tea*

Deemantha Ekanayake
*Senior Manager – Tea*

Madawa Jayaratne
*Senior Manager – Sample Room*

Mahesh de Zoysa
*Manager – IT*

Sanethri Beminiwatte
*Manager – Human Resources*

Kasun Seneviratne
*Finance Manager*

Sachitra Warusevitane
*Manager - Risk & Compliance*

Thenuka Karunasena
*Manager – Tea*

Mario Silva
*Manager – Tea*

Teshan Baduge
*Manager – Manufacturing*

# Corporate Management

## Sonia Arif
*Manager – Administration*

## Sadhananthan Shivani
*Senior Assistant Manager – Tea*

## Shaveendra Hettiarachchi
*Senior Assistant Manager – Tea*

## Senuri De Silva
*Assistant Finance Manager*
Resigned w.e.f 31st March 2026

## Thilini Subhashini
*Assistant Finance Manager*

## Rochelle Fernando
*Assistant Manager – Administration*

## Indika Abeyrathna
*Assistant Finance Manager*

## Darshani Perera
*Assistant Manager – Cataloguing*

## Devan Jayawardena
*Assistant Manager – Tea*

Saminda Priyadasun
*Assistant Manager Warehousing*

T. G. Kamal
*Assistant Manager - Warehousing*

Aminda Serasinghe
*Business Analyst*

Darshani Lanarol
*Business Analyst*

S. J. Thasan
*Consultant – Warehousing*

Janaka Epa
*Manufacturing Consultant*

Lalith Wijemanna
*Manufacturing Consultant*

Darshana Kumara
*Manufacturing Consultant*

Janaka Neththasinghage
*Manufacturing Consultant*

# Our Strategy

Ceylon Tea Brokers PLC's strategic aspirations are closely aligned with its long-term vision and corporate mission. While each department operates with distinct strategies that reflect its specific risks, opportunities, and core strengths, the overall strategic direction is guided by the Board of Directors. Our strategy is anchored on our core values and is cascaded throughout the organization to ensure alignment, focus, and sustainable value creation across all operational areas.

## We believe our strategy, founded on three key pillars, developing a capable team, driving operational excellence, and providing exceptional service, enabled the effective integration of people, processes, and technology to advance our vision, mission, and strategic goals.

The Company's strategic focus is built upon three interconnected pillars that collectively support long-term growth, resilience, and stakeholder value creation. The first pillar, Governance, Risk and Sustainability Framework, provides the foundation for responsible business conduct, effective oversight, robust risk management, regulatory compliance, and the integration of sustainability considerations into decision-making processes. The second pillar, Performance Excellence, is centered on operational efficiency, service quality, innovation, talent development, and the continuous enhancement of customer and stakeholder experiences. The third pillar, Environmental and Business Sustainability, focuses on fostering long-term business resilience through responsible resource utilization, environmental stewardship, industry development, and initiatives that support the sustainability of Sri Lanka's tea sector.

Together, these strategic pillars enable the Company to respond proactively to evolving market dynamics, strengthen its competitive position, and deliver sustainable value to shareholders, clients, employees, and the wider stakeholder community while preserving the reputation and legacy of Ceylon Tea in global markets.

### Our Strategic Focus Pillars

| GRS Framework | Performance Excellence | Sustainable Growth |
|---|---|---|

| | |
|---|---|
| Corporate Governance | • The Company's governance framework is guided by the Companies Act No. 7 of 2007, the Listing Rules of the Colombo Stock Exchange, and the Code of Best Practice on Corporate Governance issued by Institute of Chartered Accountants of Sri Lanka.<br>• Strong corporate governance is fundamental to maintaining ethical business practices, transparency, and stakeholder trust.<br>• The Board of Directors provide strategic oversight and accountability, supported by dedicated Board Committees, while continuous enhancements to governance practices, compliance, and disclosure standards ensure the highest levels of integrity, accountability, and responsible corporate conduct. |
| Risk Management | • The Company maintains a robust risk management framework to identify, assess, and mitigate risks that may affect its strategic objectives and operational performance.<br>• Through regular risk assessments, effective internal controls, and ongoing oversight by the Board and Risk Management Committee, risk considerations are integrated into decision-making processes across the organization.<br>• This disciplined approach enhances resilience and enables the Company to respond proactively to evolving economic, regulatory, and environmental challenges. |
| Sustainable Development | • Sustainability is embedded within our business strategy and long-term value creation approach. As Sri Lanka's first listed tea broking company, we are committed to advancing responsible environmental and social practices across the tea value chain.<br>• Through continuous engagement with producer clients, we promote the adoption of internationally recognized sustainability certifications, including Rainforest Alliance certification, while aligning our sustainability initiatives with relevant United Nations Sustainable Development Goals (SDGs) and global best practices. |

# Our Strategy

## Performance Excellence

At Ceylon Tea Brokers PLC, our pursuit of excellence is embedded in every facet of our operations. Guided by our core Excellence Pillars; Service Excellence, Competent Team and Operational Excellence, we continuously strive to exceed stakeholder expectations, enhance our capabilities and deliver superior performance. These pillars reflect our commitment to maintaining the highest standards of professionalism, ensuring seamless and efficient operations and fostering a culture of continuous learning and improvement. Together, they drive our ability to create sustainable value and reinforce our position as a trusted leader in Sri Lanka's tea industry.

| | |
|---|---|
| Service Excellence | • As a service-oriented organization, we are committed to continuously enhancing the quality, efficiency, and value of our offerings through investments in people, technology, and process improvements.<br>• By anticipating and responding to evolving client needs, we strive to deliver a superior service experience that strengthens client relationships and reinforces our position as a trusted partner in the tea industry. |
| Competent Team | • We are committed to building and retaining a highly skilled, knowledgeable, and motivated workforce capable of delivering exceptional value to our clients and stakeholders.<br>• Through targeted talent development initiatives, continuous learning opportunities, and a strong people-focused culture, we invest in enhancing both technical expertise and professional capabilities while fostering employee engagement, growth, and retention. |
| Operational Excellence | • Operational excellence remains integral to our strategy, driving efficiency, agility, and sustainable value creation.<br>• Through continuous process optimization, technology integration, and adherence to industry best practices, we enhance productivity while maintaining effective cost management.<br>• Our focus on streamlining operations, reducing inefficiencies, and strengthening process controls enables us to deliver reliable, high-quality services and create greater value for our clients and stakeholders. |

## Sustainable Growth

Sustainable Growth to Shareholders

Economic, Social and Environmental Sustainability

Sustainable growth is a core element of Ceylon Tea Brokers PLC's strategy and long-term value creation approach. Our commitment to sustainability operates at two levels: delivering sustainable growth and long-term value for shareholders, while contributing to broader economic, social, and environmental sustainability across the tea industry and the communities we serve. Guided by responsible business practices, strong governance, and active stakeholder engagement, we strive to achieve strong financial performance while promoting industry development, social well-being, and environmental stewardship. This balanced approach strengthens business resilience, enhances stakeholder value, and supports sustainable prosperity for both the Company and its wider ecosystem.

### Sustainable Growth to Our Shareholders

As the first standalone tea broking company listed on the Colombo Stock Exchange, we are committed to delivering sustainable shareholder value through strong financial performance, disciplined risk management, and operational excellence. Our long-standing relationships with tea producers and buyers, combined with our focus on service innovation, market development, and efficiency improvements, strengthen our competitive position and support long-term earnings growth. By remaining responsive to evolving market conditions and industry dynamics, we continue to create sustainable returns for our shareholders.

### Economic, Social and Environmental Sustainability

As a key intermediary in Sri Lanka's tea value chain, we recognize our responsibility to contribute to sustainable industry development. Our approach integrates economic, social, and environmental considerations into business decision-making and stakeholder engagement. We support the growth and resilience of tea producers through market access, advisory services, and financial assistance, while maintaining high standards of corporate ethics, employee well-being, and stakeholder stewardship. Through responsible resource management, digitalization, and the promotion of sustainable industry practices, we seek to create long-term value while contributing towards relevant United Nations Sustainable Development Goals (SDGs).

# The Depth of Integrity

**What defines a lighthouse is not the height of its tower, but the strength of its anchor. In an industry of shifting tides, we offer the security of a foundation that runs deep beneath the surface. Our strength is submerged in values that do not waver, providing a constant, steady presence that allows you to navigate the most challenging markets with total confidence.**

# Operating Landscape

The performance of the tea industry is closely linked to developments across global commodity markets, international trade flows, consumer demand patterns, and domestic economic conditions. During the financial year 2025/26, these factors continued to influence market dynamics, pricing trends, and stakeholder activity across the tea value chain.

This section examines the principal economic, industry, and market developments that prevailed during the year under review and provides context for understanding the environment within which Ceylon Tea Brokers PLC conducted its operations and pursued its strategic objectives.

## Global Economy

### Global GDP

**World Economic Outlook Growth Projection**

| Real GDP, annual percent change | 2025 | Projections | |
|---|---|---|---|
| | | 2026 | 2027 |
| World Output | 3.4 | 3.1 | 3.2 |
| Advanced Economies | 1.9 | 1.8 | 1.7 |
| United States | 2.1 | 2.3 | 2.1 |
| Euro Area | 1.4 | 1.1 | 1.2 |
| Germany | 0.2 | 0.8 | 1.2 |
| France | 0.9 | 0.9 | 0.9 |
| Italy | 0.5 | 0.5 | 0.5 |
| Spain | 2.8 | 2.1 | 1.8 |
| Japan | 1.2 | 0.7 | 0.6 |
| United Kingdom | 1.3 | 0.8 | 1.3 |
| Canada | 1.7 | 1.5 | 1.9 |
| Other Advanced Economies | 3.0 | 2.6 | 2.2 |
| Emerging Market and Developing Economies | 4.4 | 3.9 | 4.2 |
| Emerging and Developing Asia | 5.5 | 4.9 | 4.8 |
| China | 5.0 | 4.4 | 4.0 |
| India | 7.6 | 6.5 | 6.5 |
| Russia | 2.0 | 2.0 | 2.1 |
| Emerging and Developing Europe | 1.0 | 1.1 | 1.1 |
| Latin America and the Caribbean | 2.4 | 2.3 | 2.7 |
| Brazil | 2.3 | 1.9 | 2.0 |
| Mexico | 0.6 | 1.6 | 2.2 |
| Middle East and Central Asia | 3.6 | 1.9 | 4.6 |
| Saudi Arabia | 4.5 | 3.1 | 4.5 |
| Sub-Saharan Africa | 4.5 | 4.3 | 4.4 |
| Nigeria | 4.0 | 4.1 | 4.3 |
| South Africa | 1.1 | 1.0 | 1.3 |
| Emerging Market and Middle-Income Economies | 4.4 | 3.8 | 4.1 |
| Low-Income Developing Countries | 4.8 | 4.8 | 4.9 |

*Source: IMF World Economic Outlook, April 2026*

**GDP Growth Rate (Sri Lanka)**

**5.0 %**

2024 - 5.0%

**Global Headline Inflation**

**4.4 % (Projected 2026)**

Projected 2027 - 3.7%

**Global growth remains steady**
World GDP is projected to grow by 3.4% in 2025, moderating to 3.1% in 2026 before edging up to 3.2% in 2027.

**Advanced economies face a softer path**
Growth in advanced economies is expected to ease from 1.9% in 2025 to 1.7% in 2027, reflecting structural challenges and moderating momentum.

**Emerging markets continue to lead**
Emerging market and developing economies are forecast to grew by 4.4% in 2025, remaining the key engine of global growth over the medium term.

**Asia and Africa drive resilience**
Emerging Asia ( 5.5% in 2025) and Sub-Saharan Africa (4.5% in 2025) continue to demonstrate strong growth potential, supported by favourable demographics and rising domestic demand.

The global economic outlook remains subject to heightened uncertainty amid escalating geopolitical tensions, most notably the conflict in the Middle East. The resulting increase in commodity prices, persistence of inflationary pressures, and tightening financial conditions have introduced additional challenges to global economic stability and growth prospects.

Assuming a contained escalation of the conflict, global economic growth is projected to moderate to 3.1% in 2026 before improving marginally to 3.2% in 2027, remaining below both recent growth outcomes and pre-pandemic averages. Global inflation is expected to experience a temporary uptick in 2026 before resuming its downward trajectory in 2027.

The impact of these developments is expected to be more pronounced across emerging and developing economies, particularly among net commodity-importing nations with existing structural vulnerabilities. Elevated financing costs, external sector pressures, and constrained policy flexibility continue to present challenges for these economies.

Moreover, a prolonged expansion of geopolitical conflicts, increasing fragmentation of global trade and investment flows, slower-than-anticipated productivity gains from technological advancements, or renewed trade tensions could adversely affect economic growth and financial market stability. Furthermore, elevated public debt levels and limited fiscal and monetary policy buffers in many economies may constrain the ability of policymakers to respond effectively to future shocks.

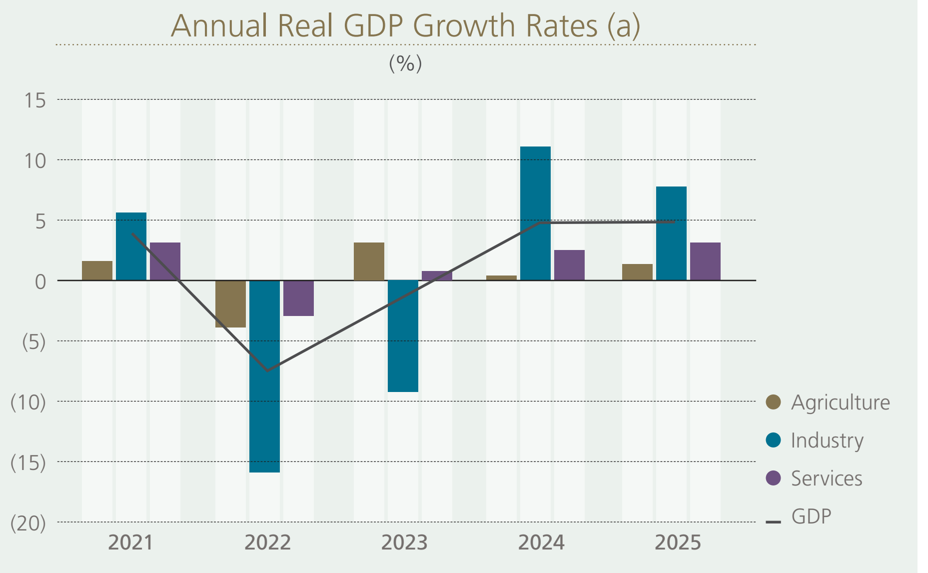
Against this backdrop, strengthening economic resilience through prudent macroeconomic management, structural reforms, and enhanced international cooperation will remain critical to sustaining growth and preserving economic stability in an increasingly uncertain global environment.

## Sri Lankan Economy

Sri Lanka's economic recovery gained further momentum in 2025, with real GDP growth reaching 5.0%,emphasising broad-based expansion across key sectors of the economy despite weather-related challenges experienced during the year under review. Economic activity strengthened consistently throughout the financial year, supported primarily by the Industry sector, where improvements in manufacturing and construction contributed considerably to overall growth. The Services sector remained a key driver of economic performance, underpinned by continued expansion in financial services, transportation, and related activities. Meanwhile, a recovery in agricultural output provided additional support to the growth trajectory.

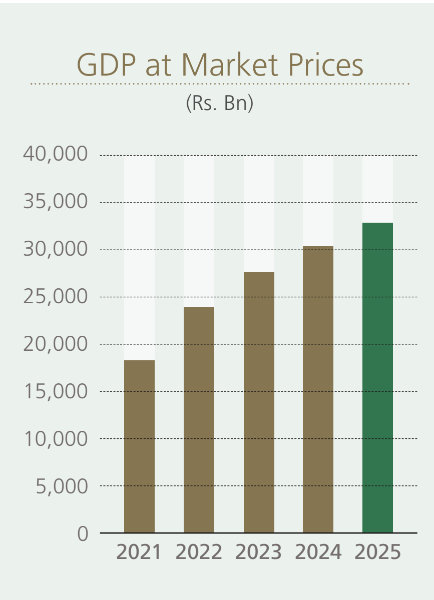
The expansion in economic activity was shown in higher nominal output, with GDP at current market price increasing to Rs. 32.8 trillion in 2025 from Rs. 30.1 trillion in the preceding year. Supported by a moderate GDP deflator of 3.7%, the economy also recorded a notable increase in its value in U.S. dollar terms, reaching USD 108.8 billion, compared with USD 99.6 billion in 2024.

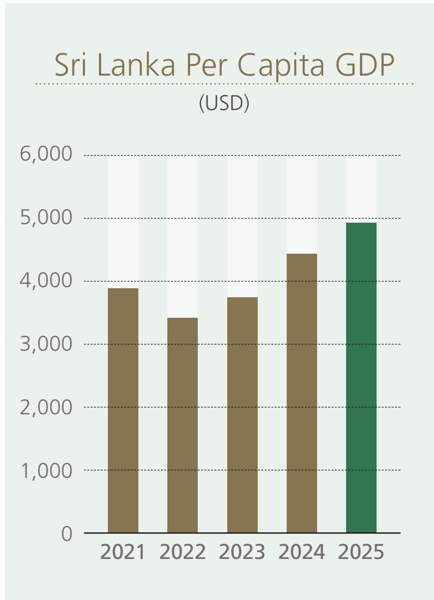
Improving macroeconomic conditions were further evidenced by the rise in per capita income, with GDP per capita increasing to USD 5,003 from USD 4,546 in the previous year. The increase highlights the continued recovery in economic activity, improving income levels, and greater economic stability.




*Source: Central Bank of Sri Lanka*

# Operating Landscape




### Macro Economic Performance

| Indicator | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Real GDP Growth | 4.2 | (7.3) | (2.0) | 5.0 | 5.0 |
| GDP at Market Prices (Rs. Bn) | 17,612 | 24,063 | 27,420 | 30,096 | 32,751 |
| Per Capita GDP (USD) | 3,999 | 3,464 | 3,801 | 4,546 | 5,003 |
| CCPI YoY Headline Inflation (%) | 12.1 | 57.2 | 4.0 | (1.7) | 2.1 |
| NCPI YoY Headline Inflation (%) | 14.0 | 59.2 | 4.2 | (2.0) | 2.9 |

*Source: Central Bank of Sri Lanka*

### GDP Growth -Sector wise

Economic growth in 2025 was broad-based, with all three major sectors of the economy recording positive growth. Improvements across agriculture, industry, and services contributed to the overall expansion of the economy, although the pace of growth varied across sectors depending on prevailing market conditions and sector-specific developments.

The Agriculture sector expanded by 1.4% in 2025, compared with 0.6% in 2024, demonstrating a gradual improvement despite weather-related challenges experienced during the year. Growth was primarily driven by stronger performances in animal production, together with increased output in coconut and paddy cultivation. Positive contributions from tea cultivation, forestry and logging, agricultural support services, and the production of fruits and spices further strengthened the sector's performance. However, these gains were partially offset by contractions in fisheries, vegetable cultivation, rubber, and other perennial and beverage crops, moderating the sector's overall growth.

The Industry sector remained the principal driver of economic expansion, recording growth of 7.8% in 2025 following a robust recovery of 11.1% in the previous year. Manufacturing continued to underpin sectoral performance, supported by sustained growth in the production of food, beverages, tobacco products, textiles, apparel, leather, and related manufacturing activities. Construction also maintained its upward trajectory as investment activity strengthened and previously suspended projects resumed, while mining and quarrying recorded continued expansion. Although growth moderated from the exceptionally strong rebound recorded in 2024, the sector continued to make the largest contribution to overall GDP growth.

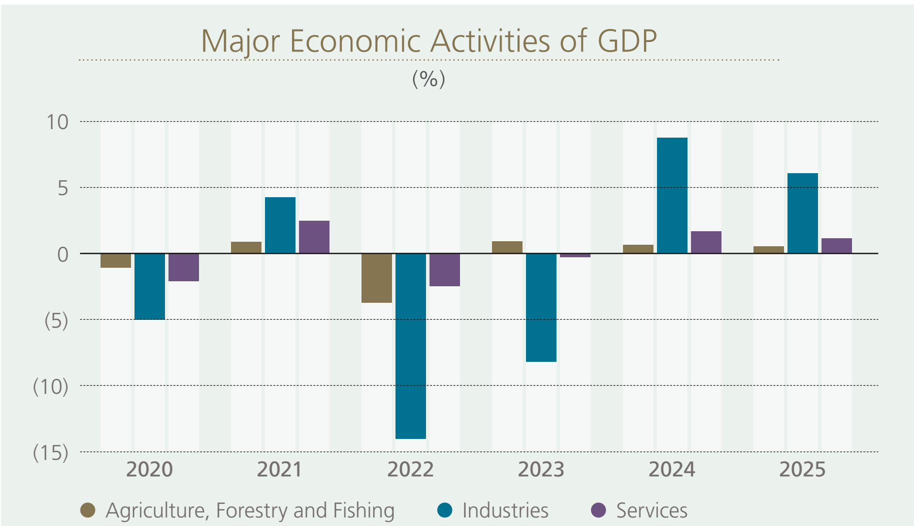
The Services sector recorded growth of 3.3% in 2025, compared with 2.4% in the previous year, supported by the continued normalisation of economic activity and improving business sentiment. Financial services remained the largest contributor to sectoral growth, benefiting from accommodative macroeconomic conditions and improving market confidence. Transportation, accommodation and food service activities, together with computer programming, consultancy, and related information technology services, also recorded notable expansion, reflecting the gradual recovery in domestic demand, business activity, and tourism-related services.

## Broad-based growth across agriculture, industry and services reflects a strengthening economy, with industrial activity leading the recovery and improving momentum across key sectors.

### Major Economic Activities of GDP (Percentage Change)

| Sector | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Agriculture, Forestry and Fishing | 1.0 | (4.1) | 1.6 | 0.6 | 1.4 |
| Industry | 5.7 | (16.0) | (9.2) | 11.1 | 7.8 |
| Services | 3.4 | (2.6) | (0.2) | 2.4 | 3.3 |

*Source: Central Bank of Sri Lanka, Annual Economic Review 2025*




### Unemployment

Labour market conditions continued to improve in 2025, with the national unemployment rate declining to 3.9% from 4.4% in the previous year. The improvement was backed by an increase in employment levels and a reduction in the unemployed population, paving the path for the gradual strengthening of economic activity and the capacity of the economy to generate employment opportunities.

Notwithstanding the overall improvement, several structural labour market challenges persisted. Youth unemployment remained above the national average, with unemployment rates of approximately 18% among individuals aged 20–24 years and 11% among those aged 25–29 years. Similarly, unemployment among females with educational attainment at G.C.E. Advanced Level or above remained relatively high at 8.3%.

**Unemployment**

**3.9** % 2025

**4.4** % 2024

Foreign employment continued to play an important role in supporting livelihoods and generating foreign exchange earnings, although overseas migration moderated during the year. Total departures for foreign employment declined marginally by 1.1% to 311,223 persons in 2025 as per the Sri Lanka Bureau of Foreign Employment, while departures under skilled employment categories decreased by 3.0%. Male workers accounted for 61.3% of total departures, with female workers representing 38.7%.

### Inflation

Inflation remained subdued during much of 2025 following the continued effects of policy measures implemented in the preceding year, favourable statistical base effects, and relatively moderate demand conditions. Following a prolonged period of deflation that commenced in September 2024, consumer prices gradually normalized during the course of 2025, with headline inflation returning to positive territory in August and maintaining a moderate upward trajectory thereafter.

Price developments during the year were influenced primarily by supply-side factors. The deflationary environment observed in the early part of the year was largely attributable to the downward revision of electricity tariffs in January 2025, together with base effects arising from elevated food prices and tax-related price adjustments recorded in the corresponding period of the previous year. As these effects gradually dissipated, inflationary pressures re-emergeddue to higher food prices, particularly in key staple categories, and the upward revision of electricity tariffs in mid-2025.

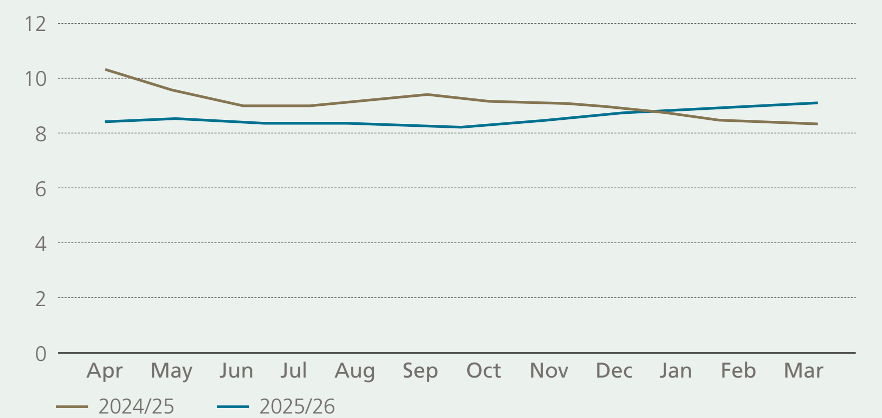
Despite temporary supply disruptions and seasonal demand pressures towards the end of the year, overall price stability was largely maintained. The easing of deflationary pressures in the energy and transport sectors, coupled with improving domestic demand conditions, contributed to the gradual normalisation of inflation while keeping price increases within manageable levels.

Additionally, year-on-year headline inflation, as measured by the Colombo Consumer Price Index (CCPI), increased to 2.1% by end-2025 compared with -1.7% at the end of 2024. Similarly, the National Consumer Price Index (NCPI) recorded inflation of 2.9% at year-end, compared with -2.0% in the previous year. On an annual average basis, inflation remained subdued, with average CCPI inflation recorded at -0.5% and average NCPI inflation at 0.2% during 2025.

# Operating Landscape

Inflation trends in the early months of 2026 indicated a continuation of the normalisation process, with headline inflation remaining within low single-digit levels despite short-term fluctuations in food and transport prices. The prevailing inflation environment, together with improved macroeconomic stability, provided a supportive backdrop for economic activity and business confidence.

Movement of Monthly Average Weighted Prime Lending Rate (AWPLR) (%)




## Market Interest Rates

Market interest rates continued on a downward trajectory during 2025 due to the continuation of an accommodative monetary policy environment, subdued inflationary pressures, and improved macroeconomic stability. The decline was driven by well-anchored inflation expectations, a reduction in risk premia, enhanced investor confidence, and improvements in the country's sovereign credit profile.

The Central Bank continued its monetary easing cycle during the year, reducing the Overnight Policy Rate (OPR) by a further 25 basis points following the substantial policy rate reductions implemented since mid-2023. Consequently, money market rates and broader lending and deposit rates generally adjusted downward, contributing to more favourable financing conditions across the economy.

Although the overall interest rate environment remained supportive, short-term market rates experienced some upward pressure during the latter part of the year. This was largely attributable to temporary liquidity imbalances within the domestic money market, which resulted in a modest increase in interbank rates and government securities yields. However, these pressures were transitory in nature and eased in early 2026 as liquidity conditions improved.

Overall, the lower interest rate environment supported economic activity by enhancing access to credit, reducing borrowing costs, and encouraging investment and business expansion, thereby contributing to the broader economic recovery during the year.

## Distribution of Loans and Advances by Licensed Commercial Banks

Credit extended by Licensed Commercial Banks (LCBs) to the private sector expanded significantly during 2025. Outstanding private sector credit increased by approximately Rs. 2.1 trillion during the year, marking the highest annual expansion on record and resulting in year-on-year growth of 25.2%, compared with 10.7% at the end of 2024. The acceleration in lending was backed by the prevailing low interest rate environment, accommodative monetary policy, and stronger credit demand across the economy. Increased financing requirements for vehicle purchases following the relaxation of import restrictions, together with higher nominal transaction values arising from the earlier inflationary period, further contributed to the expansion in credit. The Government's continued fiscal consolidation also reduced demand for public sector borrowing, enabling financial institutions to channel a greater proportion of available liquidity towards private sector lending. Although private sector credit growth strengthened considerably during the year, outstanding credit as a percentage of GDP remained at 31.2%, below pre-crisis levels, indicating continued scope for further financial intermediation as economic conditions normalise.

## Sectoral Distribution of Loans and Advances Granted by Licensed Commercial Banks

The expansion in private sector lending during 2025 was broad-based, with credit growth recorded across all major sectors of the economy. The Services sector remained the largest recipient of bank credit, accounting for approximately 31% of outstanding loans and advances and contributing around 42% of the total increase in lending during the year. Growth was particularly evident in wholesale and retail trade, financial and business services, transportation, and education, highlighting the continued recovery of service-oriented industries. The Industry sector, which represented approximately 38% of outstanding credit, accounted for a further 29% of total credit expansion, supported by increased lending to construction, manufacturing, fabricated metal products, machinery and transport equipment, food and beverages, and textiles and apparel. Personal loans and advances also recorded notable growth, driven primarily by increased demand for gold-backed lending, consumer durable financing, and credit card facilities. Meanwhile, lending to the Agriculture sector expanded steadily, with increased credit extended to tea, paddy, coconut, and fisheries, reinforcing the sector's continued contribution to economic activity. The composition of lending during the year was dominated by short-term financing, followed by medium- and long-term facilities.

## Export Performance

Sri Lanka's merchandise export sector recorded a strong performance in 2025, with export earnings reaching a historic high of USD 13.6 billion, surpassing the previous record of USD 13.1 billion achieved in 2022. Export earnings expanded by 6.3% year-on-year, with the support of improved global demand conditions and increased contributions from both industrial and agricultural exports. This growth signalled the continued strengthening of the country's external trade sector, with merchandise exports accounting for 12.5% of GDP during the year.

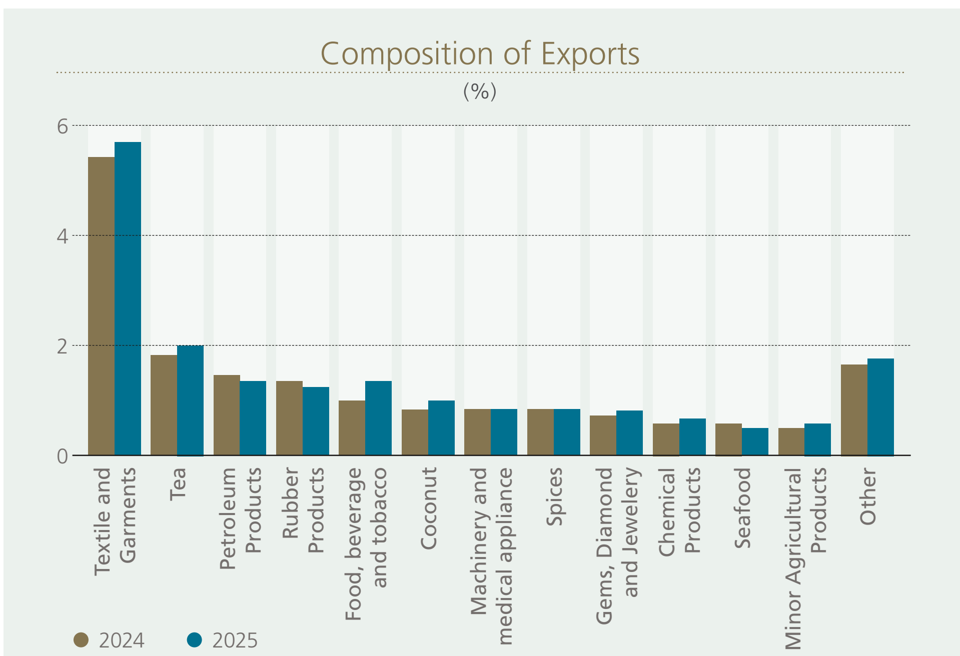
The export landscape during the period was influenced by evolving international trade policies, particularly in the United States, one of Sri Lanka's largest export destinations. Proposed tariff measures on imports from several trading partners, including Sri Lanka, introduced a degree of uncertainty to global trade flows. However, subsequent revisions to the tariff structure and policy adjustments helped moderate the potential impact on export-oriented industries.

Despite these challenges, exports to the United States increased to approximately USD 3.0 billion in 2025, representing growth of 3.1% compared to the previous year. The textiles and apparel sector, the country's largest export category, maintained stable growth and continued to perform favourably despite the evolving trade environment.

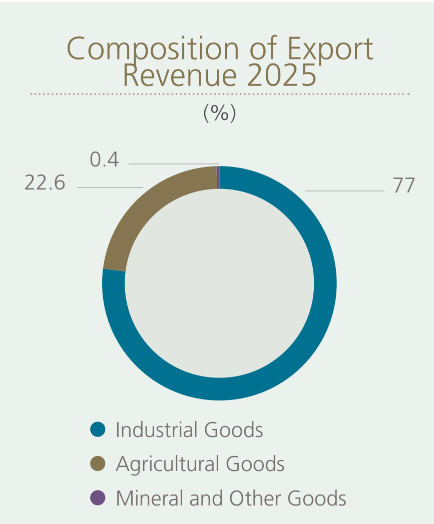
The record level of export earnings achieved during the year reflects the competitiveness of Sri Lankan exports and the sector's ability to adapt to changing global market conditions. Continued market diversification, expanding demand across key export categories, and improving external conditions supported export growth and reinforced the sector's contribution to overall economic performance.

| Category | 2024 | | 2025 | | Change in Value USD Million | Y-o-Y change % |
|---|---|---|---|---|---|---|
| | Value USD Million | Share % | Value USD Million | Share % | | |
| Agricultural Exports | 2,774.50 | 21.7% | 3,072.00 | 22.6% | 297.50 | 10.7 |
| Industrial Exports | 9,946.90 | 77.9% | 10,460.80 | 77.0% | 513.90 | 5.2 |
| Mineral Exports | 24.5 | 0.2% | 24.2 | 0.2% | -0.30 | -1.4 |
| Unclassified Exports | 26.1 | 0.2% | 24.4 | 0.2% | -1.70 | -6.7 |
| Total Exports | 12,772.00 | 100.0% | 13,581.40 | 100.0% | 809.40 | 6.3 |

*Source-Central Bank of Sri Lanka*



# Operating Landscape




## Import Performance

Sri Lanka's merchandise import expenditure recorded a notable increase during 2025, due to the continued recovery in economic activity, improving business sentiment, and the relaxation of restrictions on vehicle imports. Total merchandise import expenditure rose by 14.0% year-on-year to USD 21.5 billion, representing the second-highest level recorded by the country after the peak observed in 2018. As a share of GDP, import expenditure increased to 19.7% from 18.9% in the previous year.

The growth in import expenditure was primarily driven by higher imports of consumer and investment goods. Consumer goods imports expanded significantly during the year, largely highlighting the resumption of vehicle imports following the easing of import restrictions. Increased expenditure on medical and pharmaceutical products, telecommunication equipment, and selected food items, including dairy products and edible oils, also contributed to the upward trend.

Imports of investment goods strengthened across all major categories, reflecting a gradual revival in private sector activity and capital investment. Higher expenditure on all three subcategories of machinery and equipment, building materials, and transport equipment indicated increased levels of business expansion and infrastructure-related activity. The relaxation of vehicle imports restrictions in early 2025 resulted in a substantial increase in both personal and commercial vehicle imports, which became a key driver of overall import growth during the year.

In contrast, expenditure on intermediate goods declined compared with 2024, primarily due to lower fuel import costs amid favourable international energy prices. Imports of textiles and textile articles also moderated during the year, although this was partly offset by increased imports of fertiliser and food preparations.

Overall, the increase in import expenditure emphasised strengthening domestic demand and investment activity with the support of improving macroeconomic conditions. However, the noteworthy rise in vehicle imports also contributed to a widening of the trade deficit and increased pressure on the country's external sector during the year.

| Category | 2024 | | 2025 | | Change in Value USD Million | Y-o-Y change % |
|---|---|---|---|---|---|---|
| | Value USD Million | Share % | Value USD Million | Share % | | |
| Consumer Goods | 3,465.70 | 18.4 | 5,518.30 | 25.7 | 2,052.60 | 59.2 |
| Intermediate Goods | 11,914.50 | 63.2 | 11,858.90 | 55.2 | (55.6) | (0.5) |
| Investment Goods | 3,448.20 | 18.3 | 4,089.90 | 19.0 | 641.7 | 18.6 |
| Unclassified Imports | 13 | 0.1 | 12.9 | 0.1 | (0.1) | (0.7) |
| Total Imports | 18,841.40 | 100.0 | 21,479.90 | 100.0 | 2638.5 | 14 |

*Source: Central Bank of Sri Lanka*

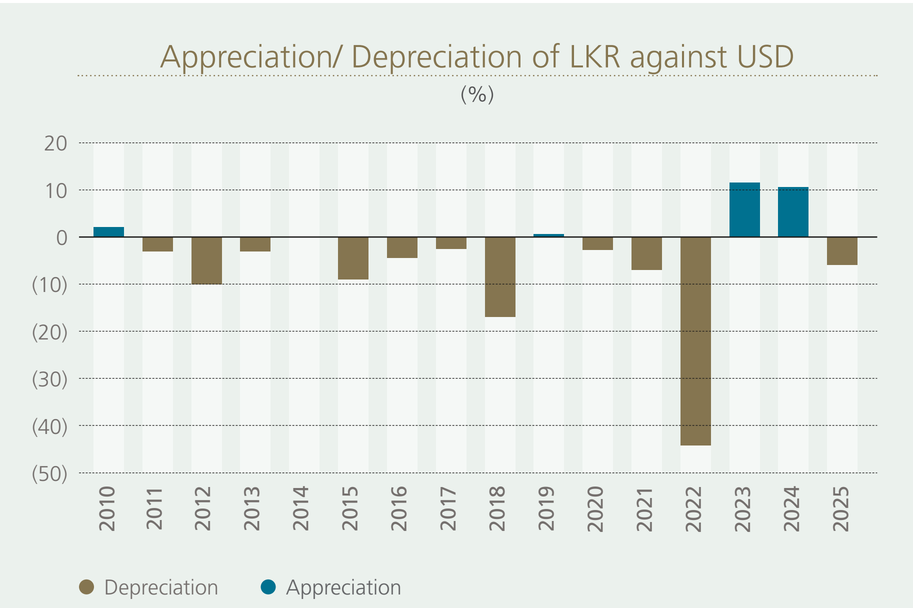
## Exchange Rate

The Sri Lankan Rupee recorded a moderate depreciation against the United States Dollar during 2025, following two consecutive years of appreciation. The exchange rate moved from Rs. 292.58 per US Dollar at the end of 2024 to Rs. 309.99 per US Dollar by the end of 2025, representing a depreciation of 5.6% over the year.

The weakening of the Rupee was primarily attributable to increased demand for foreign currency arising from higher merchandise imports, particularly following the full relaxation of vehicle import restrictions. The resultant expansion in import expenditure exerted pressure on the exchange rate during the period under review.

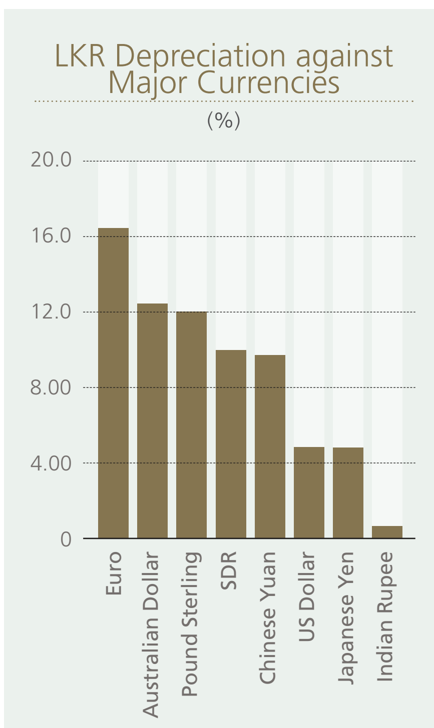
A moderate depreciation of the Rupee reflected rising foreign currency demand, while improving economic fundamentals and external sector recovery supported stability in Sri Lanka's foreign exchange market.

Despite this depreciation, foreign exchange market conditions remained relatively stable, as improving macroeconomic fundamentals and the continued recovery of the external sector contributed to overall market stability. Exchange rate developments remained a key consideration for businesses, influencing export competitiveness, import costs, and broader market conditions throughout the year.




## LKR Against Other Major Currencies

The Sri Lankan Rupee weakened against all major trading currencies during 2025, reversing the appreciation observed over the preceding two years. The depreciation occurred against a backdrop of mixed movements in global foreign exchange markets, where major international currencies exhibited varying performance against the United States Dollar. During the year, the Rupee depreciated by 16.3% against the Euro, 12.2% against the Australian Dollar, 12.0% against the Pound Sterling, 9.6% against the Chinese Yuan, 5.6% against the Japanese Yen, and 1.0% against the Indian Rupee. Consequently, the Rupee also depreciated by 10.1% against the Special Drawing Rights (SDR), enhancing the combined effect of its weakening against the basket of major reserve currencies.




*Source: Central Bank of Sri Lanka*

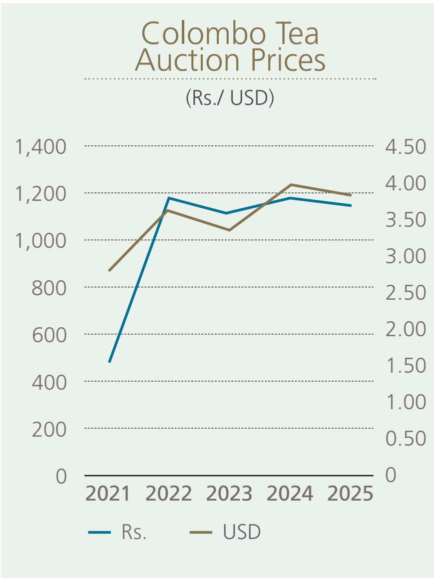
## Global Tea Industry

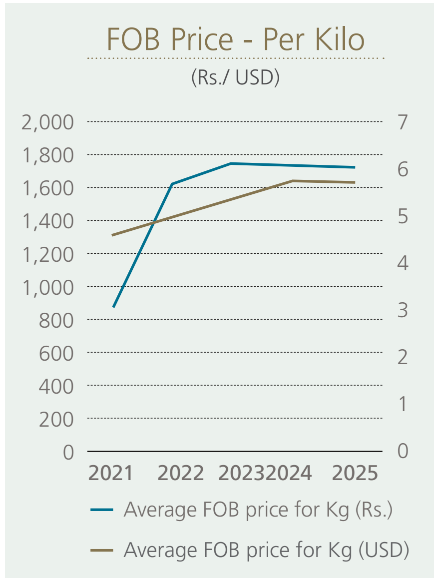
Global tea production increased by 3% in 2025 to reach 7.27 billion kg, compared with 7.09 billion kg in the previous year. Production remained highly concentrated in Asia and Africa, which collectively accounted for 98.9% of global tea output. Asia continued to dominate global supply, contributing 6.44 billion kg, representing 88.6% of total production, backed by continued growth in China and a recovery in Indian production. Africa remained the second-largest producing region, accounting for 10.3% of global output, although production declined by 8.4% to 747.9 million kg due to weather-related challenges in key producing countries.

China retained its position as the world's largest tea producer, increasing output to 3.92 billion kg in 2025 from 3.74 billion kg in 2024, accounting for approximately 58.3% of global production. India remained the second-largest producer, with output recovering to 1.37 billion kg from 1.30 billion kg in the previous year. Kenya continued to lead tea production in Africa despite a decline in output from 598.5 million kg to 549.0 million kg during the year.

Sri Lanka recorded a modest increase in production to 264.1 million kg in 2025, compared with 262.2 million kg in 2024, representing growth of 0.8%. This improvement enabled the country to regain its position as the world's fourth-largest tea producer, surpassing Turkey, whose production declined by 7.6% to 254.1 million kg. The global production landscape continued to show a high degree of concentration among a limited number of producing nations, while weather variability, cost pressures, and evolving agricultural conditions remained key determinants of supply across major tea-producing regions.

# Operating Landscape




**FOB Price - Per Kilo**

**5.85** USD 2025

**5.84** USD 2024

### World Production of Tea

| Country | 2024 | 2025 | Variance | |
|---|---|---|---|---|
| | (Mn/Kg) | (Mn/Kg) | (Mn/Kg) | % |
| China (Mainland) | 3,740.00 | 3,920.00 | 180.00 | 5% |
| India | 1,303.53 | 1,369.98 | 66.45 | 5% |
| Kenya | 598.48 | 550.08 | (48.40) | -8% |
| Turkey | 275.13 | 254.13 | (21.00) | -8% |
| Sri Lanka | 262.69 | 264.12 | 1.43 | 1% |
| Other | 907.32 | 909.20 | 1.89 | 0% |
| Total | 7,087.15 | 7,266.44 | 179.29 | 3% |

*Source: Sri Lanka Tea Board and International Tea Committee*

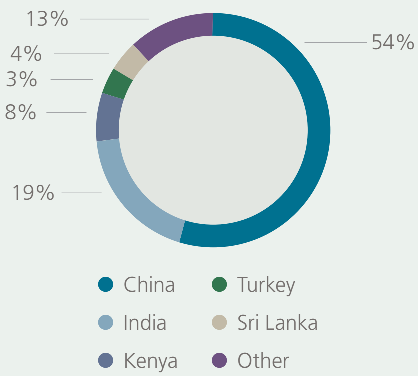
China further consolidated its position as the world's largest tea producer, increasing production to 3.92 billion kilogrammes from 3.74 billion kilogrammes in the previous year and accounting for approximately 58.3% of global tea output. India retained its position as the second-largest producer, with production recovering to 1.37 billion kilogrammes following the decline recorded in 2024, although output remained below the level achieved in 2023. Kenya remained the leading producer in Africa and the world's third-largest tea-producing country despite a decline in production to 550.08 million kilogrammes from 598.5 million kilogrammes in 2024. In contrast, Sri Lanka recorded a modest recovery in production, increasing output by 0.8% to 264.1 million kilogrammes, enabling the country to regain its position as the fourth-largest global tea producer, surpassing Turkey. Turkey's production declined by 7.6% to 254.1 million kilogrammes, primarily due to climate-related yield volatility and rising production costs, resulting in a shift in the global production hierarchy.

China strengthened its dominance as the world's largest tea producer, contributing 58.3% of global output, while India recovered production levels. Sri Lanka regained fourth place, surpassing Turkey. Kenya's production declined, Vietnam recorded the strongest growth, Bangladesh posted modest gains, and Indonesia experienced a moderate reduction in output.

Among the remaining major producing nations, Vietnam recorded the strongest production growth, with output increasing to 245.0 million kilogrammes from 180.4 million kilogrammes in 2024. Bangladesh also registered a marginal increase in production to 94.9 million kilogrammes, while Indonesia experienced a moderate decline to 120.0 million kilogrammes from 125.0 million kilogrammes in 2024.

World Production of Tea 2025

(Mn/Kg)




### World Export of Tea

Global tea exports recorded modest growth in 2025, increasing by 2% to 2,009.2 million kilograms from 1,967.9 million kilograms in the previous year. Kenya remained the world's largest tea exporter, accounting for approximately one-third of global exports, supported by a 10% increase in export volumes. China (Mainland) and India also recorded strong growth of 12% and 13%, respectively, reflecting continued expansion in both production and export demand. Sri Lanka retained its position as the fourth-largest exporter, contributing around 13% of global tea exports, with volumes increasing by 5% to 257.4 million kilograms. In contrast, exports from the other producing countries declined significantly by 29%, partially offsetting gains achieved by the major exporting nations. Overall, the global tea trade demonstrated resilience during the year, underpinned by stronger export performance from leading producers despite ongoing market and geopolitical challenge.

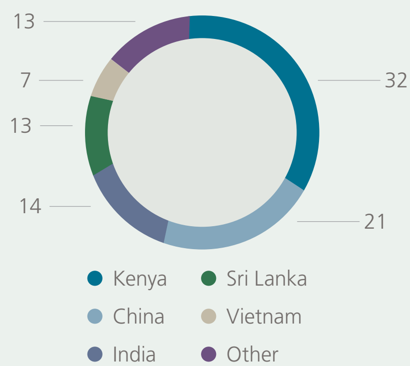
**World Export of Tea**

| Country | 2024 (Mn/Kg) | 2025 (Mn/Kg) | Variance (Mn/Kg) | % |
|---|---|---|---|---|
| Kenya | 594.50 | 652.80 | 58.30 | 10% |
| China (Mainland) | 374.10 | 418.76 | 44.66 | 12% |
| India | 254.67 | 280.40 | 32.42 | 13% |
| Sri Lanka | 245.79 | 257.44 | 11.65 | 5% |
| Vietnam | 134.34 | 135.10 | 1.16 | 1% |
| Other | 340.66 | 264.68 | -106.93 | -29% |
| Total | 1,944.06 | 2,009.18 | 41.25 | 2% |

*Source : Sri Lanka Tea Board and International Tea Committee*

World Export of Tea 2025

(%)




**Sri lanka Tea Export**

**257.44** Mn. Kg

2024/25 - 245.79 Mn. Kg

Global tea exports grew by 2% in 2025, led by Kenya, China, India, and Sri Lanka, demonstrating resilience despite challenges.

**Tea Imports for Consumption**

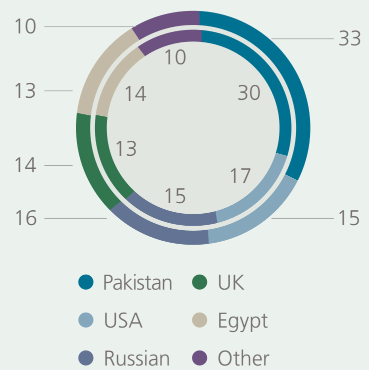
| Country | 2024 (Mn/Kg) | 2025 (Mn/Kg) | Variance (Mn/Kg) | % |
|---|---|---|---|---|
| Pakistan | 222.27 | 240.90 | 17.63 | 8% |
| USA | 123.36 | 111.92 | -11.44 | -9% |
| Russian Federation | 117.58 | 106.48 | -11.10 | -9% |
| UK | 99.40 | 94.63 | 4.77 | 5% |
| Egypt | 96.44 | 99.53 | 3.09 | 3% |
| Other | 75.98 | 70.80 | -5.18 | -7% |
| Total | 1,880.17 | 1,977.21 | 97.04 | 5% |

*Source : Sri Lanka Tea Board and International Tea Committee*

# Operating Landscape

Top 5 Importers of Tea 2024 vs.2025

(%)




Global tea import demand strengthened during 2025, with total imports increasing to approximately 1.98 billion kilogrammes from 1.88 billion kilogrammes in 2024, representing year-on-year growth of 5%. International demand continued to be concentrated among a relatively small group of high-volume importing countries. Pakistan retained its position as the world's largest tea importer, with import volumes increasing by 8% to 240.0 million kilogrammes. Conversely, imports by several mature markets moderated during the year, with the United States declining by 9% to 111.9 million kilogrammes, the Russian Federation by 11% to 106.5 million kilogrammes, and the United Kingdom by 5% to 94.6 million kilogrammes. Egypt was the only major importer among the leading markets to record growth, with imports increasing by 3% to 99.5 million kilogrammes. Collectively, these trends indicate a gradual shift in global consumption patterns, characterised by resilient demand in South Asian and Middle Eastern markets alongside softer import demand in several developed economies.

## Sri Lankan Tea Industry

In 2025, Sri Lanka's agricultural sector recorded a 1.4% expansion, compared with 0.6% in 2024, reflecting a gradual recovery in sectoral activity. The improvement was supported by stronger performances in animal production, coconut cultivation, and paddy farming, while tea, forestry and logging, agricultural support services, and the cultivation of fruits and spices also contributed positively to overall agricultural growth.

Sri Lanka's tea industry recorded a modest improvement in production during 2025, with national output increasing to 264.62 million kilogrammes from 262.16 million kilogrammes in 2024, representing year-on-year growth of 0.94%. The increase was recorded across all three elevation categories, indicating a gradual strengthening in production despite the continued influence of weather variability and operational challenges. Low Grown teas remained the dominant contributor to national production, increasing by 1.01% to 160.41 million kilogrammes and accounting for approximately 61% of total output. High Grown teas recorded the highest rate of growth among the three elevations, rising by 1.39% to 56.50 million kilogrammes, while Mid Grown production remained largely stable, increasing marginally by 0.18% to 47.71 million kilogrammes. The broad-based improvement across all elevation categories highlights the resilience of Sri Lanka's tea industry and provided a stable supply base to support auction volumes, export availability, and the sector's continued contribution to the national economy.

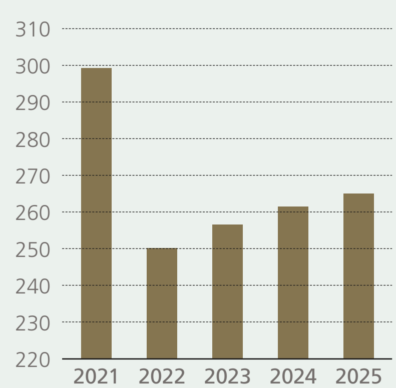
### Tea Production (Mn/Kg)

| Elevation | 2024 | 2025 | Variance | |
|---|---|---|---|---|
| | (Mn/Kg) | (Mn/Kg) | (Mn/Kg) | % |
| High Grown | 55.72 | 56.50 | 0.77 | 1.39% |
| Mid Grown | 47.62 | 47.71 | 0.08 | 0.18% |
| Low Grown | 158.82 | 160.41 | 1.60 | 1.01% |
| Total | 262.16 | 264.62 | 2.46 | 0.94% |

*Source : Sri Lanka Tea Board*

Sri Lankan Tea Production

(Mn/Kg)




**SL Tea Productions**

2025 **264.62** Mn. Kg

2024 - 262.16 Mn. Kg

**Tea Export Value**

2025 **453.28** Rs. Bn

2024 - 433.47 Rs. Bn

## Colombo Auction Averages

The overall average tea auction price moderated during 2025, declining to LKR 1,201.58 (USD 3.99) per kilogramme from LKR 1,225.17 (USD 4.06) in 2024, representing decreases of 2% in both LKR and US Dollar terms. Price movements varied across elevation categories, with High Grown teas recording the strongest performance, increasing by 3% to LKR 1,178.25 per kilogramme (USD 3.92), showcasing sustained demand for premium quality teas. In contrast, Mid Grown and Low Grown teas experienced downward price adjustments, with average prices declining by 1% and 4% in Sri Lankan Rupee terms, respectively. In US Dollar terms, Mid Grown prices declined marginally by 1%, while Low Grown teas recorded a 3% decrease, influenced by softer demand in key export markets and prevailing global pricing dynamics.

**Average Auction Price**

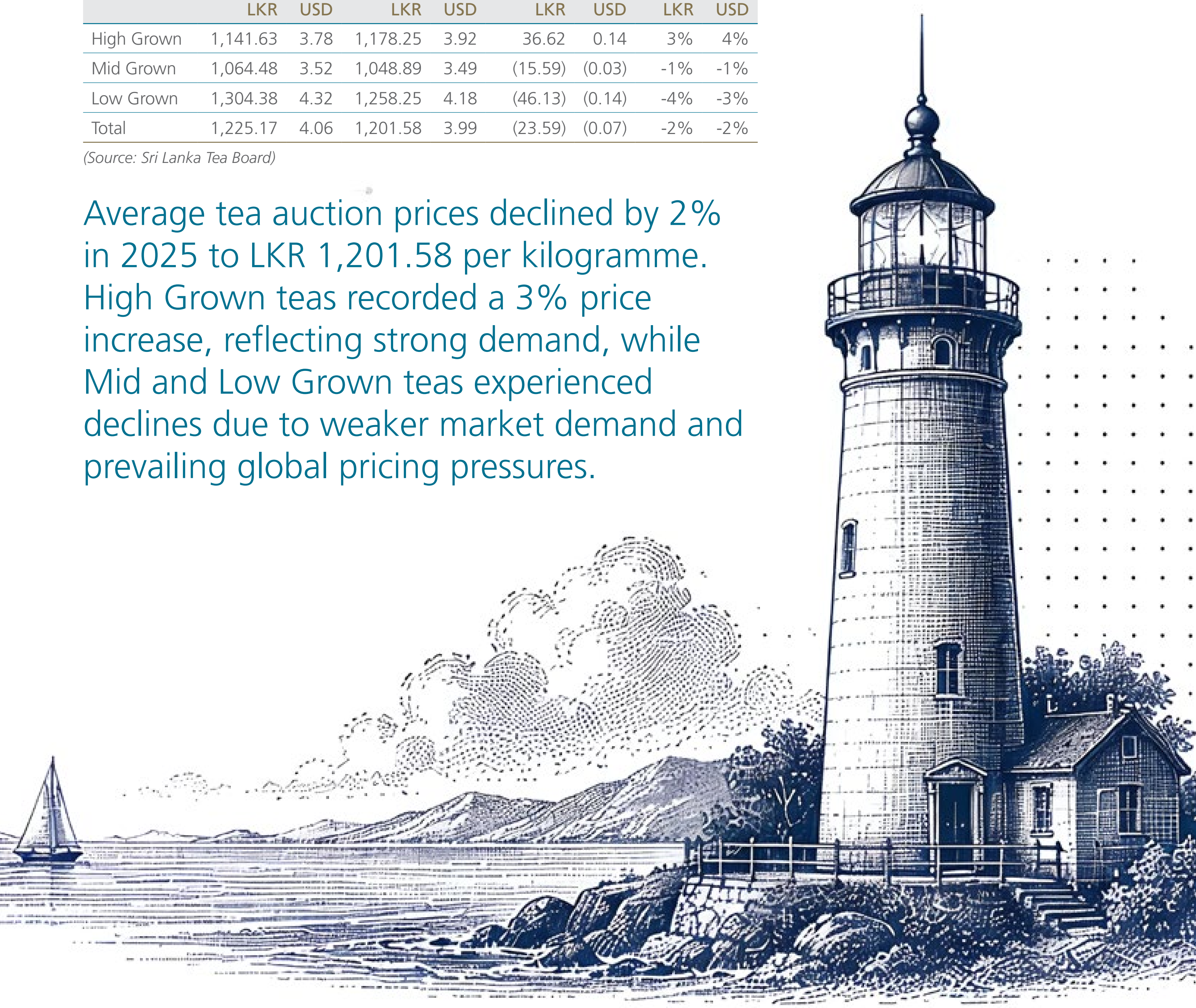
2025 **1,201.58** Rs.

2024 - 1,225.17 Rs.

| Elevation | 2024 | | 2025 | | Variance | | Variance% | |
|---|---|---|---|---|---|---|---|---|
| | LKR | USD | LKR | USD | LKR | USD | LKR | USD |
| High Grown | 1,141.63 | 3.78 | 1,178.25 | 3.92 | 36.62 | 0.14 | 3% | 4% |
| Mid Grown | 1,064.48 | 3.52 | 1,048.89 | 3.49 | (15.59) | (0.03) | -1% | -1% |
| Low Grown | 1,304.38 | 4.32 | 1,258.25 | 4.18 | (46.13) | (0.14) | -4% | -3% |
| Total | 1,225.17 | 4.06 | 1,201.58 | 3.99 | (23.59) | (0.07) | -2% | -2% |

*(Source: Sri Lanka Tea Board)*

Average tea auction prices declined by 2% in 2025 to LKR 1,201.58 per kilogramme. High Grown teas recorded a 3% price increase, reflecting strong demand, while Mid and Low Grown teas experienced declines due to weaker market demand and prevailing global pricing pressures.



GRI 2021 : 2-6

# Our Business Model

Our business model explains how we create value using our capital and transform them through our business activities and their output and impact to our stakeholders, society and environment. We regularly review our external environment and identify the risks and opportunities relevant to our Group and revise the components of the business model and our strategies accordingly. As a socially responsible corporate citizen we continuously improve our processes and technology to reduce the adverse social and environmental effects that may arise from our business model.

**Operating Landscape** *Pg. 50 to 61*

**Opportunities and Threats** *Pg. 115*

**STRATEGY**

**Value Creation Process**

**Vision / Mission** *Pg. 9*

**Organisational Structure** *Pg. 120*

**INPUT**

**Financial Capital** *Pg. 70 to 76*
- Shareholder Equity
- Bank Facilities
- Cash Flow from Operations

**Manufactured Capital** *Pg. 78 to 81*
- PPE
- Warehouses

**Intellectual Capital** *Pg. 90 to 65*
- Brand Equity
- Corporate Governance
- Innovation Capabilities
- Integrated IT Systems
- Digital Services
- Innovation

**Human Capital** *Pg. 82 to 89*
- Competent Team
- Employee Diversity
- Skill & Experience

**Social and Relationship Capital** *Pg. 102 to 108*
- Stakeholder Engagement
- Investors Relations
- Strategic and sustainable
- Community development

**Natural Capital** *Pg. 96 to 101*
- Water and Energy Consumption
- Material Usage
- Natural Resources

**BUSINESS ACTIVITIES**

**Risk Managements** *Pg. 163 to 169*


**Corporate Governance** *Pg. 118 to 125*

**Ability** | **Credibility**

GRI 2021 : 2-6

**Internal Environment** *Pg. 50 to 61*

**Strengths and Weaknesses** *Pg. 115*

**Stakeholders** *Pg. 64 to 68*

**Stakeholder Expectations** *Pg. 64 to 68*

## OUTPUTS

### Financial Capital
- PAT - Rs. 135.58 Mn
- Dividend - Rs. 91.20 Mn
- Interest paid - Rs. 275.97 Mn

### Manufactured Capital
- Cap Ex - Rs. 37.59 Mn
- Asset Turnover - 0.31 Times
- PPE - Rs. 1.010 Mn

### Intellectual Capital
- Operational Excellence
- Intangible Assets - Rs. 49.22Mn
- Awards and Accolades
- Investments in IT
- IT Related expenses

### Human Capital
- Payments to Employees - Rs. 364.49 Mn
- Investments in T&D - Rs. 0.95 Mn
- Recruitments - 6
- No. of Employees - 125

### Social and Relationship Capital
- Payments to Gov. as Taxes - Rs. 58.17 Mn
- No. of Clients - 484

### Natural Capital
- Electricity Consumption - 265,482 Kwh
- Fuel Consumption - 71,392 Liters
- Water Consumption - 3781 m³

## OUTCOME

### Financial Capital
- Shareholder Equity
- Bank Facilities
- Cash Flow from Operations

### Manufactured Capital
- PPE
- Warehouses

### Intellectual Capital
- Brand Equity
- Corporate Governance
- Innovation Capabilities
- Integrated IT Systems
- Digital Services
- Innovation

### Human Capital
- Competent Team
- Employee Diversity
- Skill & Experience

### Social and Relationship Capital
- Stakeholder Engagement
- Investors Relations
- Strategic and sustainable
- Community development

### Natural Capital
- Water and Energy Consumption
- Material Usage
- Natural Resources

### Investors
Shareholder returns & sustainable business growth

### Customers
Quality product, best possible prices & superior customer service

### Employees
Better compensation, career growth, better working environment & work life balance

### Suppliers
Long term business relationships, fast settlements & convenience in transactions

### Community & Environment
Community development, responsible business practices & environmental sustainability

### Regulator
Compliance with regulatory requirements, responsible business practices

**Integrity** | **Teamwork**

GRI 2021 : 2-29

# Stakeholder Relationships and Materiality

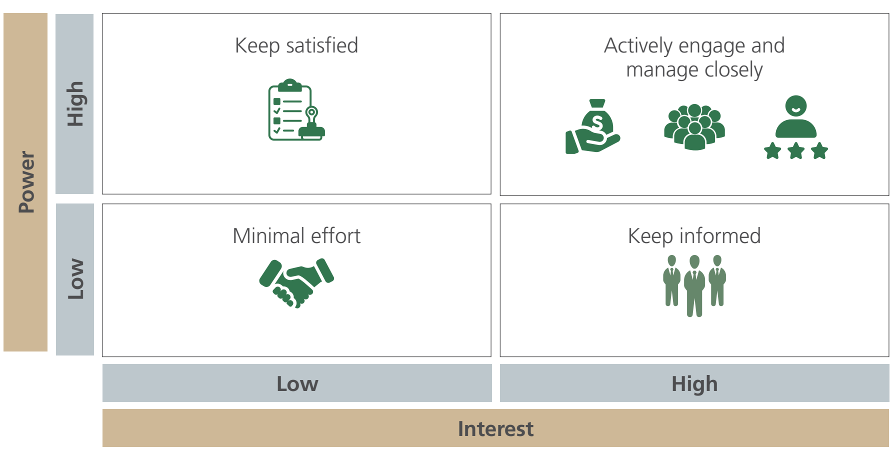
## Stakeholder Relationships

The Group's operations have fostered strong, interconnected relationships across a wide range of stakeholder groups. Effectively understanding and responding to the evolving needs of these stakeholders is vital; not only for sustaining commercial success, but also for ensuring responsible and resilient business operations.

## Our Stakeholders

The Group evaluates the significance and influence of each stakeholder in relation to its operations and long-term value creation. Based on this assessment, appropriate management actions are implemented to address stakeholder expectations and concerns. Eight key stakeholder groups have been identified; those who are either significantly impacted by the Group's activities, outputs, and outcomes or who hold the potential to materially influence the Group's ability to generate sustainable value. These stakeholder groups are illustrated in the accompanying graphic.


**Stakeholder power/interest grid**




Our strength lies in the meaningful relationships we nurture with our stakeholders. By understanding their evolving needs and addressing their concerns, we create long-term sustainable value while ensuring responsible and resilient business operations.

GRI 2021 : 2-29

## Stakeholder Engagement Process

The Group recognizes stakeholder engagement as a strategic priority, central to advancing sustainable development and upholding sound governance practices. Engaging meaningfully with our diverse stakeholder base is integral to how we operate and create value. Through a structured stakeholder management framework, we ensure that relevant stakeholders are identified, analyzed and engaged in alignment with the Group's objectives. The effectiveness of these engagements is regularly assessed through feedback and continuous improvement initiatives. Our stakeholder engagement process is outlined below.

Set Engagement Objectives → Identify and Assess Stakeholders → Develop Engagement Plan & Techniques → Implement Engagement Plan → Assess the Engagement Process → Respond to Engagement Results → Measure and Report Progress → Set Engagement Objectives

## Stakeholder Engagement Mediums

Stakeholder engagement is a vital component of the Group's value creation process, serving as a channel to communicate our value proposition and build trust with key stakeholder groups. The Group has established clear policies for employees, suppliers, and communities, providing structured guidance on how engagement should be approached in a meaningful and consistent manner. A range of engagement mediums are utilized to ensure effective, transparent, and two-way communication with our stakeholders. These include the following:

| | |
|---|---|
| **Liaise** | • Buyer/ Supplier Satisfaction surveys<br>• Meetings<br>• Collaborative Forums<br>• Projects |
| **Communicate** | • Corporate reporting<br>• Press releases corporate website<br>• Social media platforms<br>• Market Report/ Mass e-mail and SMS |
| **Evaluate** | • Digital and social media monitoring<br>• Monitoring Industry Research and News Reports |

GRI 2021 : 2-29, 3-1

# Stakeholder Relationships and Materiality

Annually - A    Quarterly - Q    Monthly - M    Weekly - W    As Required - R

## Stakeholder Engagement

| Stakeholder | Expectations | Mode of Engagement | Frequency A | Frequency Q | Frequency M | Frequency W | Frequency R |
|---|---|---|---|---|---|---|---|
| Shareholders/ Investors | • Shareholder returns and growth<br>• Risk Management<br>• Business Continuity<br>• Strengthening the Corporate Governance Practices | • Annual General Meeting | ✓ | | | | |
| | | • Annual Report | ✓ | | | | |
| | | • Interim Financial Statements | | ✓ | | | |
| | | • Corporate Website | | | | | ✓ |
| | | • Announcements in CSE | | | | | ✓ |
| Tea Producers | • Best prices for their produce<br>• Financial support to meet their working capital requirements<br>• Technical advisory support to improve the quality of the produce<br>• Efficient communication and convenience in transactions<br>• Efficient service in warehousing activities | • One to one meetings | | | | | ✓ |
| | | • Monthly and Quarterly performance reviews | | ✓ | ✓ | | |
| | | • Weekly Tea Market Snapshot and other market related information | | | | ✓ | |
| | | • Regular factory visits by the Manufacturing advisors and marketing executives | | | | ✓ | ✓ |
| | | • Conduct seminars for factory owners and their staff on 'importance of maintaining quality of Tea' | ✓ | | | | |
| | | • Customer Satisfaction survey | | | | | ✓ |
| Tea Buyers | • Quality product at a reasonable price<br>• Efficient communication and convenience in transactions<br>• Efficient service in warehousing activities | • One to one meetings with buyers | | | | | ✓ |
| | | • Weekly market reports and other information sharing | | | | ✓ | ✓ |
| | | • Customer satisfaction survey | | | | | ✓ |
| Employees | • Industry competitive remuneration packages<br>• Career growth<br>• Better working environment<br>• Work-life balance<br>• Equal Opportunity<br>• Health and Safety<br>• Job security | • Regular staff meetings | | ✓ | | | ✓ |
| | | • Formal and informal discussions | | | ✓ | | ✓ |
| | | • Internal communication channels | | | | | ✓ |
| | | • Training programs | | | | | ✓ |
| | | • Recreational activities | ✓ | | | | |
| | | • Employee survey | | | | | ✓ |

GRI 2021 : 2-29, 3-1

| Stakeholder | Expectations | Mode of Engagement | Frequency | | | | |
|---|---|---|---|---|---|---|---|
| | | | A | Q | M | W | R |
| Supplier and Service providers | • Favourable terms and conditions<br>• Speed and on time settlements<br>• Long Term business relationship<br>• Convenience in transactions Business growth | • Written Communications | | | | | ✓ |
| | | • Regular meetings | | | | | ✓ |
| Industry bodies/ Associations | • Sustainability of the Industry<br>• Developments of the relevant community groups | • The Company actively engaged with the industry bodies and associations such as Sri Lanka Tea Board, the Colombo Tea Traders' Association, Tea Exporters' Association, Sri Lanka Tea Factory Owners' Association and participated at meetings, events, and AGM's organised by such associations | | | | | ✓ |
| Community and Environment | • Community Development<br>• Responsible Business practices<br>• Employment Opportunities<br>• Environment Sustainability | • Providing training opportunities and internships to graduates and under graduates | | | | | ✓ |
| | | • CA Sri Lanka certified training partner for students | | | | | ✓ |
| | | • Actively participate in seminars organised by Tea Smallholders to educate the Tea Producer clients | | | | | ✓ |
| | | • CSR Initiatives | | | | | ✓ |
| Government and Regulators | • Compliance with requirements under governing bodies<br>• Responsible business practices<br>• Support in surveillances carried out | • Directives and Circulars | | | | | ✓ |
| | | • Meetings and consultations | | | | | ✓ |
| | | • Press releases | | | | | ✓ |
| | | • Periodic returns | ✓ | ✓ | | | ✓ |
| | | • Attend meetings | | | | | ✓ |
| | | • Written Communication | | | | | ✓ |

GRI 2021 : 2-29, 3-1

# Stakeholder Relationships and Materiality

## Materiality

Materiality of issues can be considered as the issues which substantially affect the Group's value creation process and sustainability over the short, medium and long term. Meeting the needs and aspirations and addressing the material issues of our stakeholders is the foundation of the Group's strategy. Our focus on materiality is based on material aspects recognised by both internal and external stakeholders.

## Materiality Determination Process

Materiality analysis is a key process that enables the Group to define key triple bottom line issues that are vital to our business and stakeholders, both internal and external. This process is crucial to drive performance, improve our sustainability framework and use the corporate governance practices at all levels of the Group. The Group conducts regular external stakeholder engagement in ascertaining aspects material to its significant Stakeholders. In addition, materiality is also assessed internally in ascertaining the aspects material to the Group and to fine-tune and streamline its strategy and processes to manage these material issues.

Materiality determination process of the Group is graphically depicted below;

Identifying relevant internal and external matters

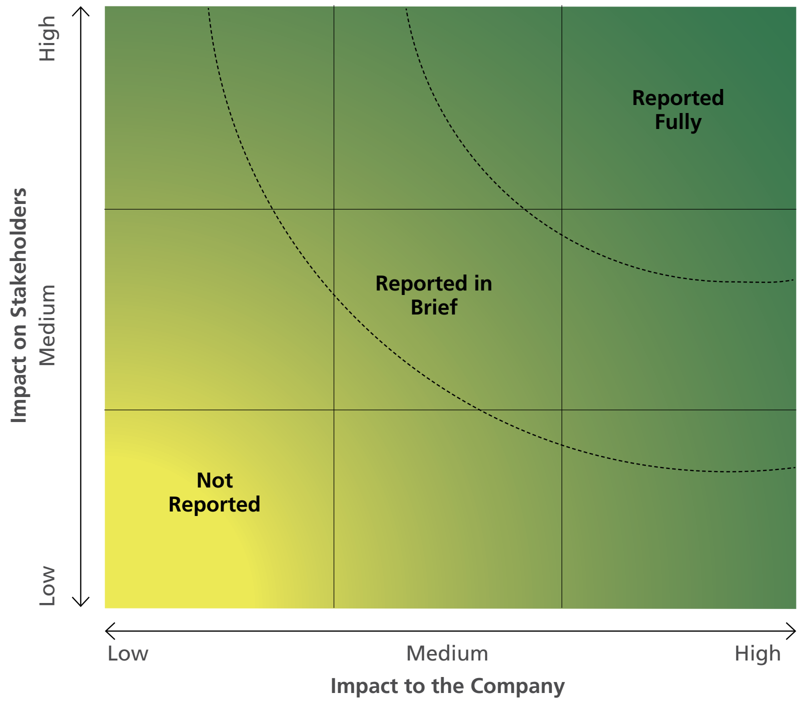
↓

Evaluating importance of matters identified

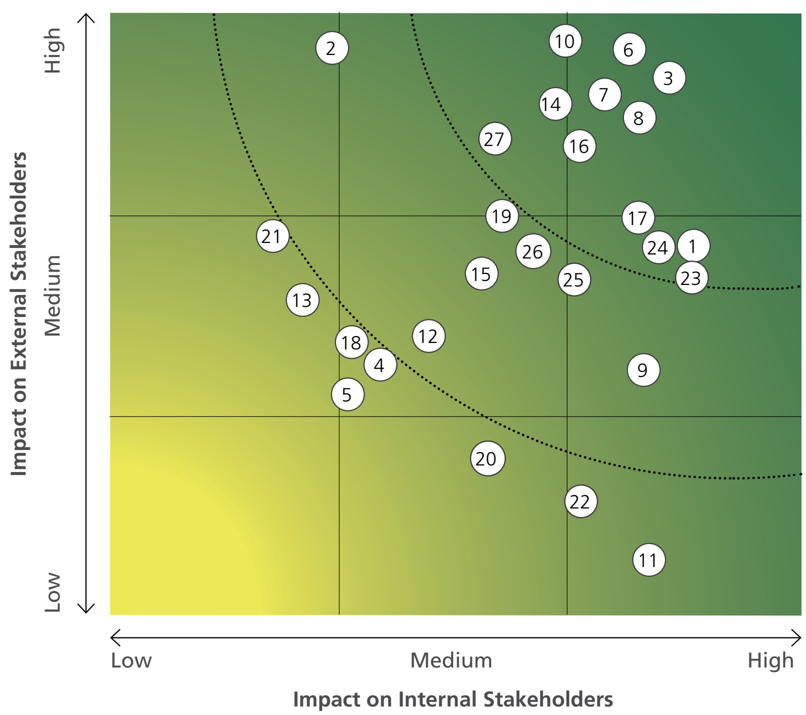
↓

Prioritising matters relevant to each stakeholder

Once we prioritise the material issues, relevant disclosures are made based on the impact of the each material issue to each Stakeholder and to the Group as illustrated below;




Key issues that were rated as the most material in respect of the key stakeholders are graphically depicted below;



GRI 2021 : 2-14, 3-2

| | Material Issue | Relevant GRI Standard |
|---|---|---|
| 1 | Anti corruption | GRI 205: Anti-corruption 2016 |
| 2 | Child labour | GRI 408: Child Labor 2016 |
| 3 | Climate change | GRI 201: Economic Performance 2016 |
| 4 | Community development | GRI 413: Local Communities 2016 |
| 5 | Competition | GRI 206: Anticompetitive Behavior 2016 |
| 6 | Corporate governance | GRI 2: General Disclosures 2021 |
| 7 | Customer satisfaction | GRI 416: Customer Health and Safety 2016<br>GRI 418: Customer Privacy 2016 |
| 8 | Direct economic value generated | GRI 201: Economic Performance 2016 |
| 9 | Disaster recovery plans | GRI 201: Economic Performance 2016 |
| 10 | Economic performance | GRI 201: Economic Performance 2016 |
| 11 | Employee training and development | GRI 404: Training and Education 2016 |
| 12 | Energy consumptions | GRI 302: Energy 2016 |
| 13 | Environment protection | GRI 304: Biodiversity 2016 |
| 14 | Ethical conduct | GRI 2: General Disclosures 2021 |
| 15 | Forced labour | GRI 409: Forced or Compulsory Labor 2016 |
| 16 | Global economy | GRI 201: Economic Performance 2016 |
| 17 | Health and safety | GRI 403: Occupational Health and Safety 2018 |
| 18 | Human rights | GRI 2: General Disclosures 2021<br>GRI 410: Security Practices 2016 |
| 19 | Innovation in process and services | Not covered in GRI |
| 20 | Labour relations | GRI 402: Labor/Management Relations 2016 |
| 21 | Non discrimination | GRI 406: Nondiscrimination 2016 |
| 22 | Operational cost | GRI 201: Economic Performance 2016 |
| 23 | Regulatory compliance | GRI 2: General Disclosures 2021 |
| 24 | Reputation | Not covered in GRI |
| 25 | Risk management | GRI 2: General Disclosures 2021<br>GRI 201: Economic Performance 2016 |
| 26 | Talent acquisition and retention | GRI 401: Employment 2016 |
| 27 | Waste management | GRI 306: Effluents and Waste 2016 |

Disclosures in this report pertaining to the above key issues are given in the GRI Content Index from Page 252 to 259.

### Board of Directors' Oversight on Sustainability

The Board of Directors play a pivotal role in overseeing the company's sustainability strategies and initiatives. As the highest governance body, the BOD is responsible for ensuring that the company's approach to sustainability aligns with its overall strategic objectives and ethical standards. The Board regularly reviews and approves material matters related to environmental, social, and governance (ESG), ensuring that these are integrated into the company's business practices and decision-making processes.

# Building Financial Strength That Endures

## Financial Capital

**1.5** Rs. Bn
Group Revenue

**1.1** Rs. Bn
Company Revenue

**34** %
Group Assets Increase by

**139** Rs. Mn
Company PAT achieved

Our financial capital, a cornerstone of our sustained growth, reflects our commitment to prudent resource allocation, effective cost management, and value creation for our stakeholders. This section provides a detailed overview of our financial performance, key metrics, and the strategies that have fortified our position as a leading player in the tea brokerage industry, ensuring long-term sustainability and profitability.

| Group | Company | Government | Shareholders |
|---|---|---|---|
| • Stable Credit Rating<br>• Strong financial management | • Capital and growth investments<br>• Salaries and benefits to employees | • Taxes and other statutory obligations | • Dividends Payments<br>• Profitable Performance |

Our financial capital is fundamental to sustaining CTB's growth, strengthening resilience, and creating long-term value for our stakeholders. It reflects our disciplined approach to capital allocation, prudent financial management, and operational efficiency. This section provides an overview of our financial performance and key indicators, while highlighting the strategies that have supported our competitiveness, financial resilience, and continued leadership in the tea brokerage industry.

## Revenue

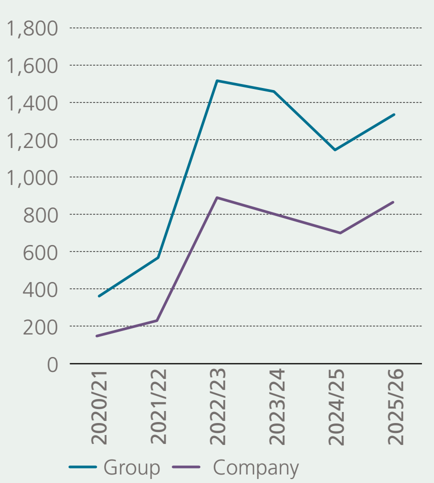
During the financial year under review, the Ceylon Tea Brokers Group recorded a revenue of Rs. 1.55 Bn, compared with Rs.1.37 Bn in the last financial year, representing a 13% increase. At the Company level, revenue also strengthened by 13%, rising to Rs. 1.13 Bn from Rs. 1.00 Bn in the last year.

The improvement was primarily driven by the growth in brokerage income. As the Group's market share increased, brokerage income rose in parallel, supported mainly by a higher volume of transactions. Although the average brokerage rate declined during the year, the increase in transaction quantities was the principal factor contributing to the growth in brokerage income. The increase was further supported by the addition of new customers, rate adjustments in the subsidiary and the expansion of the Group's client base.

In addition, increased loans and advances contributed to the strengthening of revenue and supported the Group's business growth. This growth marks a positive reversal last year and demonstrates the Group's continued focus on expanding its market presence, strengthening customer relationships, and building a more resilient revenue base.

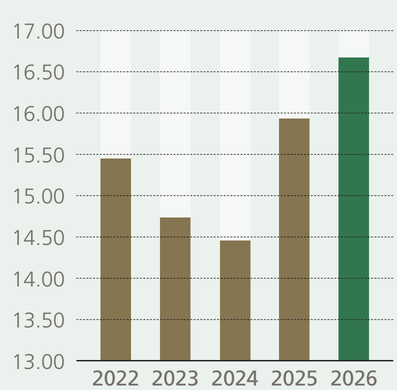
| | 2026 | 2025 | Variance | % Change |
|---|---|---|---|---|
| Group Revenue | 1,545,295,636 | 1,370,435,890 | 174,859,746 | 13 |
| Company Revenue | 1,128,295,101 | 1,001,493,729 | 126,801,372 | 13 |

Historic Revenue Performance




Market Share (Qty Sold)

(%)




### Financial Capital Achievements 2025/26

Assets
**5,035** Rs. Mn

SL Tea Productions
**264.62** Mn. Kg

**Revenue - Group**
**1,545** Rs. Mn
2024/25 - 1,370 Rs. Mn

**Revenue - Company**
**1,128** Rs. Mn
2024/25 - 1,001 Rs. Mn

# Financial Capital

## Revenue Composition and Performance

The Group's revenue composition demonstrates the continued strength of the Group's core tea broking operations, complemented by growing contributions from logistics and financing activities.

Brokerage fee remained the largest contributor to revenue, accounting for approximately 34% of total Group revenue. Income from brokerage fees increased by 5% to Rs. 525.1 Mn, compared with Rs. 499.4 Mn last year. The increase was primarily supported by higher transaction volumes and an expansion in the Group's market presence. While the average brokerage rate moderated during the year, the growth of 16.69% in tea quantities handled enabled the Group to sustain the upward trajectory in brokerage income. The addition of new customers and stronger activity from existing clients further supported this performance.

Logistics and transportation Income was the second-largest revenue stream, contributing approximately 27% of total revenue. Income from this segment grew by a notable 13% to Rs.415.4 Mn, from Rs.368.9 Mn in 2024/25. The growth highlights the increasing contribution of logistics-related services to the Group's total revenue base and indicates higher activity associated with the handling and movement of tea.

Interest earned on loans and advances recorded the strongest absolute growth among the major revenue streams, increasing by 33% to Rs.387.7 Mn, compared with Rs.292.2 Mn last year. This income stream accounted for approximately 25% of total revenue, up from around 21% last year. The significant increase demonstrates the growth in loans and advances extended to customers and the resulting expansion of the Group's interest-earning portfolio. This represented an important contributor to the general improvement in revenue during the year.

Handling charges also maintained a meaningful contribution, accounting for approximately 8% of Group revenue and increasing by 6% to Rs.117.9 Mn. This growth was consistent with the increased level of business activity across the Group's core operations.

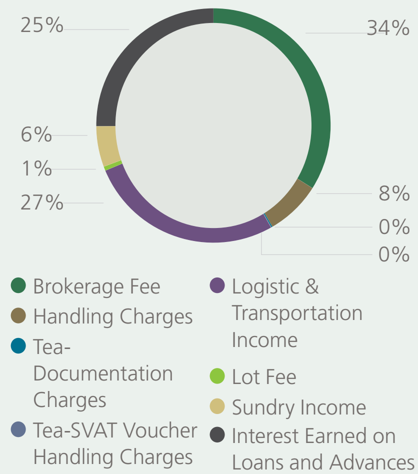
Sundry income, which contributed approximately 6% of total revenue, remained broadly stable at Rs. 86.9 Mn, recording marginal growth of 1%. Meanwhile, Lot Fees increased by 9% to Rs. 8.9 Mn, supported by the higher level of activity within the tea auction process. Tea documentation charges also recorded a modest increase, while Tea-SVAT voucher handling charges declined during the year.

The revenue mix demonstrates a positive shift in the Group's earnings profile. While brokerage income continued to be the principal source of revenue, the increasing contributions from interest income and logistics services strengthened the Group's revenue base and reduced its relative dependence on brokerage fees.

The performance reflects the Group's ability to leverage its established position in the tea broking industry while expanding complementary income streams. The combined growth in brokerage, logistics, handling charges and interest income, reinforce the Group's financial resilience and provide a stronger platform for sustainable growth.

### Revenue Composition

(%)




**Revenue - Group**

**1,545 Rs. Mn**

2024/25 - 1,370 Rs. Mn

**Revenue - Company**

**1,128 Rs. Mn**

2024/25 - 1,001 Rs. Mn

The Group experienced balanced revenue growth, mainly from tea broking, logistics, and financing. Brokerage was the top income source, and interest income grew the most. Diversifying through logistics and tea volumes boosted revenue, resilience, and long-term growth.

## Group Revenue Composition

| | 2026 | 2025 | Variance | % Change |
|---|---|---|---|---|
| Brokerage Fee | 525,124,980 | 499,432,778 | 25,692,202 | 5% |
| Handling Charges | 117,941,592 | 111,645,059 | 6,296,533 | 6% |
| Tea-Documentation Charges | 2,375,775 | 2,221,107 | 154,668 | 7% |
| Tea-SVAT Voucher Handling Charges | 872,046 | 1,439,262 | (567,216) | -39% |
| Logistic & Transportation Income | 415,417,545 | 368,942,161 | 46,475,384 | 13% |
| Lot Fee | 8,946,572 | 8,201,259 | 745,313 | 9% |
| Sundry Income | 86,935,690 | 86,398,902 | 536,788 | 1% |
| Interest Earned on Loans and Advances | 387,681,436 | 292,155,362 | 95,526,074 | 33% |

## Expense Review

| | Group | | | Company | | |
|---|---|---|---|---|---|---|
| | 2025/26 Rs. | 2024/25 Rs. | Variance Rs. | 2025/26 Rs. | 2024/25 Rs. | Variance Rs. |
| Operating Expenses | 467,783,382 | 495,906,275 | (28,122,893) | 161,955,218 | 197,078,517 | (35,123,299) |
| Marketing Expenses | 36,238,128 | 29,803,238 | 6,434,890 | 32,361,414 | 25,444,966 | 6,916,448 |
| Administration Expenses | 584,194,445 | 535,506,654 | 48,687,791 | 528,665,027 | 431,623,643 | 97,041,384 |
| Net Finance Expenses | 231,972,325 | 193,285,044 | 38,687,281 | 169,881,675 | 125,024,220 | 44,857,455 |

During the 2025/26 financial year, the Group maintained a disciplined approach to cost management while continuing to invest in activities that supported business growth and operational capacity. Total expenditure across the key cost categories was influenced by the expansion of business volumes, increased financing requirements, investments in administration and market development, and the Group's decision to resume direct responsibility for the Logicare warehouse operation.

**Operating expenses** declined by Rs. 28.1 Mn, from Rs. 495.9 Mn in 2024/25 to Rs. 467.8 Mn in 2025/26, mainly owing to the saving from the Group's decision to take over the Logicare warehouse operation again during the year. In the last year, the Group paid Logicare for managing these operations, whereas during the year under review, the new arrangement enabled the Group to manage the warehouse directly and achieve cost savings. The decline in operating expenses is particularly positive in the context of the Group's revenue growth, indicating that higher business volumes were achieved without a corresponding increase in core operating costs.

**Marketing expenses** increased by Rs. 6.4 Mn, rising from Rs. 29.8 Mn to Rs. 36.2 Mn. Approximately Rs. 3.0 Mn of this increase was attributable to additional business promotion activities undertaken during the year. The higher expenditure validates Group's increased investment in market engagement, customer relationships and business development. These activities supported efforts to strengthen the Group's market presence, promote its products and services, maintain relationships with existing customers and generate further business opportunities.

**Brokerage Fee**

**525** Rs. Mn

2024/25 - 499 Rs. Mn

**Logistic & Transportation Income**

**415** Rs. Mn

2024/25 - 368 Rs. Mn

# Financial Capital

**Administration expenses** recorded the largest increase among the operating cost categories, rising by Rs. 48.7 Mn to Rs. 584.2 Mn, compared with Rs. 535.5 Mn in the last year. The increase was driven by several factors. As business volumes increased, certain variable administrative and operating costs also rose in line with the higher quantities handled. In addition, salary increments contributed to the increase in personnel costs, while performance-based compensation increased in line with employee and business performance. The Group also incurred additional depreciation following the establishment and use of the new office. These costs signify the investment required to support the Group's expanding scale of operations, higher transaction volumes and broader organisational requirements.

**Net finance expenses** increased by Rs. 38.7 Mn, from Rs. 193.3 Mn in 2024/25 to Rs. 232.0 Mn in 2025/26. The increase was mainly associated with higher financing requirements during the year, including the expansion of loans and advances that contributed to the significant growth in interest income. Accordingly, the increase in finance-related costs should be viewed alongside the stronger income generated from the Group's interest-earning activities.

The Group demonstrated a balanced approach to expenditure management during the year. The cost savings achieved through the resumption of the Logicare warehouse operation helped offset increases in administration, marketing and finance costs. Importantly, the 13% growth in Group revenue was achieved alongside a reduction in operating expenses, reflecting improved operating efficiency and stronger utilisation of the Group's cost base. CTB's continued focus on cost discipline, while selectively investing in business promotion, employee performance, office infrastructure and financing capacity, supported its overall financial performance and strengthened its foundation for sustainable growth.

### Other Expenses

| Other Expenses | 2025/26 | 2024/25 | Variance |
|---|---|---|---|
| Group | 9,638,331 | 8,853,124 | 785,207 |
| Company | 17,325,400 | 31,923,322 | (14,597,922) |

Other expenses at Group level increased marginally by Rs. 0.7 Mn, from Rs. 8.9 Mn in 2024/25 to Rs. 9.6 Mn in 2025/26. The increase was relatively modest and remained contained in relation to the Group's overall revenue and operating performance.

At Company level, however, other expenses recorded a significant Rs. 14.6 Mn reduction, declining from Rs. 31.9 Mn to Rs. 17.3 Mn. This improvement was mainly attributable to the reduced impairment of the investment in the subsidiary during the year.

The reduction in Company-level other expenses contributed positively to the Group's financial performance, while the marginal movement at Group level indicates that other expenditure remained well controlled during the year.

**Operating Expenses - Group**
**467** Rs. Mn
2024/25 - 495 Rs. Mn

**Marketing Expenses - Group**
**36** Rs. Mn
2024/25 - 30 Rs. Mn

**Administration Expenses - Group**
**584** Rs. Mn
2024/25 - 536 Rs. Mn

A 13% increase in revenue alongside a reduction in operating expenses reflects CTB's disciplined cost management, improved efficiency and ability to grow business volumes while optimising its cost base.

## Profitability

| Gross Profit | 2025/26 | 2024/25 | Variance |
|---|---|---|---|
| Group | 1,077,512,254 | 874,529,615 | 202,982,639 |
| Company | 966,339,883 | 804,415,212 | 161,924,671 |

| Profit Before Tax | 2025/26 | 2024/25 | Variance |
|---|---|---|---|
| Group | 218,705,964 | 109,528,002 | 109,177,962 |
| Company | 218,572,414 | 191,510,653 | 27,061,761 |

| Profit After Tax | 2025/26 | 2024/25 | Variance |
|---|---|---|---|
| Group | 135,583,372 | (18,290,876) | 153,874,247 |
| Company | 138,789,404 | 121,196,566 | 17,592,837 |

The Group delivered a significant improvement in profitability during 2025/26, supported by stronger revenue generation, improved operating efficiency and the continued growth of key income streams. The performance is an indicator of the benefits of increased business volumes, higher brokerage income and stronger interest income from loans and advances.

Gross profit at Group level increased by Rs.203.0 Mn, rising from Rs.874.5 Mn in 2024/25 to Rs.1.08 Bn in 2025/26. At Company level, gross profit increased by Rs.161.9 Mn, from Rs.804.4 Mn to Rs. 966.3 Mn. The improvement was primarily driven by the 13% growth in Group revenue, supported by higher brokerage income, increased interest earned on loans and advances and stronger contributions from logistics and other core revenue streams.

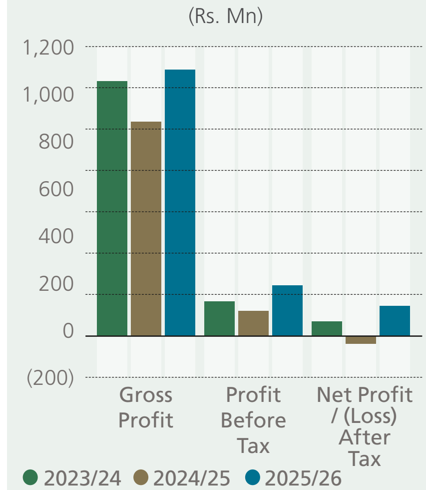
The increase in brokerage income, supported by higher transaction volumes and an expanded customer base, remained a key contributor to the improvement in profitability. In parallel, interest income from loans and advances increased significantly, confirming the growth in the Group's lending activities. These improvements strengthened the Group's income-generating capacity and contributed to the substantial increase in gross profit.

The Group's profit before tax more than doubled, increasing by Rs.109.2 Mn, from Rs.109.5 Mn in 2024/25 to Rs.218.7 Mn in 2025/26. Company profit before tax also increased by Rs.27.1 Mn, reaching Rs.218.6 Mn compared with Rs. 191.5 Mn in the last year. The improvement demonstrates the Group's ability to convert higher revenue into stronger earnings despite increases in administration, marketing and finance expenses.

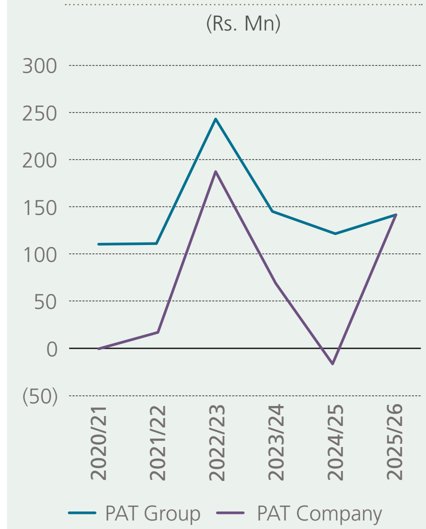
A key factor supporting profitability was the efficient management of operating expenses, which declined by Rs.28.1 Mn during the year. The cost savings achieved through the resumption of direct management of the Logicare warehouse operation contributed to improved operating efficiency. Consequently, the Group was able to accommodate higher business volumes while maintaining tighter control over its core operating cost base.

The overall improvement strengthened profit after tax performance. The Group recorded a net profit of Rs.135.6 Mn, compared with a net loss of Rs.18.3 Mn in 2024/25, representing an improvement of Rs. 153.9 Mn. At Company level, net profit increased by Rs.17.6 Mn, from Rs.121.2 Mn to Rs.138.8 Mn.

Group Profit Analysis




PAT Historic Performance



GRI 2021 : 201-1, 203-1, 203-2

# Financial Capital

The 2025/26 financial year performance marks a significant turnaround in the Group's profitability. Stronger brokerage and interest income, continued revenue growth and improved control over operating expenses collectively strengthened earnings. The return to profitability at Group level demonstrates the progress made in enhancing operational efficiency, expanding income-generating activities and strengthening the Group's financial foundation for sustainable growth.

## Group Assets

The Group's total assets increased significantly by 34%, rising from Rs.3,770.6 Mn as at 31 March 2025 to Rs.5,033.8 Mn as at 31 March 2026. The year-on-year increase of approximately Rs. 1,263.2 Mn was primarily driven by the substantial growth in trade and other receivables.

A key contributor to the increase in trade and other receivables was the recognition of VAT receivables during the year, following the Government's imposition of VAT on tea. No significant VAT receivable was recognised in the last financial year, whereas the current year included a material VAT receivable balance, resulting in a significant increase in the Group's current assets.

The Group's asset base growth reveals changes in working capital balances rather than a significant expansion of long-term assets. The increase in trade and other receivables, particularly the VAT receivable, was the principal driver of the year-on-year growth and contributed to strengthening the Group's overall financial position as at 31 March 2026.

## Group Liabilities

In the 2025/26 financial year, the Group's total liabilities increased significantly by 37%, rising to Rs.4,400.9 Mn as at 31 March 2026, compared with Rs.3,220.5 Mn as at 31 March 2025. This represents an increase of approximately Rs.1,180.4 Mn during the year.

The key contributor to the increase in total liabilities was the increase in trade and other payables, which primarily comprised VAT payable to tea sellers collected from tea buyers. And also this increase was attributable to the two sales prompt payable in 2025/26.

## Credit Rating

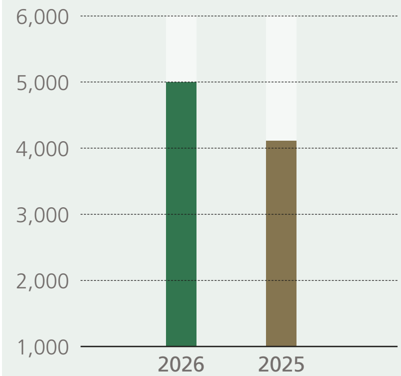
During the year under review, the company engaged one of the leading rating agencies, Lanka Rating Agency (LRA), to conduct an issuer rating. LRA assigned the company a rating of (SL) BBB with a stable outlook.

## Contribution to the Economy

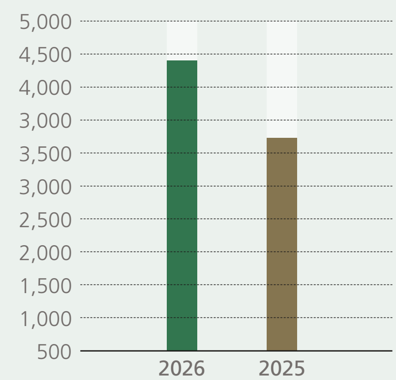
Ceylon Tea Brokers PLC recognises that its contribution to the economy extends beyond its financial performance, encompassing the value it creates and distributes across its stakeholders and the wider economic ecosystem. As a key participant in Sri Lanka's tea industry, CTB contributes to economic activity through its core brokerage operations, employment generation, payments to suppliers and service providers, government contributions and returns to shareholders.

This section presents Ceylon Tea Brokers' economic contribution and the flow of value created through its operations, highlighting how financial capital is generated and distributed among key stakeholders. It is a testament to the broader economic impact of the Group's activities at the national and industry levels, demonstrating its role in supporting the resilience and continued development of Sri Lanka's tea sector.

Group Assets
(Rs. Mn)




Group Liabilities
(Rs. Mn)




**LRA Assigned**

**(SL) BBB**

**Rating with a stable outlook**

2024/25-(SL) BBB

**Shareholder Funds - Company**

**934** Rs. Mn

2024/25 - 896 Rs. Mn

GRI 2021 : 203-1, 203-2

## Economic Value - Added Statement - Group

| | 2025/26 | 2025/26 |
|---|---|---|
| Revenue | 1,545,295,636 | 1,370,435,890 |
| (Include subcategories as presented in the revenue note of the financial statements) | | |
| Total Value Created | 1,545,295,636 | 1,370,435,890 |
| Value Distributed | | |
| Operating Costs | 561,236,948 | 416,424,210 |
| Employee wages and benefits | 364,498,132 | 425,180,111 |
| Payments to government | 58,165,249 | 71,246,852 |
| Payments to providers of capital | 354,405,405 | 354,287,010 |
| Community investments | 619,069 | 1,363,213 |
| Total Value Distributed | 1,338,924,803 | 1,268,501,396 |
| Total Value Retained | 206,370,833 | 101,934,494 |
| Total Value Created | 1,545,295,636 | 1,370,435,890 |
| Value Retained Expansion & Growth | | |
| Profit Retained | 135,583,371 | (18,290,876) |
| Depreciation & Amortisation | 70,787,462 | 120,225,368 |
| Total Value Retained Expansion & Growth | 206,370,833 | 101,934,494 |

The Group created Rs. 1.55 billion in economic value during 2025/26, distributing most to employees, suppliers, government, and capital providers. Retained value increased significantly to Rs. 206.4 million, driven by improved profitability and supporting future growth, investment, and long-term value creation.

**Value Created**

**1,545** Rs. Mn

2024/25 - 1,370 Rs. Mn

**Value Distributed**

**1,338** Rs. Mn

2024/25 - 1,269 Rs. Mn

**Value Retained**

**206** Rs. Mn

2024/25 - 102 Rs. Mn

# Strengthening Capability Through Continuous Progress

## Manufactured Capital

**204,064** Sq Ft
Total warehousing capacity

Rs. **1,010,314,884**
Total PPE value

Rs. **37,588,368**
CAPEX

**7,688** Sq Ft
Tea sample, tasting and auction facilities

Our manufactured capital is the foundation of operational excellence, enabling us to deliver efficient, reliable and high-quality tea services while strengthening the competitiveness of Sri Lanka's tea industry.

| Tea Buyers Tea Producers | Industry | Employees |
|---|---|---|
| • 204,064 sq ft warehousing space<br>• Reliability and Convenience in logistics support<br>• Assuring best sale price and consistent tea quality | • Advanced tasting and sampling facilities<br>• Support to buyer and producer for interim logistics requirement | • Safe, Healthy and Advanced Working Environment |

Ceylon Tea Brokers PLC's manufactured capital forms the operational backbone of its business, enabling the efficient handling, assessing, and storage of Ceylon Tea while supporting the continued growth and competitiveness of Sri Lanka's tea industry. Through strategic investments in modern infrastructure, specialised facilities and technology-enabled operations, the Group continues to strengthen its ability to deliver efficient, transparent and high-quality services to tea producers and exporters.

During the year under review, the Group invested Rs. 37,6 million in capital expenditure, primarily directed towards enhancing operational infrastructure and capabilities. Property, plant and equipment stood at Rs. 1,010.3 million, reflecting the Group's continued commitment to maintaining high-quality assets that support long-term value creation.

**PPE Value in 2025/26**

Ceylon Tea Brokers
**86.7** Rs. Mn

Logicare
**923.6** Rs. Mn

## Manufactured Capital Profile

Warehousing & Storage Facility | Tea Sampling & Tasting Facilities | Auction Room | Machinery & Equipment

## Warehousing and Storage Facilities

CTB's warehousing network is a critical component of the Group's broking ecosystem, providing secure, efficient and reliable storage solutions for producers and buyers. In an operating environment where warehousing infrastructure remains fragmented, capacity constrained and often reliant on outdated handling systems, the Group delivers significant value by safeguarding tea under optimal storage conditions while ensuring efficient handling, documentation and dispatch. This preserves product quality, supports timely order fulfilment and enables uninterrupted supply chain operations for producers, buyers and exporters alike. CTB's professionally managed warehousing network provides a standardised and scalable storage platform that improves operational efficiency, enhances supply chain reliability and mitigates quality and logistics risks across the tea value chain.


**Muthurajawela (97,410 sq ft)** | **Enderamulla (58,752 sq ft)** | **Grandpass (47,902 sq ft)**

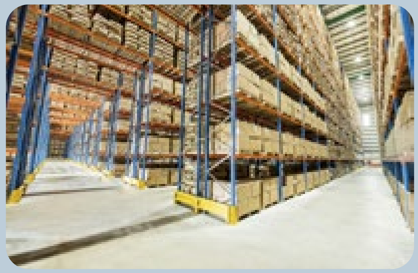
During the year under review, the Group managed over 204,064 sqft of warehousing capacity across strategically located facilities in Muthurajawela, Grandpass and Enderamulla. In February 2025, CTB's tea handling operations were successfully reintegrated into Ceylon Tea Brokers PLC, strengthening operational oversight and creating a more integrated warehousing, auction and dispatch model. This consolidation has enhanced coordination across key logistics functions, improving responsiveness and reducing operational bottlenecks.

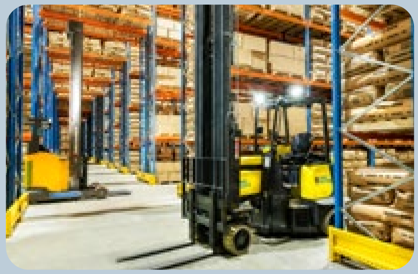
# Manufactured Capital

The Group's flagship owned warehouse at Muthurajawela, with a capacity of 97,410 sq. ft., is equipped with modern warehousing technology and advanced material handling systems that improve operational efficiency while supporting environmentally responsible operations through lower carbon emissions. The facility represents a benchmark for quality, safety and efficiency within the industry, and its expansion has enabled greater consolidation of storage operations, reducing congestion at urban facilities and improving logistics flow. Complementing this asset, the Group maintains strategically located leased warehouses under flexible short- and long-term arrangements, providing the scalability required to accommodate seasonal demand and fluctuations in auction volumes.

By providing an integrated storage and logistics platform between auction and producers/buyers, CTB strengthens supply chain efficiency, preserves the quality and integrity of Ceylon Tea, minimises handling risks and facilitates seamless transition of the tea from the auction. The continuous development and maintenance of the warehousing and storage facilities, combined with supporting infrastructure upgrades has reinforced producer and buyer confidence in Ceylon Tea Brokers' as a trusted logistics partner within Sri Lanka's tea value chain.

*Group's flagship owned warehouse at Muthurajawela*





*Start-Art Logicare warehouse is located in Muthurajawela.*

*Corporate Office*

## Tea Sampling and Tasting Facilities

Tea sampling and tasting are integral to Sri Lanka's tea auction system, enabling buyers to assess quality, determine value and make informed purchasing decisions. These processes underpin the transparency and credibility of the auction mechanism, support fair price discovery for producers and safeguard the global reputation of Ceylon Tea. Recognising their strategic importance, the Group has invested in purpose-built facilities that enhance operational efficiency, accuracy and service excellence.

The Group's modern head office, commissioned in 2024, features a state-of-the-art 1,492 sq ft tea tasting room designed to facilitate the systematic evaluation of teas presented at auction. Equipped with advanced lighting systems that provide consistent assessment conditions, the facility enables brokers and buyers to accurately evaluate the appearance, liquor colour, aroma and overall quality of tea samples. This purpose-built environment supports objective quality assessment, strengthens buyer confidence and contributes to more efficient and competitive auction outcomes.

Complementing this is a 5,900 sq. ft. tea sampling room equipped to prepare, sort and distribute representative tea samples with speed and precision. By streamlining sample preparation and ensuring timely availability ahead of each auction, the facility enables buyers to conduct comprehensive evaluations while enhancing market visibility for producers. This improves the efficiency of the auction process and supports purchasing decisions that accurately reflect the quality of the teas on offer.

Together, these specialised facilities strengthen the workflow, reduce operational delays and help maintain consistent service standards. They provide

*Tea Tasting Facility (1,492 sq ft)*

*Tea Sampling Facility (5,900 sq ft)*

*Auction Room (296sq ft)*

a professional environment that enhances confidence among producers and buyers, facilitating seamless trade execution. Through continued investment in modern tasting and sampling infrastructure, Ceylon Tea Brokers PLC reinforces its position as a trusted partner within the tea value chain while supporting the competitiveness and global reputation of Ceylon Tea.

## The Auction Room

The tea auction provides a transparent and efficient marketplace that connects producers with local and international buyers. As the industry increasingly embraces digitalisation, the ability to participate seamlessly in electronic auctions has become critical to maintaining market efficiency, accelerating transactions and supporting timely trade execution. In response, Ceylon Tea Brokers PLC has established a dedicated 296 sq ft auction room at its head office, providing a purpose-built environment that enhances the efficiency and effectiveness of its broking operations.

Designed to support digital tea auctions, the facility is equipped with the technology and communication systems required for brokers to participate in live electronic auctions with speed, accuracy and reliability. It enables auction teams to monitor market activity in real time, respond promptly to bidding dynamics and execute transactions efficiently, supporting transparent price discovery and delivering value to both producers and buyers.

The centralised auction room also strengthens collaboration by bringing broking activities together within a single, integrated workspace. Real-time access to market information and operational support functions improves coordination before, during and after each auction, enabling faster decision-making, reducing operational delays and enhancing overall productivity.

By investing in modern auction infrastructure, Ceylon Tea Brokers support the continued digital transformation of tea broking, enabling the Group to deliver a high standard of professional service while strengthening the competitiveness and resilience of the country's tea industry.

## Machinery and Equipment

Machinery and equipment form an integral component of the Group's manufactured capital, enabling the efficient handling, storage and movement of goods. During the year under review, the Group's investment in machinery and equipment inclusive of maintenance and upgrades amounted to Rs. 1,010 million, reflecting our ongoing commitment to strengthening operational capabilities and maintaining reliable service standards. Modern material handling equipment, warehouse machinery and specialised operational assets provide on-demand services for external business partners and clientele who require safe movement, storage, and minimal manual handling ensuring efficient and reliable service.

The Group also continued to invest in equipment that enhances precision, reliability and workplace safety while supporting environmentally responsible operations through improved resource efficiency and reduced energy consumption. Regular maintenance and timely replacement of critical assets ensure uninterrupted operations and high levels of service reliability.

By remaining modern and well-managed, CTB has strengthened our resilience and efficiency through investments that support seamless coordination between supplier, producer, buyers and intermediaries.

GRI 2021 : 2-7, 405-1

# Empowering People, Strengthening Our Future

## Human Capital

**78:22**
Male to Female Ratio

**3.4** hours of per person training hours per yea

**125**
Total Employees

**Employees by Category**
Managerial 31%
Executive 24%
Contract 18%
Other 26%

Our people are the driving force behind our success empowering talent, sharing knowledge and fostering continuous growth to create lasting value for our people, our business and the future of Ceylon Tea.

GRI 2021 : 2-7, 405-1

| Employment | Training & Development | Equality | Welfare |
|---|---|---|---|
| Recruitment of 06 new recruits | Conducted more than 25 training sessions per year across all functions and sectors | Enforces a non-discriminatory policy that ensures equal opportunities for all staff | Health and welfare facilities combined with safe working environment |

At Ceylon Tea Brokers PLC, our people are at the heart of our success and remain our most valuable asset. Their knowledge, expertise, dedication and commitment strengthen the quality of our services and enhance our ability to create value in a dynamic and competitive tea industry.

During the financial year, we continued to invest in nurturing and developing our human capital, with a focus on strengthening capabilities, fostering a culture of excellence and supporting the professional growth and wellbeing of our employees. By empowering our people with the knowledge, skills and opportunities they need to excel, we seek to build a resilient and agile workforce capable of responding to evolving industry dynamics and delivering on our strategic priorities.

Our people are more than an essential part of our operations; they are the driving force behind our relationships, performance and continued progress. Through a strong commitment to employee development, engagement and collaboration, we continue to cultivate a workplace where talent can thrive and contribute meaningfully to the long-term success of Ceylon Tea Brokers PLC.

During the year, the Group continued to focus on strengthening employee capabilities and fostering a positive, collaborative and productive work environment. Key priorities included continuous learning and development through targeted training programmes, enhancing employee engagement, and promoting knowledge sharing through initiatives such as the Job Shadowing Programme.

The Group remained committed to supporting employees in their professional growth by providing opportunities to develop and enhance their technical and professional competencies. These initiatives encouraged collaboration, knowledge transfer and continuous improvement, while equipping employees with the capabilities required to respond effectively to evolving business needs. Through these efforts, the Group continues to build a skilled, engaged and adaptable workforce that contributes to achieving its operational and strategic objectives.

During the year under review, the Group contributed Rs.364.49 million towards permanent and contract employees remuneration and development.

## Human Capital Investment 2025/26

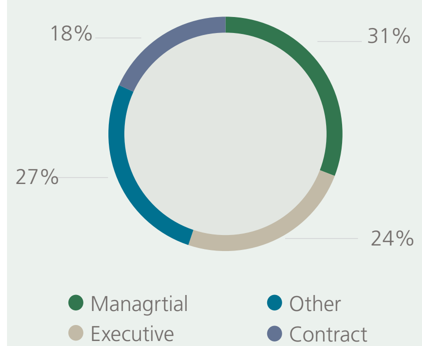
Remunerations

**364.49** Rs. Mn

Training and Welfare

**14.6** Rs. Mn

### Level of Employment - Group




## Human Capital Profile

The Team | Recruitment & Retention | Training & Development | Welfare & Benefits | Safe & Inclusive Work Environment

GRI 2021 : 2-7, 405-1

# Human Capital

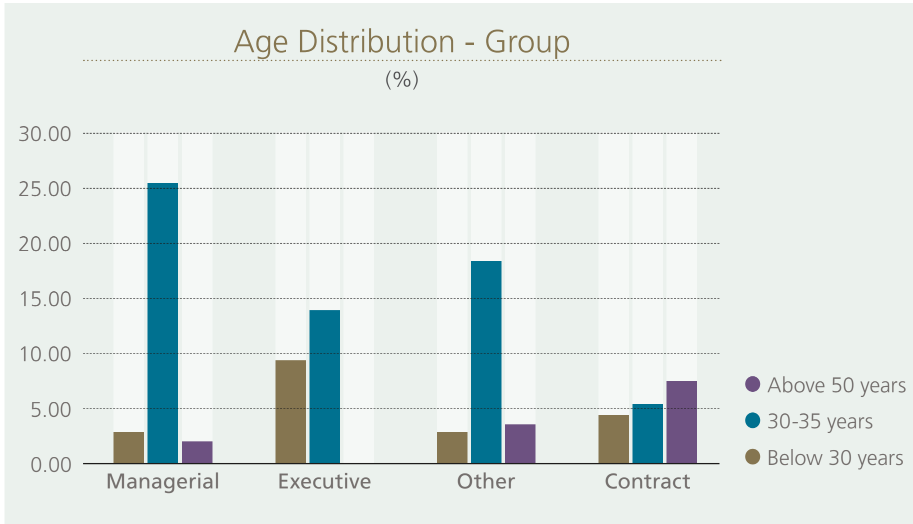
## Our Team

Our people are the foundation of Ceylon Tea Brokers PLC's ability to create value, combining diverse expertise, experience and perspectives that strengthen our operations and support our continued growth. Our workforce brings together individuals across different genders, ethnicities and generations, displaying our commitment to equal opportunity and an inclusive workplace where every individual is respected, valued and empowered to contribute their best.

As at the end of the year, our total workforce stood at 125 employees, comprising 94 employees at Ceylon Tea Brokers PLC and 31 employees at Logicare Ltd (LC). The workforce is structured across key employment categories, with 39 employees in managerial roles (31%), 30 in executive roles (24%), 33 in other operational roles (26%) and 23 engaged on contract basis (18%). This balanced structure supports both strategic leadership and efficient day-to-day operations across the Group.

While our permanent employees form the core of our operations, we also draw on the expertise of contracted and outsourced personnel in selected areas of our business. These professionals complement our internal capabilities across functions including warehouse management, sample room operations, legal services, marketing and information technology. This approach enables us to access specialised knowledge and skills where required, while maintaining the flexibility and expertise needed to support operational excellence.

| | CTB | | LC | | Group | |
|---|---|---|---|---|---|---|
| Managerial | 29 | 31% | 10 | 32% | 39 | 31% |
| Executive | 19 | 20% | 11 | 35% | 30 | 24% |
| Other | 29 | 31% | 4 | 13% | 33 | 26% |
| Contract | 17 | 18% | 6 | 19% | 23 | 18% |
| **Total** | **94** | | **31** | | **125** | |




## Equal Opportunity

We believe that an inclusive and equitable workplace is fundamental to building a strong, capable and engaged workforce. We are committed to providing equal opportunities for employment, career advancement and professional development, while ensuring that our people are treated with fairness, dignity and respect, irrespective of their background, gender, religion or other personal characteristics.

Our approach to equal opportunity is reflected in a workforce that brings together diverse perspectives, experiences and identities. During the year, our employees represented multiple religious communities, with Buddhists accounting for 68% of the workforce, Catholics 22%, Muslims 6% and Hindus 3%. This diversity contributes to an inclusive workplace culture founded on mutual respect and understanding.

We also remain committed to strengthening gender diversity across our workforce. Women represented 22% of our total workforce during the year, with representation across executive, managerial and other categories. Female representation included 12% in executive roles, 6% in managerial positions, and 3% in contract roles. While we recognise that there is further opportunity to enhance gender representation, particularly in certain operational areas, we remain focused on creating an environment in which all employees have equitable access to development, progression and leadership opportunities.

In line with our commitment to employee development, female employees completed a total of 232.5hours of training during the year, with an average of 3.4 training hours per female employee.

GRI 2021 : 2-7, 2-16, 2-25, 2-26, 405-1

We are also committed to ensuring equitable compensation for all employees and are actively reviewing our practices to uphold this standard through our ongoing Gender Pay review process. This demonstrates our broader commitment to fairness, transparency and consistency in reward structures across the organisation.

| | Male | Female |
|---|---|---|
| Managerial | 26% | 6% |
| Executive | 12% | 12% |
| Other | 26% | 1% |
| Contract | 15% | 3% |
| Total | 78% | 22% |

| Religion | Head Count | % |
|---|---|---|
| Buddhist | 85 | 68% |
| Catholic | 28 | 22% |
| Hindu | 4 | 3% |
| Muslim | 8 | 6% |

## Talent Acquisition and Management

At Ceylon Tea Brokers PLC, we recognise that attracting and retaining the right talent is fundamental to sustaining our operational excellence and strengthening our competitive position. Our talent acquisition approach is guided by fairness, transparency and merit, with candidates assessed based on their competencies, skills, experience and potential to contribute to the organisation. This enables us to attract individuals with the technical capabilities, interpersonal skills and adaptability required to succeed in a dynamic tea brokerage environment.

Given the specialised nature of our industry, talent acquisition extends beyond filling vacancies. We seek individuals who demonstrate the capacity to learn, develop industry-specific expertise and grow with the organisation. New recruits are supported through structured induction, on-the-job learning and guidance from experienced colleagues, enabling them to progressively build the knowledge and capabilities required to navigate the complexities of the tea trade.

During the year, we welcomed six new employees to the Group, comprising five recruits at Ceylon Tea Brokers PLC and one at Logicare. Of these, four were male and two were female.

Our approach to talent management also places strong emphasis on developing and retaining existing capabilities. We seek to provide employees with opportunities to expand their knowledge, take on greater responsibilities and progress within the organisation. During the year, three employees were promoted, recognizing performance, developing internal talent and providing pathways for career advancement.

Building and retaining talent is particularly important in the tea brokerage industry, where specialised knowledge and experience are developed over time. We therefore place emphasis on continuous learning, knowledge sharing and exposure to different aspects of the business, helping to strengthen institutional knowledge while preparing our people for future roles.

As the external environment continues to evolve, we remain focused on developing a workforce that is agile, capable and resilient. By combining strategic recruitment with employee development, career progression and knowledge transfer, we aim to ensure that our people are equipped to respond to changing market dynamics and contribute to the long-term success of Ceylon Tea Brokers PLC and the wider Group.

## New Recruits

| | CTB | LC | Group |
|---|---|---|---|
| Total | 5 | 1 | 6 |
| Male | 4 | 0 | 4 |
| Female | 1 | 1 | 2 |

## Training and Development

Training and development remain integral to our commitment to continuous improvement, employee performance and long-term organisational growth. We focus on equipping our employees with the knowledge, skills and competencies required to perform effectively in their current roles while also preparing them for future responsibilities. This is achieved through a structured and holistic approach that integrates professional development, technical upskilling, leadership enhancement, compliance awareness, and personal growth into a continuous learning culture.

Our Human Resources function works closely with reputed external training providers and professional institutions to deliver relevant and high-quality learning opportunities. Training is conducted through a combination of internal programmes and collaborations with recognised institutions, including the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), the Institute of Certified Management Accountants of Sri Lanka (CMA Sri Lanka) and the Employers' Federation of Ceylon. These partnerships ensure that employees are exposed to industry-relevant knowledge and best practices that support both individual and organisational advancement.

On-the-job learning continues to be a key component of our employee development approach, providing practical exposure and enabling employees to apply their knowledge directly within their roles.

GRI 2021 : 2-7, 404-2, 405-1

# Human Capital

Complementing this, cross-training initiatives provide employees with exposure to different functions and divisions across the Group, strengthening operational flexibility while broadening their capabilities and creating opportunities for career progression and internal mobility.

During the year, the Group introduced a structured, function-specific Job Shadowing Programme as a strategic initiative to strengthen workforce capabilities, enhance productivity and support operational excellence. The programme provides employees with opportunities to observe and learn from experienced colleagues, facilitating the transfer of knowledge, practical insights and best practices across functions. By broadening employees' understanding of key roles and responsibilities, the programme also strengthens cross-functional collaboration and builds greater organisational resilience.

The Job Shadowing Programme further supports the Group's business continuity and succession planning efforts by developing a broader pool of employees with exposure to critical functions and processes. This approach enables the Group to build internal capabilities, encourage knowledge continuity and create greater flexibility in responding to evolving business requirements.

We also support employees in pursuing professional and career development beyond formal training programmes. The Group encourages employees to obtain relevant professional qualifications and facilitates this by reimbursing annual subscription fees for memberships with recognised professional bodies, including CA Sri Lanka, the Chartered Institute of Management Accountants (CIMA), the Association of Chartered Certified Accountants (ACCA) and the Certified Management Accountants (CMA). This support reinforces our commitment to building a highly qualified and professionally competent workforce.

During the year, the Group continued to invest in employee development through a combination of technical, professional, leadership, compliance, and personal development programmes. A structured induction programme was conducted for all new employees to facilitate their integration into the organisation and familiarise them with the Group's culture, policies, and operational practices. The key areas of focus included:

**Professional Development:** Office Etiquettes & Professionalism, Organization Masterclass, and decision-making programmes to strengthen workplace professionalism and improve individual effectiveness.

**Technical and Digital Skills:** Advanced Excel, AI & Future Trends, Copilot + Agents Immersion, and Firewall Training to enhance digital capabilities, cybersecurity awareness, and operational efficiency.

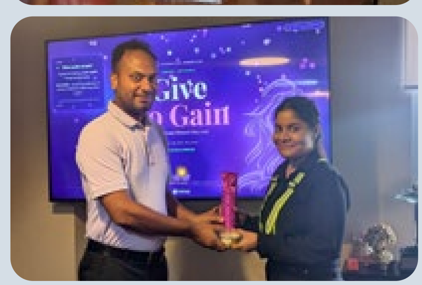
**Leadership and People Management:** The Art of Giving Feedback and decision-making programmes to strengthen leadership capabilities, communication, and performance management practices.

**Industry Knowledge:** Artisanal Tea Training to deepen employees' understanding of the tea industry and support operational excellence.

**Compliance and Regulatory Awareness:** Programmes on the Personal Data Protection Act (PDPA), recent developments in Labour Law, Employer Awareness on ETF Benefits, and Taxation & Directors' Liability to ensure employees remain informed of evolving legal and regulatory requirements.



*Logicare 6th Anniversary Celebration - 2025 Bodi Puja Pinkama*


*2026 Women's Day Celebration*

GRI 2021 : 2-7, 404-1, 404-2, 405-1

**Employee Well-being and Personal Growth:** RESET 2026 programmes and Empowering Success at Work & Life to promote employee well-being, resilience, work-life balance, and personal effectiveness.

These initiatives were designed to strengthen employee competencies, improve productivity, ensure regulatory compliance, foster continuous learning, and support the Group's long-term strategic objectives.

| GROUP | Total | | |
|---|---|---|---|
| | Total Hours | Head Count | Avg. Hours |
| Managerial | 248.5 | 68 | 3.7 |
| Executive | 265.0 | 67 | 4.0 |
| Other | 20.0 | 16 | 1.3 |
| Contract | 14.0 | 11 | 1.3 |
| Total | 547.5 | 162 | 3.4 |

## Compensation and Benefits

At Ceylon Tea Brokers PLC, we recognise that a fair, competitive and holistic reward proposition is essential to attract, motivate and retain the talent and specialised expertise that underpin our business. Our compensation and benefits framework is designed to recognise employee contribution, support performance and align individual rewards with the Group's strategic objectives, while remaining responsive to prevailing industry practices.

Our remuneration structures and salary scales are reviewed with consideration to market conditions and industry benchmarks, supporting equitable and competitive compensation across the organisation. In addition to fixed remuneration, our incentive scheme links rewards to both individual performance and the overall performance of the Group, reinforcing a culture of accountability, collaboration and shared success.

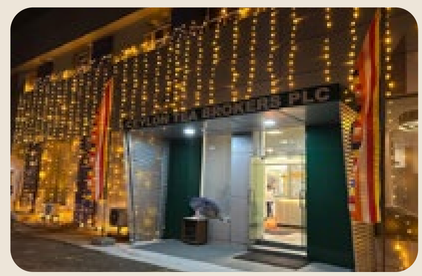
Performance management is an integral component of our approach to employee rewards. Through our annual performance appraisal and salary review cycle, we assess individual contributions and provide recognition for employees who demonstrate strong performance and commitment. This enables us to differentiate rewards based on performance while encouraging employees to continuously develop their capabilities and contribute to the achievement of organisational goals.

Our commitment to our people extends beyond financial remuneration. Permanent employees are provided with a range of benefits designed to support their financial security, health, professional development and overall wellbeing. These include life insurance coverage for employees and their families, maternity benefits and reimbursement of professional subscription fees, supporting employees in maintaining their professional affiliations and qualifications.

Health and wellbeing remain important elements of our employee value proposition. Our medical insurance scheme provides coverage for surgical and hospitalisation expenses, critical illnesses and personal accidents, with coverage extending to employees, their spouses and children. This provides employees and their families with greater financial protection and peace of mind when faced with unexpected health-related circumstances.

We also provide welfare and lifestyle benefits, including staff loan facilities, to support employees in meeting important personal and financial needs. These benefits complement our broader efforts to create a supportive workplace and strengthen employee engagement and retention.

*Vesak Food Drive*




*CTB Pirith*

# Human Capital

Through a combination of competitive remuneration, performance-linked rewards and comprehensive employee benefits, we seek to provide a value proposition that recognises contribution while supporting the wider needs of our people and their families. As competition for experienced talent within the tea sector continues to intensify, we remain committed to continuously evaluating our reward practices to ensure that our employees are recognised fairly and supported throughout their careers with Ceylon Tea Brokers PLC.

## Employee Engagement and Recreational Activities

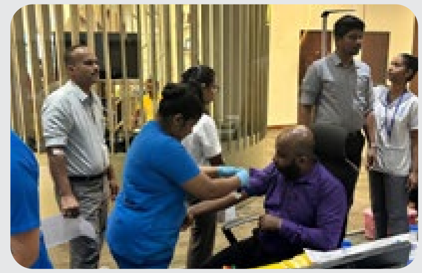
At Ceylon Tea Brokers PLC, we place strong emphasis on creating a workplace where employees feel involved, motivated and socially connected. Throughout the year, the Group organised and supported a variety of engagement and recreational programmes designed to bring teams together in a more relaxed and interactive environment. Events such as the Trick or Reel Hall`oween Competition,Christmas Tree competition and Friday Fundays encouraged participation across departments, helping employees build stronger relationships, improve collaboration and enjoy a more vibrant workplace experience.

In addition, the HR Department sustained its Coffee Sessions with the Managing Director and CEO, which serve as an open forum for direct interaction between employees and senior leadership. These informal gatherings allow staff to express their thoughts, raise concerns and contribute ideas in a comfortable setting. At the same time, they enable management to better understand employee sentiment and identify areas where the organisation can further improve. This ongoing exchange supports a culture of openness, mutual respect and stronger alignment between leadership and employees.

## Whistleblowing Policy

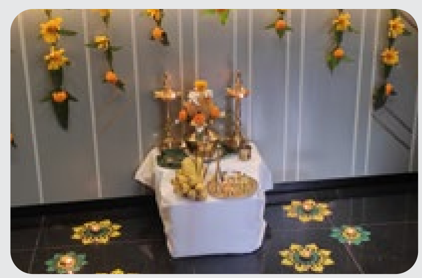
The Group has established a Whistleblowing Policy as part of its commitment to upholding ethical standards and responsible corporate behaviour. This policy ensures that employees have a secure and confidential mechanism to report any suspected wrongdoing, including unethical practices, misconduct or violations of group policies, to the appropriate authority for investigation.

Employees who report concerns in good faith are assured of protection against any form of retaliation. The Group takes necessary steps to maintain strict confidentiality of both the whistleblower and the information disclosed, while ensuring that all reports are assessed and addressed in a fair and timely manner. Through this approach, the Group continues to strengthen its governance framework and promote a culture where integrity is valued and employees are encouraged to act responsibly in safeguarding the organisation's ethical standards.



*Medical Camp*

*New Year Celebrations*



*Thai Pongal*

*Trick-or-Reel (Halloweens)*

*Christmas*

*Code Breakers*

*Secret Santa*

GRI 2021 : 2-7, 2-30, 202-2, 205-1, 205-2, 205-3, 401-3, 402-1, 403-1, 403-4, 403-5, 403-6, 403-7, 403-9, 403-10, 405-1, 407-1

## Occupation Health, Safety, and Employment Practices

| Category | Details |
|---|---|
| Occupational Health and Safety | • Safety Measures: Implemented to maintain a safe work environment.<br>• Reported Incidents: None (no injuries or occupational diseases).<br>• Trainings: Logicare provided occupational health and safety training to employees, ensuring they are well-informed to ensure a safe and compliant working environment.<br>• Commitment: Accident prevention and workforce health.<br>• Committees: No trade unions or joint management-worker health and safety committees. |
| Labour Law | • Compliance: Adherence to the Shop and Office Employees Act No. 15 of 1954 and other relevant statutory requirements.<br>• Practices: Fair and lawful employment practices. |
| Defined Benefit Plan Obligations | • Gratuity Liabilities: Legal obligations followed.<br>• Actuarial Assessment: Annual assessment by an independent consultant.<br>• Transparency: Detailed information on page 216 to 217. |
| Collective Bargaining Agreements | • Core Values: Fairness and equal treatment.<br>• Trade Unions: None within the Group.<br>• Industrial Disputes: None throughout the year. |
| Ratios of Standard Entry Level Wage by Gender | • Wage Standards: Entry-level wages exceed local minimum wage requirements.<br>• Gender Equality: Equal pay for all employees at entry level. |
| Proportion of Senior Management Hired from the Local Community | • Local Recruitment: Workforce, including senior management, recruited exclusively from the local community.<br>• Foreign Employees: None within the Group. |
| Communication and Training about Anti-corruption Policies and Procedures | • Incidents of Corruption: During the reporting period, there were no reported incidents of corruption within the organization.<br>• HR Policy and Code of Conduct: Includes anti-corruption guidelines and regulations.<br>• Training: Ensures employee awareness and adherence to policies.<br>• Standards: Highest standards of integrity and transparency. |
| Parental Leave | • Eligibility: Exclusively provided to female employees.<br>• Usage: No instances of maternity leave availed during the reviewed period. |
| Minimum Notice Periods Regarding Operational Changes | • Notice Period: Minimum of two weeks before significant operational changes.<br>• Purpose: Allows employees and their representatives to prepare and adjust. |

# Turning Knowledge into Lasting Value

## Intellectual Capital

**5 %**
Market share growth of

**Brand Equity and Reputation**

**BBB+ SL**
Rating

**Framework and Procedures**
Corporate Governance Framework Internal Controls and Procedures

Our intellectual capital is the collective strength of our knowledge, experience, innovation and technology - enabling us to anticipate change, make informed decisions and create lasting value across the tea value chain.

| Tea Producers/ Buyers | Compliance/ Certifications | Technology | Employees |
|---|---|---|---|
| • Market Intelligence<br>• Tea quality/ grading expertise and related knowledge sharing and services | • ISO 9001:2015<br>• ISO 22000:2018<br>• HACCP | • Digital auction facilities<br>• Data driven decision making<br>• Digital information sharing<br>• Advanced digital platforms | • 12 of qualified tea graders/ tasters/auctioneers<br>• Knowledge sharing platforms |

Intellectual capital represents the knowledge-based intangible assets that enable Ceylon Tea Brokers PLC to create and sustain CTB's trusted position in Sri Lanka's tea broking sector. It comprises our organizational knowledge, established processes, digital platforms, market intelligence, governance framework, quality assurance systems, and the collective expertise of our tea brokers, auctioneers, tea tasters and industry professionals. Together with our strong brand reputation and longstanding relationships across the tea value chain, these assets enhance operational excellence, strengthen stakeholder confidence and differentiate us in a competitive marketplace.

**[SL] BBB**
LRA Assigned
Sri Lanka Rating Agency

## Intellectual Capital Profile

Brand | Knowledge, Skills & Experience | Technology | Frameworks, Systems & Processes | Certifications

## Brand Equity

Ceylon tea Brokers PLC has been assigned an Issuer rating of [SL] BBB with a stable outlook by Lanka Rating Agency Limited, a credit rating that solidifies our presence and stability within the broking industry.

Brand equity represents a key component of Ceylon Tea Brokers PLC's intellectual capital, reflecting the strength of our reputation, stakeholder trust and market positioning within the tea broking industry. Built over decades of consistent performance and ethical conduct, our brand embodies reliability, professionalism and a deep understanding of the tea value chain.

During the 2025/26 financial year, we further strengthened our brand presence, supported by gains in market share, heightened brand visibility and increased confidence among both producers and buyers. The continued acceptance of our services across the market underscores our ability to respond effectively to stakeholder expectations while maintaining high standards of service delivery. This has enabled us to consolidate our position within the industry and deepen long-standing relationships across the value chain.

Our brand strength is underpinned by disciplined governance practices, effective risk management, ongoing digital enhancements and the specialised expertise of our tea professionals. Through a continued focus on service excellence, innovation and integrity, we aim to sustain and enhance our brand value, ensuring long-term differentiation and value creation for all stakeholders.

LOGICARE
PRIVATE LIMITED

# Intellectual Capital

## CTB Brand Engagement and Growth Initiatives

### Corporate Website

Ceylon Tea Brokers PLC

https://ceylonteabrokers.com

Our corporate website serves as a key component of Ceylon Tea Brokers PLC's intellectual property and digital brand presence, providing stakeholders with a reliable platform to access corporate information, market updates, service offerings and industry insights. As a central communication channel, the website strengthens transparency, enhances stakeholder engagement and reinforces the Group's reputation as a trusted and progressive tea broker.

During the year, the website continued to support brand visibility and stakeholder outreach by delivering timely, relevant and accessible information, our digital platform enhances the customer experience, strengthens confidence in our brand and supports the continued growth of our presence in both local and international markets.

### Social Media Engagement

Our digital presence is an important component of our intellectual capital, strengthening brand visibility, stakeholder engagement and knowledge sharing across the tea value chain. Through our presence on Facebook, LinkedIn, Instagram and TikTok, we communicate timely market updates, industry insights, corporate news and educational content, enabling us to enhance our brand persona and engage effectively with producers, buyers, exporters and the wider tea community.

The Group leverages a range of digital communication platforms, including Facebook, LinkedIn, Instagram and TikTok, to enhance brand visibility and broaden the reach of our communications. These platforms are used to share corporate updates, market insights, industry knowledge, success stories and educational content, fostering meaningful connections with producers, buyers, customers and the wider community. Our active digital presence supports transparent communication, reinforces our brand reputation and enables us to remain responsive and relevant in an increasingly connected digital environment.

During the year, our social media platforms recorded strong growth in engagement, particularly on LinkedIn and Instagram, reflecting increasing recognition of the Ceylon Tea Brokers brand and the value of the information and services we provide. As at 31 March 2026, our social media community comprised 8,590 Facebook followers, 6,133 LinkedIn followers, 1,079 Instagram followers and 2,611 TikTok followers. By leveraging digital communication channels, we continue to enhance stakeholder connectivity, reinforce our market presence and strengthen our reputation in an increasingly digital business environment.


Facebook 8590

Instagram 1079

LinkedIn 6118

TikTok 2611

| | CTB Followers | | Logicare Followers | |
|---|---|---|---|---|
| | 2024/25 FY | 2025/26 FY | 2024/25 FY | 2025/26 FY |
| FB | 3,472 | 4,673 | 3,947 | 3,917 |
| Instagram | 672 | 794 | 282 | 285 |
| Tik Tok | 2,159 | 2,523 | 88 | 88 |
| Linkedin | 1,753 | 2,795 | 2,976 | 3,338 |

## Weekly Tea Market Report

As part of our commitment to adding value to our brand experience, we continue to keep clients informed and strengthen long-term relationships. Ceylon Tea Brokers PLC publishes a comprehensive Weekly Tea Market Report that provides buyers with timely insights into the dynamic Ceylon tea market. The report analyses auction outcomes, price movements, market trends, demand and supply dynamics, quality variations, and key developments across tea-growing regions, while also highlighting global market influences affecting tea prices and trade.


By delivering accurate, reliable, and independent market intelligence, the report enables buyers to make well-informed purchasing decisions, optimise sourcing strategies, and respond proactively to changing market conditions. The Weekly Tea Market Report serves as an important customer engagement platform, reinforcing our role as a trusted advisor and strengthening relationships with buyers through transparency, expertise, and consistent communication.

*The weekly market reports of the company can be accessed using the this QR code*

## Knowledge, Skills and Experience

The knowledge, skills and experience of our people are among Ceylon Tea Brokers PLC's most valuable intellectual assets and a key driver of our long-term success. The organisation's leadership team carries a wealth of experience and industry expertise that collectively spans many years, while the Group as a whole represents 20 years of combined service in the tea industry. In addition, 14 individuals within the organisation have each accumulated more than 10 years of specialised experience in the tea broking industry, further strengthening our depth of capability and institutional knowledge.

Our tea brokers, auctioneers, tea tasters, logistics professionals and support teams possess extensive industry expertise, deep market knowledge and strong commercial acumen that enable us to deliver trusted, value-added services across the tea value chain. This collective expertise strengthens decision-making, enhances customer confidence and enables us to respond effectively to the evolving needs of producers, buyers and exporters.

We are committed to preserving and enhancing this intellectual capital through continuous professional development, knowledge sharing and succession planning. By combining decades of institutional knowledge with ongoing learning and innovation, we strengthen our service capabilities, maintain the highest standards of professionalism and reinforce our position as one of Sri Lanka's leading tea broking service providers.

Employee skills, knowledge, and experience development and retention is discussed in detail in our Human Capital report on page 82 to 89

## Technology and Digital Engagement

### Digital Buyers' Portal

Digital innovation continues to strengthen Ceylon Tea Brokers PLC's intellectual capital by enhancing operational efficiency, improving stakeholder connectivity and delivering a seamless tea broking experience. Through continuous investment in digital platforms, we have modernised key processes, enabling greater transparency, accessibility and convenience for buyers while supporting the evolving needs of the tea industry.

Since the implementation of Sri Lanka's first Online Tea Auction in 2020, the platform has enabled uninterrupted and efficient auction operations while enhancing transparency, speed and market accessibility. Building on the success of the state operated electronic auction platform, the industry continues to advance the digitalisation of auction-related services, creating a more integrated, resilient and globally competitive tea trading ecosystem.

CTB's Digital Buyers' Portal reflects our commitment to delivering a seamless, end-to-end digital experience for tea buyers. The portal provides secure, real-time access to detailed information on purchased

# Intellectual Capital

teas, enabling buyers to review purchase details, select lots, submit delivery requests and monitor transaction progress through a single online platform. By eliminating manual processes and reducing reliance on email and telephone correspondence, the portal enhances operational efficiency, accelerates service delivery and improves the overall customer experience. Automated notifications further streamline the fulfilment process, reinforcing our commitment to responsive, technology-driven service excellence.

### IT Governance

At Ceylon Tea Brokers PLC, effective management of information technology is a key component of our intellectual capital, enabling dependable, secure and streamlined business processes. In an environment where digital transformation is reshaping the tea sector, we continue to invest in strengthening our IT infrastructure, enhancing cybersecurity measures and expanding our digital capabilities to protect sensitive data and build trust among stakeholders.

Strategic direction for technology is guided by the IT Steering Committee, which includes Executive Directors along with the Heads of Operations, Finance and Information Technology. With support from internal IT professionals and external advisors, the Committee conducts regular assessments of IT governance frameworks, data protection practices, cyber risk exposure and capital allocation for technology initiatives. It also explores new and emerging digital solutions that can improve productivity, increase operational resilience and elevate service standards.

By maintaining strong governance over technology, continuously upgrading systems and adopting a forward-looking approach to risk management, we safeguard our information assets, support uninterrupted operations and strengthen our capacity to deliver secure, technology-driven value to all stakeholders.

### Cybersecurity

As tea brokering and auction operations become increasingly digital, cybersecurity has become a critical component of Ceylon Tea Brokers PLC's intellectual capital. Protecting the integrity, confidentiality and availability of digital systems is essential to ensuring the secure execution of electronic tea auctions, safeguarding sensitive commercial information and maintaining the confidence of producers, buyers and other stakeholders. A resilient cybersecurity framework also supports business continuity and minimizes operational risks in an evolving digital landscape.

During the year, the Group invested in cybersecurity capabilities. These enhancements were aimed at improving system resilience, strengthening network and data security, mitigating emerging cyber threats and ensuring the continued reliability and security of our digital tea broking and logistics platforms.

### Data Driven Decision Making

At Ceylon Tea Brokers PLC, we rely on a multiple of data sources in our daily data-driven decision-making is has enabled more informed, timely and strategic business decisions.


By leveraging the multiple data sources, CTB generates actionable insights that enhance operational performance, strengthen decision-making and create greater value for both the Group and our stakeholders. The Group's Business Analytics team transforms data into meaningful intelligence, helping management identify trends, monitor performance and respond proactively to changing market dynamics. These analytical capabilities also support our customers by providing valuable insights into buying patterns, market movements and emerging opportunities, enabling them to make more informed commercial decisions in an increasingly dynamic tea market.

## Frameworks, Systems and Processes

At Ceylon Tea Brokers PLC, our process and systems provide the foundation for operational excellence, governance, and service reliability. We continuously strengthen our internal processes, governance frameworks, and technology infrastructure to enhance efficiency, manage risk, and deliver consistent value to our stakeholders.

### Governance Framework

Strong corporate governance is integral to the way we operate. Guided by our core values of ability, credibility, integrity, and teamwork, we foster a culture of ethical conduct, accountability, and responsible decision-making throughout the organisation. The Board of Directors provides strategic oversight and bears ultimate responsibility for governance, regulatory compliance, transparency, and accountability. Supported by a comprehensive governance framework incorporating both internal and external oversight mechanisms, the Board ensures that governance practices remain aligned with the Group's strategic priorities, evolving regulatory requirements, and industry best practices.

A robust system of internal controls and risk management further strengthens our governance framework. Under the direction of the Board, Management and the Credit Committee implement policies, procedures, and operational controls that promote sound risk management, operational efficiency, and compliance. The Internal Audit function provides independent assurance on the effectiveness of governance processes, internal controls, and risk management practices, while the External Auditors independently assess controls over the financial reporting process. Together, these oversight functions reinforce transparency, strengthen accountability, and drive the continuous improvement of our control environment.

More details on CTB's governance process is discussed on page 118 to 125 of the Corporate Governance report.

## Certifications and Quality Standards

Internationally recognised certifications form an important component of the Group's intellectual capital, reflecting our commitment to quality, food safety, operational excellence and secure global supply chain management. These certifications strengthen stakeholder confidence, reinforce the credibility of our logistics operations and demonstrate our adherence to globally accepted best practices.

These certifications are a testament to the effectiveness of our quality management systems, food safety controls and supply chain security practices, while enhancing operational efficiency, regulatory compliance and risk management. They also strengthen our value proposition to tea buyers by providing assurance that their products are handled, stored and transported in accordance with internationally recognised standards, further enhancing the Group's reputation as a trusted partner across the tea value chain.

| Certification | Description |
|---|---|
| ISO 9001:2015 | International Standard for quality management systems. It provides a framework that helps organizations deliver consistent products and services, improve efficiency and meet customer and regulatory expectation. |
| ISO 22000 : 2018 | Food Safety Management System (FSMS). This system allows organizations to identify, prevent, and control hazards related to food safety, ensuring that products are safe at all stages of the process, from production to consumption. |
| HACCP (Hazard Analysis Critical Control Point) | Management system in which food safety is addressed through the analysis and control of biological, chemical, and physical hazards from raw material production, procurement and handling, to manufacturing, distribution and consumption of the finished product. |

# Protecting the Resources That Sustain Our Future

## Natural Capital

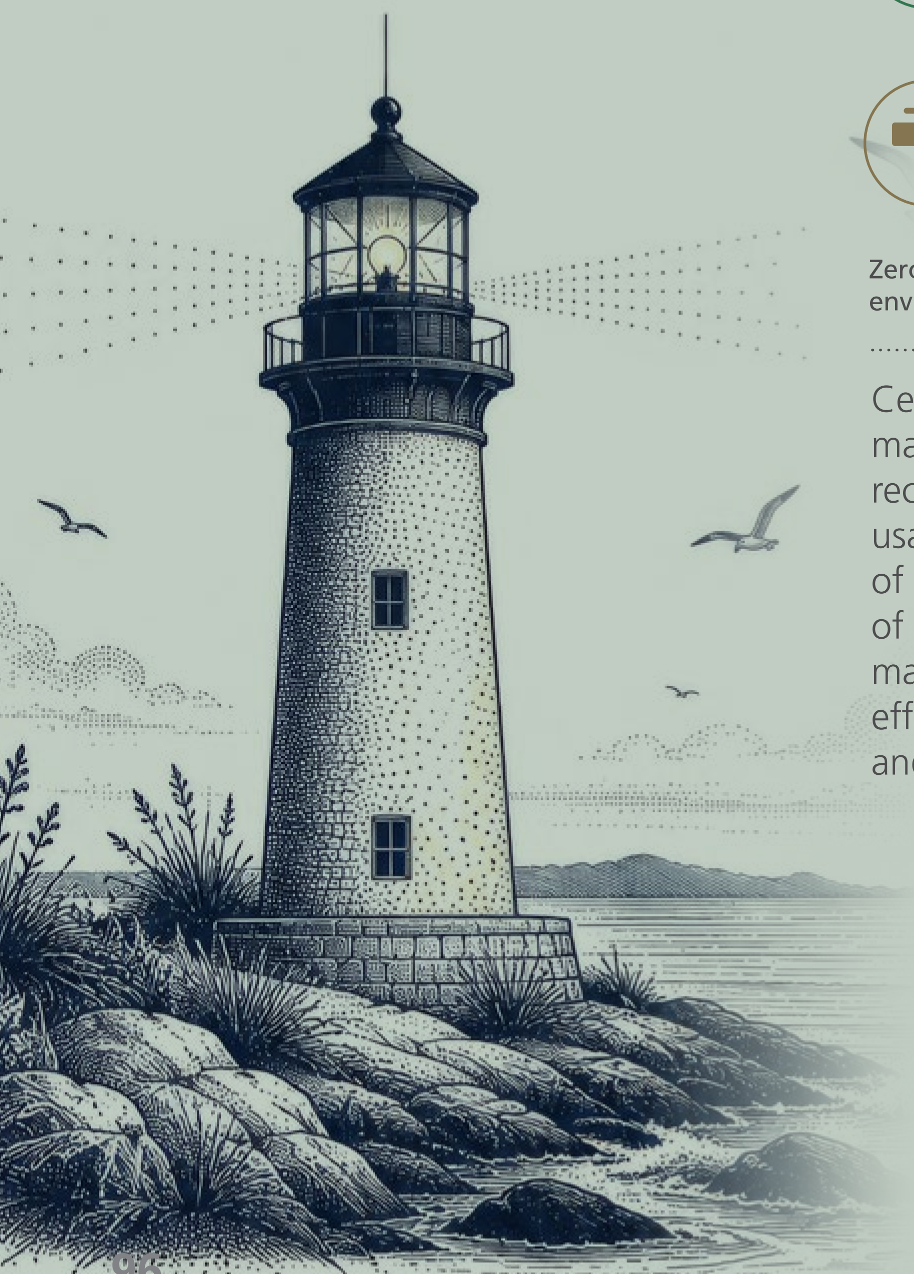
**17 %** Reduced paper usage by

**23 %** Total Electricity consumption reduced by

**2 %** Total water consumption reduced by

**3 %** Total Fuel consumption reduced by

Zero incidents of non-compliance of environment laws and regulations reported



Ceylon Tea Brokers PLC is committed to managing its natural capital responsibly, recognizing that sustainable resource usage is vital for the long-term success of our business and the preservation of the environment. Our approach to managing natural capital focuses on the efficient use of water, paper, electricity, and fuel.

GRI 2021 : 304-2, 201-2, 302-4, 306-2

| Energy | Water | E – workplace | Best Practices |
|---|---|---|---|
| Optimizing natural lighting in our warehousing and office spaces to ensure that minimum electricity consumption is used | Ensuring waste water at our Logicare premises is treated prior to being discharged to the environment | Conversion to electronic based communication and automation for an effective paperless workplace environment | Obtaining government environmental approvals and certifications for our warehousing and storage facilities<br><br>Zero non-compliance reported |

## Natural Capital Profile

Agricultural Inputs | Energy | Water | Waste | Environment Protection

Our approach to Natural Capital centres on the responsible use of resources across our operations, with a focus on improving efficiency in the consumption of electricity, water, paper and fuel, while reducing waste and greenhouse gas emissions wherever possible. Through prudent resource management, digitalisation initiatives and environmentally conscious workplace practices, we seek to reduce our operational footprint without compromising service excellence.

CTB remains committed to embedding environmental responsibility into our day-to-day operations, recognising that efficient resource management not only strengthens operational resilience and cost efficiency but also contributes to the long-term sustainability of the industry.

## Natural Capital Management

**Agricultural Inputs : Tea**

Tea is the most significant natural capital input that underpins the operations of Ceylon Tea Brokers PLC. While the Company is not directly involved in tea cultivation, harvesting or manufacturing, our business is fundamentally dependent on the quality, consistency and sustainability of the tea produced by Sri Lanka's plantations and factories. The value we create for producers, buyers and the wider tea industry is intrinsically linked to the quality of this natural resource.

Our role extends beyond facilitating tea sales at auction. We work closely with tea producers by providing market intelligence, technical guidance and advisory support to help improve tea quality, optimise yields and respond to evolving market preferences.

Protecting the integrity of tea throughout the broking process is equally important. We maintain stringent procedures to preserve the quality of teas from the time they are received until they are delivered to buyers. This includes careful handling during sampling and tasting, appropriate storage and warehousing conditions, and efficient logistics to safeguard freshness, appearance and quality. Approximately 44 Million kg of tea annnually passes through Ceylon Tea Brokers PLC, while on average approximately 3.5 Million kg of tea is stored monthly at our warehousing facilities. We also strive to minimise waste by ensuring tea samples used for evaluation and buyer assessment are handled responsibly and efficiently throughout the broking process.

Through responsible energy management, we are reducing consumption, enhancing operational efficiency and strengthening business continuity while progressing towards a more sustainable and resource-efficient future.

GRI 2021 : 304-2, 201-2, 302-4, 306-2

# Natural Capital

By preserving the quality and value of tea during our stewardship, Ceylon Tea Brokers PLC contributes to strengthening the reputation of Ceylon Tea in global markets while supporting the long-term sustainability and competitiveness of Sri Lanka's tea industry.

### Energy Management

Energy is an essential resource that supports the efficient delivery of Ceylon Tea Brokers PLC's broking and value-added services. Reliable electricity and fuel enable the seamless execution of our daily operations, from tea sampling, tasting, grading and warehousing to administrative functions, digital systems and communication with producers and buyers. Effective energy management therefore plays an important role in maintaining operational efficiency, service quality and business continuity.

Electricity is sourced through the national grid and powers our offices, warehouses and tea tasting facilities, supporting the infrastructure required to preserve tea quality and facilitate the auction process. The Company has also implemented several measures within its head office building and warehouses to optimise the use of natural daylight, thereby reducing reliance on artificial lighting and contributing to lower electricity consumption. As a result of these initiatives, electricity consumption has reduced from 343,818 Kwh to 265,482 Kwh.

Fuel consumption primarily arises from factory visits undertaken by our brokers and tea tasters, enabling them to assess tea quality, engage with producers, provide technical guidance and strengthen relationships across the tea value chain. Additional fuel is utilised through employee travel associated with


**Fuel Consumption**

**73,667** Liters

2024/25 - 71,392 Liters

**Electricity**

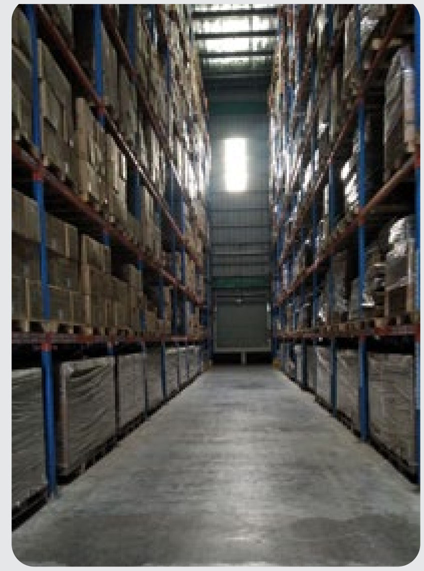
**265,482** Kwh

2024/25 - 343,818 Kwh

operational activities. Fuel consumption has also reduced from 73,667 liters to 71,392 liters this year.

| | 2025/26 | 2024/25 |
|---|---|---|
| Fuel Consumption (Liters) | 71,392 | 73,667 |

Recognising the environmental impact associated with energy consumption, we remain committed to promoting responsible energy use by improving operational efficiencies, encouraging energy-conscious practices and exploring opportunities to optimise resource utilisation wherever practicable. Through these efforts, we seek to minimise our environmental footprint while continuing to deliver trusted and efficient tea broking services.



*Natural lighting at warehouses*

*Sample evaluation using daylight*

GRI 2021 : 304-2, 201-2, 302-4, 306-2

### Water Management

Although water is not a primary production input in the tea broking business, it remains an essential resource that supports the day-to-day operations of our offices and warehousing facilities. Ceylon Tea Brokers PLC is committed to managing water responsibly by promoting efficient consumption, reducing unnecessary usage and implementing sustainable water management practices that minimise our environmental footprint.

Water is primarily sourced through the municipal water supply and is utilised for drinking, sanitation and general operational purposes across our headquarters and warehouses, supplemented by bottled drinking water where required. To strengthen water stewardship, the Company has implemented a range of conservation initiatives, including water-efficient fixtures such as sensor-based taps and low-flow fittings, regular monitoring of water consumption to identify inefficiencies, and employee awareness programmes that encourage responsible water use. These measures have contributed to a reduction in overall water consumption from 3,855 m3 last year to 3,781m3 in the year under review.

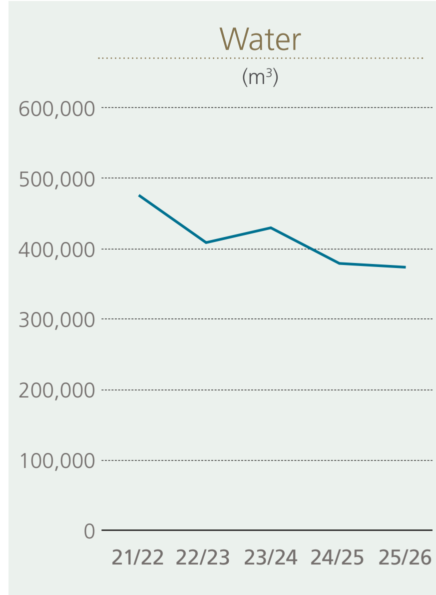
The Company has further enhanced its water management practices at its Muthurajawela warehouse through the installation of a Rainwater Harvesting System (RWHS) to collect and reuse rainwater for suitable non-potable applications, reducing reliance on the municipal water supply. In addition, a water treatment plant has been established to treat wastewater before disposal, ensuring responsible wastewater management and compliance with environmental standards. Together, these initiatives reinforce our commitment to conserving water resources, protecting the environment and supporting the sustainable operation of our facilities.

| | 2025/26 | 2024/25 |
|---|---|---|
| Water Consumption for Operations ($m^3$) | 3,710 | 3,783 |
| Drinking water (Liters) | 71,402 | 71,668 |
| Water treated/ recycled ($m^3$) | 2,930 | 3,313 |

### Waste Management

**Solid Waste Management:** Ceylon Tea Brokers PLC adopts responsible solid waste management practices to minimise the environmental impact of its operations. Waste generated across our offices and warehouses is segregated at source to facilitate recycling and responsible disposal, while initiatives to reduce waste generation are promoted through employee awareness. General waste is disposed of through authorised waste collection services, and opportunities to increase recycling and resource recovery continue to be explored as part of our commitment to sustainable operations.

**Electronic Waste Management:** The Company recognises that electronic waste requires specialised handling to prevent adverse environmental impacts. Obsolete computers, printers, consummables, electronic equipment and other ICT assets are periodically assessed and disposed of through authorised e-waste recyclers and service providers in accordance with applicable environmental regulations. Where feasible, electronic equipment is repaired, upgraded or redeployed to maximise its useful life before disposal, supporting responsible resource utilisation and the principles of a circular economy.




*Waste Water Management System at the Muthurajawela Warehouse*

*Rain Water Harvesting System at the Muthurajawela Warehouse*

GRI 2021 : 304-2, 201-2, 302-4, 306-2

# Natural Capital

**Paper Waste Management:** As a documentation intensive business, paper has traditionally been an important operational resource. Ceylon Tea Brokers PLC continues to reduce paper consumption by advancing digital documentation, electronic communication and automated record-keeping across its operations. Paper waste generated through administrative and broking activities is segregated and recycled wherever possible, while double-sided printing, controlled printing practices and the increased use of digital workflows further minimise paper usage and waste. These initiatives contribute to reducing the Company's environmental footprint while improving operational efficiency.

**Paper Usage**

**2.3** Sheets. Mn

2024/25 - 2.8 Sheets. Mn

**Environment Conservation**

| Environmental Conservation Initiative | CTB's Approach |
|---|---|
| Workplace Automation and Digitalisation | Ceylon Tea Brokers PLC continues to invest in digital technologies and workplace automation to improve operational efficiency while reducing resource consumption. Digital workflows, electronic document management, automated reporting and online communication minimise manual processes, reduce paper dependency and enhance the speed and accuracy of business operations. |
| Paperless Environment | The Company is progressively transitioning towards a paper-light workplace by digitising records, invoices, correspondence and internal approvals. Electronic documentation and digital communication have significantly reduced paper consumption, printing requirements and document storage, lowering both operating costs and the Company's environmental footprint. |
| Climate Monitoring and Market Intelligence | As tea production is highly dependent on climatic conditions, CTB continuously monitors weather patterns across Sri Lanka's tea-growing regions. By analysing rainfall, temperature and other climatic developments, the Company provides timely market intelligence and advisory support to producers and buyers, enabling informed decision-making, better crop planning and proactive responses to potential supply fluctuations. |
| Environmental Awareness | The Company promotes environmental responsibility among employees through awareness programmes and workplace communications that encourage energy conservation, water efficiency, waste segregation and responsible resource utilisation. Educational notices and awareness campaigns reinforce sustainable workplace behaviours throughout the year. |
| Resource Management Training | Employees are encouraged to adopt best practices in environmental stewardship through training and awareness initiatives covering responsible energy and water use, waste reduction, recycling and efficient workplace resource management, fostering a culture of sustainability across the organisation. |
| Sustainable Industry Engagement | Through regular factory visits and interactions with tea producers, brokers and tea tasters provide guidance on quality enhancement while sharing industry insights and encouraging sustainable agricultural practices, including effective harvesting methods, soil conservation and quality-focused tea production. |
| Optimising Natural Daylight | The Company's offices and warehouses are designed to maximise the use of natural daylight wherever possible, reducing dependence on artificial lighting during daytime operations. Curently natural lighting is used in warehousing locations and tea tasting rooms. This contributes to lower electricity consumption while providing a more comfortable working environment for employees. |

GRI 2021 : 304-2, 201-2, 302-4, 306-2

## Promoting Sustainability through Compliance

Ceylon Tea Brokers PLC remains committed to conducting its operations in full compliance with applicable environmental laws, regulations and statutory requirements. During the year under review, the Company reported no incidents of non-compliance with environmental legislation or regulatory obligations. We continue to uphold high standards of environmental stewardship by adhering to regulatory requirements and integrating responsible environmental practices into our day-to-day operations.

The Company actively encourages producer clients to adopt internationally recognised sustainability certifications, including the Rainforest Alliance Certification, which promotes environmentally responsible tea cultivation. By supporting certified and sustainable tea production, CTB contributes to enhancing the environmental integrity of Sri Lanka's tea industry while strengthening the global reputation and market competitiveness of Ceylon Tea.

## Summary of the Environmental Initiatives

| Initiative | Description | Impact |
|---|---|---|
| Transition to a Paperless Office | Electronic Correspondence | Routine client communications through emails and SMS. |
| | Digital Faxes | Incoming faxes converted to emails for individual users. |
| | Microsoft Teams | Digital access to board papers and virtual meetings for the Board of Directors. |

| Initiative | Description | Impact |
|---|---|---|
| Environmental Sustainability Practices | Natural Lighting | Utilizing natural lighting in warehousing locations and tea tasting rooms to maximize daylight usage. |
| | Certifications | Encouraging producer clients to obtain certifications such as the Rain Forest Alliance certificate. |
| | Water Treatment | Implementing a water treatment plant at the Muthurajawela warehouse to treat wastewater before disposal. |
| | Rainwater Harvesting | Installing a Rainwater Harvesting System (RWHS) to collect and reuse rainwater at the warehouse. |

CTB advanced environmental sustainability through digitalisation, paper reduction, climate monitoring, employee awareness, resource management training, sustainable industry engagement, and natural daylight utilisation, improving operational efficiency, conserving resources, and reducing environmental impact while supporting sustainable business practices.

GRI 2021 : 2-28

# Building Trust Through Meaningful Connections

## Social and Relationship Capital

Tea Produces **178**
Tea Buyers **263**
Logistic Clients **43**

**Industry Stakeholders Associations**
Colombo Tea Traders' Association (CTTA), Colombo Brokers' Association (CBA), Ceylon Chamber of Commerce, Sri Lanka Private Tea Factory Owners' Association (SLPTFOA), Tea Exporters' Association (TEA), the Ministry of Plantation Industries
Sri Lanka Tea Board

**0.025** Rs.
Allocated per Kilo of Tea Sold
CSR Contribution

**Tea Producer Portfolio**
High Grown **18%**
Medium Grown **19%**
Low Grown **63%**

Strong relationships are fundamental to our success. Through trust, transparency and meaningful engagement, we build partnerships that create enduring value for our stakeholders and the wider tea industry.

| Tea Producers/ Buyers | Warehousing Clients | Communities | Industry |
|---|---|---|---|
| • Market research and insights<br>• Training opportunities<br>• Advisory and consultancy services | • Delivery of excellent facilities and services | • Career opportunities in the tea trade<br>• Internship opportunities for youth<br>• Social and community support | • Representation in industry bodies and forums<br>• Support towards industry growth<br>• Industry Advocacy |

At Ceylon Tea Brokers PLC, enduring relationships built on trust, transparency and mutual value creation form the foundation of our business. As a trusted intermediary within Sri Lanka's tea industry, we create value by connecting producers with buyers  while fostering strong partnerships with multiple industry stakeholders and the wider communities in which we operate.

Our approach to Social and Relationship Capital is centred on ethical business practices, stakeholder engagement, collaboration and shared growth. By maintaining high standards of professionalism, providing timely market intelligence and delivering reliable broking services, we create lasting value for all stakeholders while reinforcing Sri Lanka's position as a leading origin for premium tea. Through continuous engagement, industry collaboration and responsible business conduct, we remain committed to strengthening the resilience, competitiveness and sustainability of the Ceylon tea value chain.

## Social and Relationship Capital Profile

Shareholders | Customers | Business Partners & Suppliers | Industry Associations | Community

### Shareholders

At Ceylon Tea Brokers PLC, we recognise our shareholders as valued partners whose confidence and long-term support are fundamental to our continued success. Building and maintaining strong relationships with our shareholders is a key priority, underpinned by transparency, accountability and consistent engagement. Through open and timely communication, sound corporate governance and disciplined financial stewardship, we strive to ensure that shareholders are well informed about the Group's strategy, performance, risks and future prospects.

Our commitment extends beyond delivering financial returns to creating sustainable long-term value through responsible decision-making, prudent capital management and the pursuit of growth opportunities that strengthen the Group's resilience and competitiveness.

| Shareholder | |
|---|---|
| Value Created | • Maintaining a profitable business operation<br>• Protecting shareholder value and interests<br>• Ensuring continued growth and sustenance of the group<br>• Dividend payment of Rs.109.4<br>• Earnings Per Share Rs.0.74 |

**Dividend**

**109.4** Rs. Mn

2024/25 - 80.2 Rs. Mn

Building lasting customer relationships through market insight, responsive engagement and service excellence, we connect producers and buyers to create sustainable value across the tea value chain.

# Social and Relationship Capital

## Customers

Building trusted, long-term relationships with our customers is fundamental to Ceylon Tea Brokers PLC's success. Our customer base comprises tea producers, tea buyers and logistics clients, each of whom plays a vital role within the Ceylon tea value chain. We are committed to delivering exceptional service, creating value through market expertise, and fostering enduring partnerships built on integrity, responsiveness and mutual success.

**Tea Producers:** Comprise the high-, medium- and low-grown tea producers and estates served by CTB, representing 63% low-grown, 19% medium-grown and 18% high-grown tea producers.

**Tea Buyers:** Comprise domestic buyers and traders who rely on CTB's broking expertise to source high-quality teas tailored to their specific requirements.

**Logistics Clients:** Comprise tea industry participants and other commercial enterprises that utilise CTB's and Logicare's short-term warehousing and storage facilities for the secure handling of their products.

Our experienced marketing team, supported by business analysts and robust market intelligence, works closely with both producers and buyers to understand evolving market requirements and identify optimal trading opportunities. By effectively matching buyer preferences with the quality, characteristics and production capabilities of our producer clients.

In strengthening this engagement, we also leverage digital customer support mechanisms to ensure timely, accessible and responsive communication with customers. In addition, we provide regular weekly market reports, industry research and timely updates, enabling customers to remain closely informed of market developments, sector trends and key insights that may influence performance and strategic direction.

Customer feedback is an integral part of our continuous improvement process. We maintain an effective mechanism for addressing customer concerns, with issues promptly escalated to the relevant departmental heads to ensure timely resolution and the implementation of appropriate corrective actions.

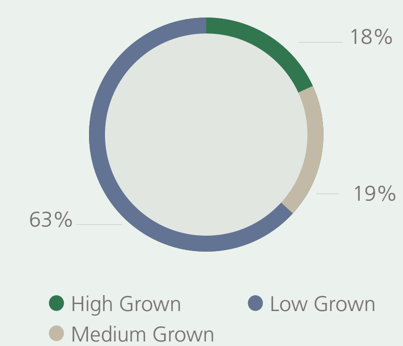
During the year, we conducted comprehensive customer satisfaction surveys among both tea producers and tea buyers to assess service quality and identify opportunities for enhancement. The insights gained continue to guide improvements across our operations, reinforcing our commitment to service excellence, strengthening stakeholder confidence, and delivering sustainable value to all our customers.

**Tea Buyers**
**263**

**Tea Producers**
**178**

**Logistic Clients**
**43**

### Tea producer profile




| Tea Producers | |
|---|---|
| Value Created | • 44.3 million Kg of tea sold<br>• Market trends and feedback<br>• Support to obtain international certifications<br>• Research and technical guidance |
| **Tea Buyers** | |
| Value Created | • Reliable broking service<br>• End-to-end logistic support until collection of tea<br>• Competitive prices<br>• High grade products<br>• Facilitation of tasting, sampling |
| **Logistic Clients** | |
| Value Created | • 204,064 square feet of warehousing space<br>• Advanced storage and logistic facilities<br>• Secure and hygienic conditions |

## Business Partners and Suppliers

Strong, collaborative relationships with our business partners, suppliers and service providers are integral to Ceylon Tea Brokers PLC's ability to deliver sustainable value across the Ceylon tea value chain. We recognise that our long-term success is closely linked to the success of our partners, and we are committed to fostering relationships built on trust, fairness, transparency and shared growth.

At the subsidiary level, our supply chain extends to warehouse providers, machinery and equipment suppliers, transporters, packaging material suppliers, manpower suppliers, as well as a multitude of corporate and private customers. This diverse and interconnected network enables us to ensure the smooth functioning of our business.

Our business partners, including suppliers and service providers, play a vital role in ensuring the continuity of our operations. Strengthening these relationships involves entering into clear service level agreements, ensuring timely payments and maintaining regular and transparent communication. These practices help us build trust, ensure accountability and support long-term collaboration.

Our engagement with business partners extends beyond commercial transactions. We maintain open and regular communication to ensure alignment with our operational objectives, quality standards and ethical business practices, while also encouraging innovation and continuous improvement. Through collaborative planning and knowledge sharing, we work together to enhance efficiency, improve service delivery and respond proactively to evolving industry and market requirements.

CTB is equally committed to promoting the welfare and sustainable development of our suppliers and business partners. Our procurement practices are guided by integrity, transparency and mutual respect, ensuring equitable treatment, timely settlements and long-term partnerships that support business continuity. We encourage our partners to uphold high standards of quality, environmental responsibility and ethical conduct. Entroponer By cultivating strong strategic partnerships across our supply chain, we create shared value that extends beyond operational excellence. These relationships enable us to improve customer service, strengthen the efficiency and resilience of tea broking service.

| Business Partners & Suppliers | |
|---|---|
| Value Created | • 178 registered suppliers<br>• Provided with continued revenue source<br>• Timely payments<br>• Fair opportunity in procurement<br>• Reasonable terms and conditions<br>• Learning and growth opportunities<br>• Exposure to a wider business network |

## Industry Associations

Ceylon Tea Brokers PLC actively engages with leading industry associations and regulatory institutions that play a pivotal role in shaping the future of Sri Lanka's tea industry. These partnerships provide an important platform for collaboration, knowledge sharing and constructive dialogue, enabling us to contribute to the development of industry policies, promote best practices and strengthen the global competitiveness of Ceylon Tea.

Our long-standing relationships with the Colombo Tea Traders' Association (CTTA), Colombo Brokers' Association (CBA), Ceylon Chamber of Commerce, Sri Lanka Private Tea Factory Owners' Association (SLPTFOA), Tea Exporters' Association (TEA), the Ministry of Plantation Industries, and the Sri Lanka Tea Board enable us to remain closely aligned with industry developments while contributing our expertise to initiatives that support the sustainable growth of the sector. Through active participation in meetings, committees, industry forums and stakeholder consultations, we engage in discussions on matters relating to tea quality, auction operations, regulatory developments, market access, sustainability, innovation and industry advancement.

These relationships strengthen our ability to anticipate emerging challenges, respond proactively to changes in the operating environment and represent the interests of our stakeholders.

Our engagement with industry associations extends beyond compliance and representation. We view these partnerships as an opportunity to collectively address sector-wide challenges, advocate for policies that support sustainable industry development, encourage innovation across the tea value chain and promote responsible business practices. Through collaborative action, we help strengthen the resilience of the industry, create long-term value for producers, exporters and buyers, and support the continued growth and global recognition of Ceylon Tea.

# Social and Relationship Capital

| Industry Bodies/ Associations | |
|---|---|
| Value Created | • Participation at industry forums<br>• Representations in industry bodies<br>• Membership in industry associations |

## Community Relations

At Ceylon Tea Brokers PLC, we recognise our responsibility towards creating a positive and lasting impact on the communities connected to the tea industry. Guided by our commitment to responsible corporate citizenship, we invest in initiatives that strengthen community resilience, support social development and contribute to the long-term sustainability of our communities.

During the year, CTB invested Rs. 599,069.21 in community development and corporate social responsibility initiatives, reflecting our continued commitment to creating shared value for society.

**Tea -Growing Community Fund:** In line with this commitment, we continued our long-standing practice of allocating Rs. 0.025 for every kilogram of tea sold through the Colombo Tea Auction to fund social responsibility initiatives. This contribution enables us to support projects that benefit tea-growing communities and the wider society while reinforcing the collective responsibility of the tea industry towards sustainable development.

**Ditwah Relief Assistance:** CTB also extended timely assistance to communities affected by the Ditwah disaster, working alongside industry stakeholders to provide relief and support to those impacted. Our efforts included the mobilisation of essential assistance, coordination of relief initiatives and support for recovery activities, demonstrating our commitment towards communities and employees alike during times of hardship.

| Impacted Groups | Assistance Provided |
|---|---|
| Affected Employees | Distribution of essential dry ration packs to employees whose households were affected by the Ditwah cyclone, to support their immediate needs. |
| Affected Factories | Provision of dry ration packs to selected flood-affected tea factories to assist workers and support recovery efforts. |
| Cleaning of Flood Affected Houses | Arrangement of cleaning services to help employees restore their flood-affected homes to a safe and habitable condition. |
| House Repairing of Flood Affected Employees | Partial financial contribution towards the repair of homes damaged by the Ditwah cyclone, helping affected employees rebuild their living conditions. |

**Employment Opportunities:** As a significant participant in Sri Lanka's tea industry, we continue to generate both direct and indirect employment opportunities across the tea value chain, supporting livelihoods through our broking, warehousing, logistics and related business activities.

**Internships for Youth:** In support of developing future industry talent, we also provided structured training and internship opportunities for undergraduate and graduate students, equipping young professionals with practical industry exposure, technical knowledge and valuable workplace experience. These initiatives contribute to enhancing employability while strengthening the future talent pipeline for the tea sector.

**Tree Planting:** In commemoration of World Environment Day in June, Logicare organized a tree-planting initiative within its premises. Staff members actively participated in the event, demonstrating their commitment to environmental conservation and sustainability. The initiative reflects Logicare's efforts to promote a greener workplace and contribute to a healthier environment.

*Tree Planting Event - Grow Green 2025*

GRI 2021 : 407-1, 408-1, 409-1, 416-2, 418-1

Through our community investments, employment generation and commitment to youth development, we continue to create meaningful social value while fostering stronger relationships with the communities we serve. By integrating social responsibility into our business practices, we remain committed to supporting inclusive growth, strengthening community wellbeing and contributing to the long-term sustainability and prosperity of Sri Lanka's tea industry.

## Social and Relationship Capital

| Category | Details |
|---|---|
| Customers | • **Service Enhancement:** Enhance customer service, gain trust, strengthen relationships with tea producers, buyers and logistic clients<br>• **Marketing Team Role:** Match buyer requirements with producer capabilities.<br>• **Complaint Resolution:** Promptly address complaints with corrective actions.<br>• **Customer Surveys:** Conduct customer satisfaction surveys with tea buyers and producers<br>• **Relationship Building:** Enhance and establish new relationships. |
| Supply Chain | • **Stakeholders:** Tea producers, Tea buyers, service providers.<br>• **Subsidiary Supply Chain:** Warehouse providers, machinery suppliers, transporters, packaging suppliers, manpower suppliers, corporate and private customers.<br>• **Changes:** Tea handling operations were transferred back to Ceylon Tea Brokers PLC from Logicare (Pvt) Ltd w.e.f 01st February 2025. |
| Customer Health and Safety | • **Compliance:** No instances of non-compliance relating to health and safety impacts reported during the reviewed year. |
| Customer Privacy | • **Privacy Protection:** No substantiated complaints regarding breaches of privacy or loss of customer data during the reviewed year. |
| Business Partners | • **Role:** Supply materials and services for operations.<br>• **Relationship Strengthening:** Service level agreements, timely payments, regular communication. |
| Procurement Procedure | • **Standards:** Adheres to high ethical standards, emphasizes social and environmental responsibilities. |
| Labor Rights | • **Freedom of Association:** No operations or suppliers pose a risk to freedom of association and collective bargaining.<br>• **Child Labor:** No operations or suppliers at significant risk for incidents of child labor.<br>• **Forced Labor:** No operations or suppliers at significant risk for incidents of forced or compulsory labor. |
| Industry Stakeholder Associations | • **Associations:** Colombo Brokers' Association, Colombo Tea Traders' Association, Sri Lanka Private Tea Factory Owners' Association, Tea Exporters' Association, Ceylon Chamber of Commerce, Sri Lanka Tea Board, Ministry of Plantations Industries.<br>• **Participation:** Active participation in events and forums. |

GRI 2021 : 407-1, 408-1, 409-1, 416-2, 418-1

# Social and Relationship Capital

| Category | Details |
|---|---|
| Community | • **Social Responsibility:** Emphasis on social responsibility and positive contributions to society by allocating 0.025 Rs. per every Kilo of tea sold |
| Training and Development | • **Opportunities:** Provided training and internships to graduates and undergraduates.<br>• **Certification:** Certified training partner by CA Sri Lanka.<br>• **Training Hours:** 574.5 hours of staff training and development during the reviewed year. |
| Infrastructure Investments | • **Financial Support:** Extended financial facilities amounting to Rs. 1,522.6 million for producer clients' working capital requirements as of March 31, 2026. |
| Legal Proceedings | • **Compliance:** No legal actions or accusations related to anticompetitive behavior, anti-trust violations, or monopolistic practices during the reviewed year. |
| Non-discrimination | • **Equality:** No instances of discrimination recorded or reported during the reviewed year. |
| Human Rights | • **Assessments:** No business operations subject to human rights reviews or impact assessments.<br>• **Ethical Practices:** Adhered to ethical practices and upheld human rights standards. |
| Political Contributions | • **Neutrality:** No political contributions made during the reviewed year. |
| Regulatory Compliance | • **Adherence:** No instances of non-compliance with laws and regulations pertaining to social and economic matters. |
| Security Measures | • **Third-party Security:** Relies on third-party organizations for security personnel.<br>• **Group Policies & Procedure Education:** Security personnel educated about the Group's policies and procedures. |

# Operational Performance Review

During 2025/26FY, Ceylon Tea Brokers PLC continued to build on our position within the tea industry, supported by the strength of our core tea broking business and the contribution of our complementary activities. The year reflected a period of continued development across the Group's operations, with a focus on strengthening market presence, deepening relationships across the tea value chain and improving the efficiency and sustainability of our businesses.

The tea broking segment remained the foundation of the Group's operations, recording growth in volumes handled and further strengthening CTB's market position. This was complemented by continued support to tea producers through client financing and manufacturing advisory services, enabling the Group to maintain close engagement with the producer network and contribute to quality improvement across the supply chain. The increase in tea volumes handled and market share during the year reflects the strength of these relationships and the Group's capabilities within the sector.

Beyond the core broking activities, the Group continued to manage warehousing and logistics operations with a focus on aligning resources and costs with prevailing demand. While revenue moderated during the year, the segment moved from an operating loss to an operating profit, reflecting the benefits of operational rationalisation and a more focused approach to its activities. The Group also continued to evaluate opportunities to strengthen the segment's operating model and establish a sustainable platform for future growth.

Across the business, performance during the year was underpinned by industry knowledge, experienced teams, long-standing stakeholder relationships and a continued focus on operational discipline. The Group remained responsive to changing market conditions while seeking to enhance the value delivered to producers, clients and other stakeholders.

This section provides an overview of the performance of the Group's key operational segments during 2025/26 FY.

### Tea Broking Segment

| | 2025/26 | 2024/25 |
|---|---|---|
| Tea Volume (Mn.Kg) | 44.30 | 41.14 |
| Avg price Per Kilo (Rs) | 1,185.03 | 1,213.57 |
| Market Share (Qty %) | 16.69 | 15.95 |
| Market Share (Value %) | 17.00 | 16.12 |

Ceylon Tea Brokers PLC's Tea Broking segment continued to serve as the core driver of the Group's operations, supported by our strong industry knowledge, long-standing client relationships and consistent focus on delivering value. Throughout the year under review, the segment not only maintained its relevance in a dynamic market environment but also enhanced its overall market standing while recording higher volumes handled.

The year was marked by an increase in national tea production, which provided a favourable operating context for the industry. Within this setting, the Group recorded a 7.7% rise in tea volumes handled, increasing from 41.14 Mn Kg in 2024/25 to 44.30 Mn Kg in 2025/26. This expansion in volume was accompanied by an improvement in market position, with market share by quantity rising from 15.95% to 16.69%. In parallel, market share by value also advanced from 16.12% to 17.00%, underscoring the Group's growing influence within the sector.

Although the average price realised per kilogram moderated to Rs. 1,185.03 from Rs. 1,213.57 in the last year in line with broader market trends, the segment's performance remained resilient. The ability to grow both volumes and market share despite price fluctuations highlights the CTB's continued success in maintaining strong relationships with tea producers and sustaining its competitive position in the market.

Further momentum was derived from an increase in the number of tea factories supplying their produce through Ceylon Tea Brokers PLC. This widening client base reflects the trust placed in the Group's broking expertise, market insight and service quality.

### Client Financing Activities

| | 2025/26 | 2024/25 |
|---|---|---|
| Loans and Advances to Tea Suppliers (Rs.Mn) | 1,522.66 | 1,410.23 |
| Interest Earned on Loans and Advances (Rs.Mn) | 387.68 | 292.16 |
| Finance Expenses Related to Client Financing Activities (Rs.Mn) | 171.79 | 160.89 |

Client financing to tea suppliers recorded a moderate expansion during 2025/26, with total loans and advances rising to Rs. 1,522.66 Mn from Rs. 1,410.23 Mn last year. This growth was primarily driven by sustained demand for short-term working capital support within

# Operational Performance Review

the supplier network, as well as the CTB's continued facilitation of liquidity to ensure uninterrupted supply chain operations.

Income generated from these financing arrangements strengthened notably, with interest income increasing to Rs. 387.68 Mn compared to Rs. 292.16 Mn in 2024/25. The uplift was supported by the enlarged average portfolio of advances during the year, alongside variations in applicable lending rates and improved utilisation of available credit facilities by suppliers.

On the cost side, finance expenses associated with client financing activities stood at Rs. 171.79 Mn, relative to Rs. 160.89 Mn in the last year. This change was influenced by shifts in funding structures and overall borrowing costs incurred to support the expanded financing book.

Despite the increase in both advances and related funding costs, the Group maintained a balanced approach to client financing, ensuring continued support to suppliers while managing exposure and cost efficiency in a disciplined manner.

### Manufacturing Advisory

Manufacturing advisory continued to be an important element of Ceylon Tea Brokers PLC's value proposition during 2025/26, strengthening the link between tea production and market performance. Through the expertise of our manufacturing advisors, the Group maintained close engagement with tea factories across key producing regions, providing practical guidance aimed at enhancing quality, consistency and alignment with prevailing market requirements.

The advisors' regular presence in tea-producing areas enabled more direct and timely engagement with factory owners, operational teams and other stakeholders involved in the manufacturing process. These interactions offered an avenue to share observations from the auction and market, understand production-related considerations at factory level, and translate market requirements into practical manufacturing insights.

The effectiveness of this approach was reflected alongside the tea broking segment's broader performance during the year. Tea volumes handled by the Group increased by 7.7% to 44.30 Mn Kg in 2025/26, while market share by quantity improved to 16.69% and market share by value also increased to 17.00%. The average price per kilogram moderated to Rs.1,185.03 from Rs.1,213.57, the expansion in volumes and market share demonstrates the strength of the Group's relationships across the producer network.

The continued dialogue between manufacturing advisors, tea sellers, factory owners and operational teams also created opportunities to identify quality improvement areas and encourage manufacturing practices that respond to evolving buyer and market expectations. By combining on-the-ground technical knowledge with insights gained through broking activities, the Group continued to support producers in enhancing the marketability of their teas while strengthening the overall quality proposition of the portfolio.

### Warehousing & Logistic Segment

| | 2025/26FY FY | 2024/25FY FY |
|---|---|---|
| Revenue (Rs.Mn) | 417.00 | 502.97 |
| Gross Profit (Rs.Mn) | 111.17 | 70.11 |
| Profit/(Loss) from Operations (Rs.Mn) | 54.02 | (36.37) |
| Profit/(Loss) After Tax (Rs.Mn) | (11.4) | (162.14) |

The warehousing and logistics segment underwent a period of transition during 2025/26, with the Group taking steps to align the business with prevailing demand and improve the efficiency of its operations. Revenue for the year amounted to Rs.417 Mn, compared with Rs.502.97 Mn in the last year, reflecting changes in volumes handled and the scale of activity during the period.

Despite the lower revenue, the segment recorded a significant improvement at the operating level. Profit from operations increased to Rs.54 Mn, compared with a loss of Rs. 36.37 Mn in 2024/25. This improvement reflects the benefits of operational rationalisation and a more focused approach to managing the segment's cost base and resources.

Gross profit increased to Rs.111.17 Mn from Rs.70.11 Mn in the last year and the loss after tax stood at Rs.11.4 Mn, compared with a loss of Rs.162.14 Mn last financial year.

During the year, management continued to assess the segment's operating model, with emphasis on improving capacity utilisation, strengthening cost discipline and ensuring that resources are aligned with market demand. These measures, together with an ongoing evaluation of the segment's strategic direction, are intended to establish a more sustainable platform for future performance and growth.

GRI 2021 : 2-22

# Our Approach To Sustainability

At Ceylon Tea Brokers PLC, we are committed to creating sustainable, long-term value by balancing our business priorities with the needs of our people, communities and the environment, while safeguarding the interests of future generations. Sustainability is therefore embedded in the way we conduct our business and make decisions, guided by the principles of the Triple Bottom Line : People (social value creation), Planet (environment ) and Profit (economy).

As a responsible corporate citizen, we recognise that our long-term success is closely linked to the wellbeing of the communities in which we operate and the health of the natural environment on which our industry depends. Accordingly, we continue to integrate Environmental, Social and Governance (ESG) considerations into our strategies, operations and decision-making processes, with a focus on strengthening economic resilience, environmental stewardship, social wellbeing and sound governance.


Our sustainability approach therefore seeks to ensure that responsible business practices are embedded across our operations, enabling us to create value while contributing positively to our stakeholders, society and the planet. Through this approach, we strive to strengthen the resilience of our business, support our people and communities, minimize our environmental impact and uphold the highest standards of ethical and responsible conduct.

Our commitment to sustainability is further aligned with the United Nations Sustainable Development Goals (SDGs), which provide a framework for addressing key economic, social and environmental priorities. The progress made during the year against the SDGs identified as most relevant to our business and stakeholders is outlined in this review.

## Creating Sustainable Future

| ECONOMIC | | SOCIAL | | ENVIRONMENT | |
|---|---|---|---|---|---|
| Economic Performance | Ethics and Integrity | Employees | Community | Natural Resources | Emission and Waste |
| • Creating Wealth to all Stakeholders | • Ethics and Integrity in all Business Activities<br>• Responsible Business Practices<br>• Good Procurement Practices | • Employee Relations<br>• Training and Development<br>• Diversity and Equal Opportunity<br>• Health and Safety<br>• Employee Well-Being | • Community Development<br>• Responding to Natural Disasters | • Optimize the Usage of Energy and Materials | • Reduce the Carbon Footprint |

GRI 2021 : 2-22, 408-1, 409-1

# Our Approach to Sustainability

## Our Contribution towards Sustainable Development Goals (SDGs)

| SDG | Activity | Capital Reference |
|---|---|---|
| SDG 01 - No Poverty | • Employment provided for 125 (permanent and casual)<br>• New recruits 6<br>• Sale of 44.3 Kg of tea<br>• Provision of financial facilities worth Rs. 1,522.66 million in the form of advances and loans to support Tea producer<br>• Partial financial contribution towards the repair of homes damaged by the Ditwah cyclone, helping affected employees rebuild their living conditions | |
| SDG 02 - Zero Hunger | • Dry rations provided for Ditwah impacted staff and their families<br>• Dry rations provided for selected flood-affected tea factories to assist workers and support recovery efforts. | |
| SDG 03 - Good Health & Well-Being | • Provision of medical insurance<br>• Safe and secure working environment<br>• Allocation for employee health and welfare Rs.17 million<br>• Implementation of staff welfare activities<br>• Provision of community support to tea sector partners | |
| SDG 04 - Quality Education | • Investment of Rs.0.95 million on employee training and development<br>• 547.5 hours of training provided<br>• Opportunities for tea producers for training and learning<br>• Opportunities for internships and trainee programs in partnership with professional bodies<br>• Knowledge sharing platforms for employees<br>• Market intelligence sharing with clients<br>• Reimbursement of annual subscription fees of employees who are members of professional bodies. | |
| SDG 05 - Gender Equality | • Employee Gender Balance 78:22 (M:F ratio)<br>• During the reporting period, there were no incidents of discrimination reported<br>• 18% executive and managerial representation by female employees. | |

| SDG | Activity | Capital Reference |
|---|---|---|
| SDG 06 - Clean Water & Sanitation | • Providing access to clean drinking water and sanitation for all staff<br>• Treatment of 2,930 liters of water prior to release<br>• Provision of clean and sanitary working environment<br>• Rainwater harvesting in Muthurajawela premises<br>• Total water consumption reduced by 2% | |
| SDG 07 - Affordable and Clean Energy | • Implementation of energy saving initiatives within warehouses and office spaces<br>• Increased daylight use versus electricity use across warehouse and office premises<br>• Total Electricity consumption reduced by 23% | |
| SDG 08 - Decent Work and Economic Growth | • Contribution to national economy Rs.58.17 million in taxes<br>• Direct and indirect employment opportunities provided to approximately 6 persons<br>• Annual increments, bonus and other financial benefits<br>• Provision of financial facilities worth Rs. 1,522.66 million in the form of advances and loans to support Tea producer clients in expanding their operations.<br>• No incidents of operational or suppliers involvement reported in incidents of child labour, forced labour, or compulsory labour.<br>• Code of Business conduct and ethics for directors, key management personnel and employees | |
| SDG 09 - Industry, Innovation & Infrastructure | • Property, plant and equipment for value of Rs. 1.0 billion<br>• Investment capital (CAPEX) of Rs.37.6 million<br>• Digital auction, and client communications platforms<br>• 204,064 Sq Ft of advanced warehousing space<br>• Warehouse is designed to reduce the carbon footprint<br>• Improving the IT infrastructure of the Group by hosting all the systems in clouds. | |
| SDG 10 - Reduced Inequalities | • Maintain Equal and Fair HR and Recruitment policies across employment grades<br>• Non-discrimination against religion, ethinicity in career progression and welfare | |
| SDG 11 – Sustainable Cities and Communities | • Supporting and maintain welfare of communities<br>• Donation of Rs.0.25 for every kg of tea sold for community development<br>• Warehouse is designed to reduce the carbon footprint.<br>• Provision of financial facilities worth Rs. 1,522.66 million in the form of advances and loans to support Tea producer clients in expanding their operations.<br>• Reduced paper usage through technology investments towards a paperless office<br>• Reduced paper usage by 17%<br>• Total Electricity consumption reduced by 23%<br>• Total water consumption reduced by 2%<br>• Partial financial contribution towards the repair of homes damaged by the Ditwah cyclone, helping affected employees rebuild their living conditions | |

# Our Approach to Sustainability

| SDG | Activity | Capital Reference |
|---|---|---|
| SDG 12 - Responsible Consumption & Production | • Compliance to HACCP, ISO 9001:2015, ISO 2200:2018<br>• Total Electricity consumption reduced by 23%<br>• Total Fuel consumption reduced by 3%<br>• Total water consumption reduced by 2%<br>• Awareness creation amongst tea producer on best agrarian practices<br>• Reduced paper usage through technology investments towards a paperless office<br>• Reduced paper usage by 17%<br>• Payments to suppliers, and Tea producer clients are made electronically in collaboration with leading banks in the country<br>• Routine correspondences to our clients have been converted to electronic forms such as emails and SMSs<br>• No incidents of operational or suppliers involvement reported in incidents of child labour, forced labour, or compulsory labour.<br>• Code of Business conduct and ethics for directors, key management personnel and employees<br>• Implementation of Whistleblower Policy | |
| SDG 13 - Climate Action | • Total Electricity consumption reduced by 23%<br>• Total Fuel consumption reduced by 3%<br>• Ensuring conservation and protection of plants<br>• Reduced paper usage through technology investments towards a paperless office<br>• Reduced paper usage by 17%<br>• Continuous improvements in safe and sustainable energy management practices<br>• Tree planting and replanting initiatives<br>• Routine correspondences to our clients have been converted to electronic forms such as emails and SMSs<br>• Payments to suppliers, and Tea producer clients are made electronically in collaboration with leading banks in the country<br>• Zero incidents of non-compliance of environment laws and regulations reported | |

Note:

Financial Capital
Manufactured Capital
Human Capital
Intellectual Capital
Natural Capital
Social and Relationship Capital

# Outlook

### Global and Local Tea Industry

The global tea industry continued to expand in 2025, with total tea production reaching approximately 7,266 Mn kg, compared with 7,087 Mn kg in 2024, representing a 3% increase. Global tea exports also recorded growth during the year, rising to approximately 2,009 Mn kg from 1,968 Mn kg in 2024, an increase of 2.1%.

Global tea markets expanded in 2025, driven by higher production and exports, while Sri Lanka recorded steady gains and sustained its global presence.

| Country | 2024 | 2025 | Variance | |
|---|---|---|---|---|
| | (Mn/Kg) | (Mn/Kg) | (Mn/Kg) | % |
| China (Mainland) | 3,740.00 | 3,920.00 | 180.00 | 5 |
| India | 1,303.53 | 1,369.98 | 66.45 | 5 |
| Kenya | 598.48 | 550.08 | (48.40) | (8) |
| Turkey | 275.13 | 254.13 | (21.00) | (8) |
| Sri Lanka | 262.69 | 264.12 | 1.43 | 1 |
| Other | 907.32 | 909.20 | 1.89 | 0 |
| **Total** | **7,087.15** | **7,266.44** | **179.29** | **3** |

Sri Lanka's tea industry also recorded growth in production and exports in 2025. National tea production increased to 264.12 Mn kg, compared with 262.69 Mn kg in 2024, reflecting a 1% increase. Tea exports rose by 4.7% to 257.44 Mn kg, compared with 245.79 Mn kg in the preceding year. Export earnings increased to approximately Rs. 453.28 billion, compared with Rs. 433.47 billion in 2024.

Ceylon Tea continued to maintain a strong presence across international markets, with Iraq, Russia and Türkiye emerging as the leading destinations for Sri Lankan tea exports during the year.

### Tea Production by Elevation in Sri Lanka

| Elevation | 2024 | 2025 | Variance | |
|---|---|---|---|---|
| | (Mn/Kg) | (Mn/Kg) | (Mn/Kg) | % |
| High Grown | 55.72 | 56.50 | 0.77 | 1.39 |
| Mid Grown | 47.62 | 47.71 | 0.08 | 0.18 |
| Low Grown | 158.82 | 160.41 | 1.60 | 1.01 |
| **Total** | **262.16** | **264.62** | **2.46** | **0.94** |

Tea production in Sri Lanka recorded a marginal overall growth of 1% in 2025, increasing from 262.16 Mn Kg in 2024 to 264.62 Mn Kg. This increase was supported by growth across all three elevations. High Grown production increased by 1.3%, from 55.72 Mn Kg to 56.50 Mn Kg, while Mid Grown production rose by 0.18%, from 47.62 Mn Kg to 47.71 Mn Kg, alongside a 1% increase in Low Grown elevation from 158.82 Mn Kg to 160.41 Kg Mn in 2025/26.Overall, Low Grown teas continued to account for the largest share of national tea production

### Warehousing and Logistics Industry

Sri Lanka's strategic position along major East–West maritime and air routes continues to underpin its role as an important logistics and transshipment hub in the Indian Ocean region. The Port of Colombo recorded a historic 8.29 Mn TEUs in 2025, reaffirming its position as a leading container hub in South Asia, while the continued development of Colombo's terminal capacity is strengthening the country's ability to accommodate growing regional trade flows.

# Outlook

During 2025/26, the logistics landscape continued to evolve alongside the gradual strengthening of economic activity and trade. Growth in domestic and international cargo flows, together with Sri Lanka's expanding connectivity with regional markets, supported demand for integrated warehousing, distribution, freight management and value-added logistics solutions. The commencement and progressive scaling-up of the Colombo West International Terminal has further enhanced port capacity and connectivity, while planned investments in port infrastructure, digital customs processes, port community systems and integrated warehousing are expected to support the sector's continued development.

Technology is increasingly shaping the sector, with warehouse management systems, automation, digital platforms, data analytics and real-time supply chain visibility becoming important enablers of efficiency and service quality. The continued expansion of e-commerce and evolving customer expectations are also creating demand for flexible warehousing, fulfilment and last-mile distribution capabilities. These developments are contributing to a broader transition towards more integrated, technology-enabled and customer-focused logistics networks.

## The Group

### Tea Broking Segment

The Tea Broking segment maintained a strong level of activity during the year, with Ceylon Tea Brokers PLC handling 44.3 Mn Kg of tea, compared with 41.14 Mn Kg in the last year. This represented approximately 16.69% of Sri Lanka's total tea production, reflecting the Company's continued scale and established position within the local tea auctioning landscape. The tea handled generated total proceeds of approximately Rs.52.5 Bn, equivalent to around 17% of the industry's total value. The overall average price achieved was Rs.1,185 per Kg, compared with Rs.1,213.57 per Kg in the preceding year.

The Company's portfolio continued to reflect the diversity of Sri Lanka's tea-growing regions. Low Grown teas remained the largest component, accounting for 32.09 Mn Kg or 72% of the volume handled, with an average price of Rs.1,250.06 per Kg. High Grown teas contributed 5.66 Mn Kg, representing 13%, at an average of Rs.1,046.18 per Kg, while Medium Grown teas accounted for 6.54 Mn Kg or 15%, achieving an average of Rs.986.20 per Kg.

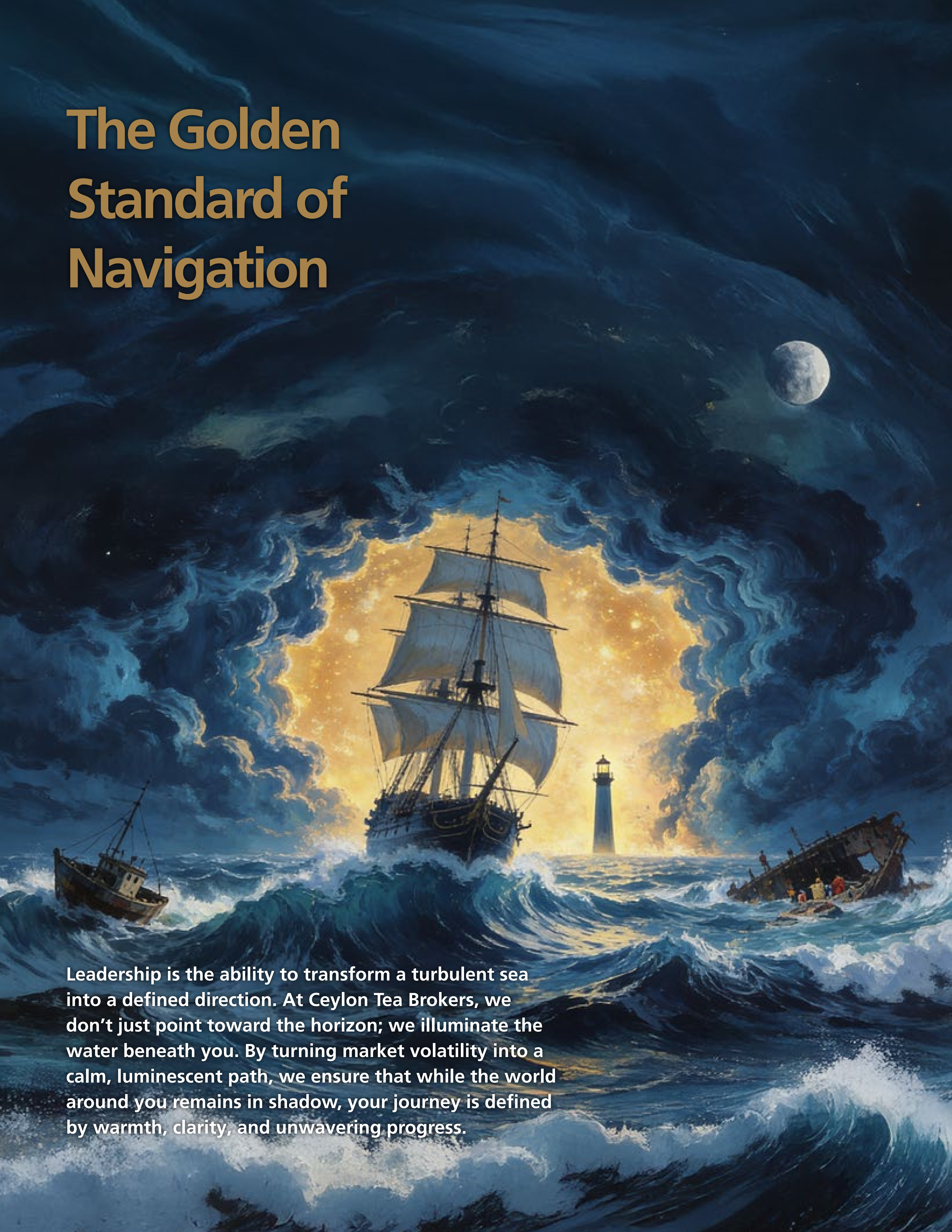
The breadth of the portfolio across all three elevations provides CTB with a well-diversified volume base and enables the Company to participate across key segments of Sri Lanka's tea production. The sustained volumes handled during the year, together with its established relationships across producers, buyers and other industry stakeholders, continued to reinforce CTB's role in facilitating the efficient marketing of Ceylon Tea through the Colombo Tea Auction.

### Warehousing Segment

During the year under review, the warehousing and logistics segment continued to navigate an evolving market environment, while strengthening its operational capabilities and positioning for future growth. Revenue during the year under review amounted to Rs. 417 Mn, compared with Rs.502.97 Mn in 2024/25, while gross profit stood at Rs.111.17 Mn compared with Rs.70.11 Mn in the last year. The segment recorded an operating profit of Rs.54 Mn and loss after tax of Rs.11.4 Mn, compared with a loss from operations of Rs. 36.37 Mn and a loss after tax of Rs.162.14 Mn in 2024/25.

During the year, the segment continued to focus on improving operational efficiency, strengthening cost discipline and aligning its service offering with evolving customer requirements. The performance of Logicare contributed to the Group's overall growth, supported by continued emphasis on operational excellence, technology adoption and customer-centric solutions.

With continued emphasis on productivity, service innovation and disciplined resource utilisation, the business is positioned to strengthen its contribution to the Group and respond to the evolving requirements of Sri Lanka's logistics and warehousing sector.



# The Golden Standard of Navigation

**Leadership is the ability to transform a turbulent sea into a defined direction. At Ceylon Tea Brokers, we don't just point toward the horizon; we illuminate the water beneath you. By turning market volatility into a calm, luminescent path, we ensure that while the world around you remains in shadow, your journey is defined by warmth, clarity, and unwavering progress.**

# Chairman's Statement on Corporate Governance

The evolving business environment, shaped by market volatility, regulatory reform, and the rapid digitization of operations continues to present both opportunities and challenges for listed companies in Sri Lanka. In this context, Ceylon Tea Brokers PLC remains firmly committed to maintaining the highest standards of corporate governance, recognizing that accountability, transparency, and ethical leadership are critical to preserving stakeholder confidence and ensuring long-term sustainability.

The year under review marked a period of progress in our governance journey. We undertook a comprehensive review and reconstituted our board and the key Board Committees, ensuring alignment with updated regulatory requirements and enhanced functional effectiveness.

Our governance philosophy is rooted in the principles of fairness, integrity, and responsibility. We believe that strong governance is not merely a compliance exercise but a vital mechanism that underpins disciplined performance, responsible conduct, and stakeholder trust. As a public listed company, we take seriously our duty to uphold the highest levels of transparency in our disclosures and decision making processes.

In line with the revised Listing Rules on Corporate Governance issued by the Colombo Stock Exchange, we have enhanced the structure and function of the Board and its Committees. Particular attention has been given to director independence, succession planning, and continued development to ensure the Board remains equipped to provide oversight amidst a dynamic operating environment.

We are pleased to confirm that the Company remains in full compliance with the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka. These standards have guided us in refining our internal controls, strengthening risk governance, and maintaining appropriate checks and balances at all levels of the organization.

Looking ahead, we will continue to evaluate and enhance our governance systems, ensuring they remain robust, responsive, and in line with emerging best practices. Our commitment is to sustain a culture of transparency and integrity that supports the Company's strategic goals and safeguards the interests of all stakeholders.

I would like to express my sincere appreciation to my fellow Board members for their insight and counsel, to the Management team for their focused execution, and to all stakeholders for their continued trust and support. We will remain steadfast in our efforts to uphold the principles of good governance that define Ceylon Tea Brokers PLC.

**Mr. R J N De Mel**
*Chairman*

31st August 2026

We believe that strong governance is not merely a compliance exercise but a vital mechanism that underpins disciplined performance, responsible conduct, and stakeholder trust.

GRI 2021 : 2-9

# Corporate Governance

Ceylon Tea Brokers PLC's corporate governance philosophy is anchored in responsible leadership, unwavering integrity, and a culture built on ethical business conduct. This philosophy has been integral to our journey since inception, guiding the Company through market changes and supporting sound decision-making amidst an evolving operating landscape. It continues to shape our governance practices, enabling us to remain agile, transparent and accountable as we deliver long-term value to our stakeholders.

## Governance and Functionality Policies

In accordance with Section 9.2 of the Colombo Stock Exchange (CSE) Listing Rules, the Company has established and maintained the required policies and has disclosed the existence of these policies, along with details of their implementation by the Entity, on its official website.

## Board contribution

- Provided strategic oversight and monitored organizational performance
- Engaged proactively with key stakeholders
- Played a pivotal role in shaping and guiding the organization's culture

## Committee Operations

Each Committee operates under a formal charter and convenes on a regular basis, with a minimum of one meeting per quarter. The frequency and agenda of meetings are aligned with the nature and urgency of issues under review.

## External Expertise

Where necessary, Committees draw on external professional expertise to obtain independent perspectives, ensure regulatory compliance, and enhance the quality of decision-making.

## Accountability to the Board

While authority is delegated, ultimate responsibility for Committee decisions remains with the Board of Directors. The Board reviews and deliberates on key matters arising from Committee proceedings to ensure alignment with the Company's governance objectives.

- Committee minutes are formally recorded and presented to the Board, capturing key deliberations and decisions.
- Where required, matters are referred back to the respective Committees for further review, analysis, or resolution.
- This structured reporting and oversight mechanism ensures that all decisions are made with due diligence, transparency, and alignment to the Company's strategic direction.

## Appointment and Removal of the Company Secretary

The Board of Directors holds the authority and responsibility for the appointment and removal of the Company Secretary, ensuring that the role is fulfilled with integrity and in alignment with the Company's governance framework. The Company Secretary plays a pivotal role in upholding the highest standards of corporate governance, serving as a key conduit between the Board and management, and fostering a culture of transparency, compliance, and accountability across the organization.

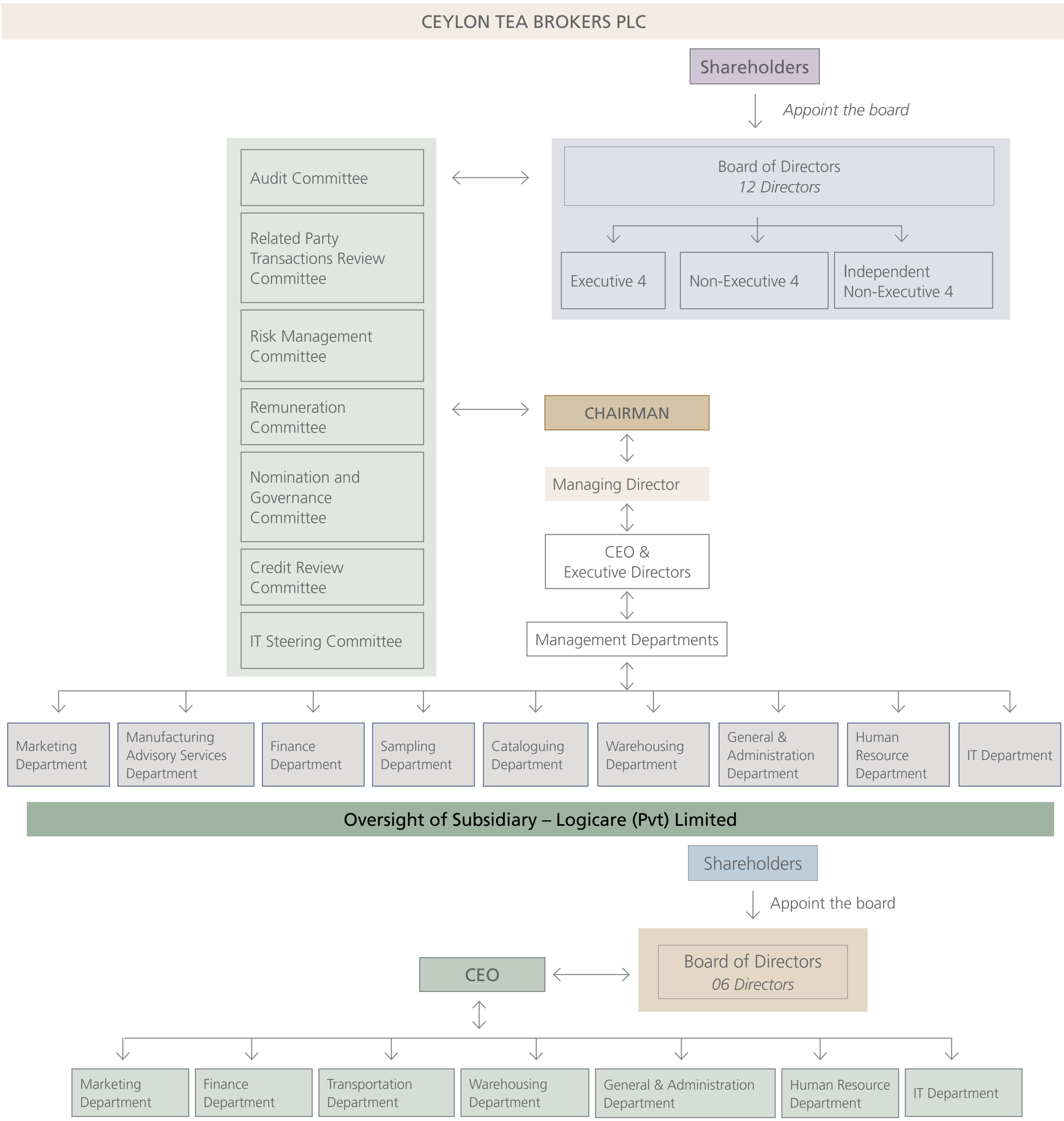
## Group Governance Structure

The governance structure of Ceylon Tea Brokers PLC has been progressively refined to ensure transparency and accountability to all stakeholders. As illustrated below, the Board maintains clear oversight across the Group ensuring effective governance and strategic alignment.

Strong governance is the foundation of responsible leadership, fostering transparency, accountability and integrity while creating lasting value for our stakeholders.

GRI 2021 : 2-9, 2-11, 2-12, 2-17, 2-24, 405-1

# Corporate Governance



GRI 2021 : 2-9

## Governance Standards and Frameworks

At Ceylon Tea Brokers PLC, we are committed to upholding the highest standards of corporate governance, ensuring transparency, accountability, and ethical conduct across all levels of the organization. Our governance framework is designed to support effective decision making, safeguard stakeholder interests and promote long-term value creation.

## Internal Governance Structure

**Objective :** To ensure policies, procedures, and internal controls are effectively implemented and monitored.

| Governance Component | Key Roles and Responsibilities |
|---|---|
| Board of Directors | Overall oversight of governance, strategic direction and compliance. |
| Board Sub-Committees | Specialized focus on Audit, Risk, Remuneration, and other key areas. |
| Management Departments | Execution of strategic plans and oversight of day-to-day operations. |
| Internal Audit | Independent assurance on the effectiveness of internal controls and risk management systems. |

## External Governance Structure

| Compliance Areas | Regulatory/Best Practice Framework |
|---|---|
| Corporate Governance | • Companies Act No. 07 of 2007<br>• Continuing Listing Rules – Colombo Stock Exchange<br>• Sri Lanka Accounting and Auditing Standards Act No.15 of 1995<br>• Inland Revenue Act No. 24 of 2017 and subsequent amendments<br>• The Shop and Office Employees Act No.15 of 1954 |
| Voluntary Compliance | • Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants 2023<br>• 10 principles of the United Nations Global Compact<br>• Integrated Reporting Framework<br>• Global Reporting Initiative Standards<br>• Quality standard certifications obtained by Logicare (Pvt) Ltd |
| Regulatory Bodies | • Sri Lanka Tea Board<br>• Colombo Tea Traders' Association<br>• Department of Inland Revenue<br>• Colombo Brokers' Association |

GRI 2021 : 2-9, 2-15, 2-25, 2-27

# Corporate Governance

**Objective :** To ensure transparent, ethical, and accountable operations, the Group adheres to a comprehensive external governance structure guided by statutory requirements, regulatory bodies, and best practice frameworks.

## Code of Business Conduct and Ethics

The Group introduced its Code of Business Conduct and Ethics for Directors, Key Management Personnel and employees in 2018 which covers the following aspects in order to promote good governance and an ethical business environment.

| Conduct Area | Description |
|---|---|
| Accurate Accounting | Honest and transparent financial reporting. |
| Anti-Bribery & Corruption | Zero tolerance for unethical inducements. |
| Anti-Money Laundering | Compliance with AML frameworks. |
| CSR & Charitable Contributions | Ethical giving and corporate social responsibility. |
| Compliance with Laws | Including insider trading regulations. |
| Confidentiality | Protection of sensitive company and client information. |
| Conflict of Interest | Transparent management of conflicting interests. |
| Entertainment & Gifts | Ethical acceptance and offering of gifts. |
| Fair Dealing | Just and impartial conduct in all dealings. |
| Grievance Handling | Clear disciplinary procedures. |
| Unethical Behavior | Prohibition of illegal or immoral acts. |
| Intellectual Property | Respect for and protection of IP rights. |
| Non-Discrimination | Safe, inclusive work environment. |
| Non-Solicitation | No wilful solicitation of clients or staff. |
| Asset Protection | Proper use of company resources. |
| Trademarks & Service Marks | Legal compliance and brand integrity. |
| Tech & Info Security | Responsible use of digital tools and protection of data. |
| Whistleblowing | Secure and anonymous reporting of misconduct. |

## Sustainability as a Precautionary Approach

"We view sustainability management as an essential strategy to mitigate economic, social, and environmental risks."

| Principle | Implementation Approach |
|---|---|
| Legal Compliance | Review of all laws, regulatory requirements, and internal procedures. |
| Anticipatory Action | Proactive steps to prevent any form of harm - economic, environmental, or social. |
| Inclusive Decision-Making | All decisions are open, informed, and democratic, involving all affected stakeholders. |

GRI 2021 : 2-9, 2-11, 2-12, 2-13, 2-15, 2-24

## Board of Directors

The Board is responsible for the Company's shareholders to ensure at all times that the activities of the Company are conducted with the highest ethical standards and in the best interest of all Stakeholders. The Board consists of professionals from various industries such as tea broking, finance, banking, accounting and management etc.

## Roles and responsibilities of the Board

As the apex governing body of Ceylon Tea Brokers PLC, the Board provides strategic leadership and oversight to ensure the long-term sustainability and value creation of the Company. Its key responsibilities include:

- Strategic Leadership – Defining the Company's strategic direction and setting the risk appetite to ensure alignment with stakeholder expectations and market dynamics.
- Governance and Ethics – Approving and upholding corporate governance frameworks, including remuneration policies, while fostering a culture of integrity and ethical conduct across the organization.
- Oversight and Performance Monitoring – Overseeing the Company's operational and financial performance, ensuring regulatory compliance, and reviewing the effectiveness of internal control and risk management frameworks.
- Resource Stewardship – Guiding the efficient allocation and utilization of resources to maximize stakeholder value and operational efficiency.
- Appointments and Succession – Overseeing appointments to the Board, Board Committees and senior management roles, with a focus on maintaining a balance of skills, experience, and independence.

In fulfilling these responsibilities, the Board delegates the execution of strategic plans and the management of day-to-day operations to the Corporate Management team, while maintaining oversight over internal controls, compliance, and risk management systems to safeguard the interests of all stakeholders.

## Board – Corporate Management dynamics

At Ceylon Tea Brokers PLC, the relationship between the Board and the Corporate Management is defined by a clear understanding of their respective roles, responsibilities, and delegated authority. This mutual trust, respect and accountability has been fundamental to maintaining sound corporate governance and driving the Company's operational and strategic effectiveness. It remains a cornerstone of our continued growth and our standing within Sri Lanka's tea broking industry.

## Segregation of roles of Chairman, Managing Director and Chief Executive Officer

In accordance with the Corporate Governance requirements of the Colombo Stock Exchange, the roles of the Chairman, Managing Director and Chief Executive Officer are clearly delineated to preserve a balance of power and safeguard independent oversight.

The Chairman leads the Board, ensuring its effectiveness in fulfilling its governance responsibilities, while the MD and the CEO is responsible for executing the Company's strategic plan, managing day-to-day operations and delivering performance in line with Board approved objectives.

## Policies

In compliance with Section 9.2 of the Listing Rules of the Colombo Stock Exchange (CSE), the Company has established and continues to maintain the following policies. The existence of these policies, together with details regarding their implementation by the Entity, have been disclosed on the Company's official website, accessible via the QR code provided below.

- Policy on the matters relating to the Board of Directors
- Policy on Board Committees
- Policy on Corporate Governance, Nominations and Re-election
- Policy on Remuneration
- Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities
- Policy on Risk management and Internal controls
- Policy on Relations with Shareholders and Investors
- Policy on Environmental, Social and Governance Sustainability
- Policy on Control and Management of Company Assets and Shareholder Investments
- Policy on Corporate Disclosures
- Policy on Whistleblowing
- Policy on Anti-Bribery and Corruption

## Aligning with global ESG standards - SLFRS S1 & SLFRS S2

In line with evolving global reporting standards, a comprehensive gap analysis is being conducted to assess the applicability of the newly issued SLFRS S1 – General Requirements for Disclosure of Sustainability related Financial Information and SLFRS S2 – Climate related Disclosures. This proactive initiative will enable the Company to implement appropriate disclosures in its reporting for the financial year ending March 31, 2027.

GRI 2021 : 2-9

# Corporate Governance

## Composition of the Board

As at 31st March 2026, the Board of Directors of Ceylon Tea Brokers PLC comprised twelve members. The composition included four Independent Non-Executive Directors (INEDs), ensuring independent judgment, balanced decision-making and alignment with the interests of shareholders. (Refer pages 38 to 41 for profiles of the Board and page 124 for the composition of the Board at end of FY2025/26)

Each Director contributes a diverse range of expertise across various professional disciplines, which enables the Board to critically evaluate proposals from Corporate Management and provide well rounded perspectives on complex and evolving matters.

## Diversity and inclusion

Ceylon Tea Brokers PLC recognizes that diversity and inclusion are vital to cultivating an agile, innovative, and forward-looking organization. The Company fosters a culture where varied viewpoints are actively encouraged and valued, contributing to well-informed decision-making and sustained organizational progress.

Reflecting this commitment, the Board brings together professionals with deep experience in fields such as Tea Industry Operations, Finance, Accounting and Auditing, Banking and Management, Marketing, Human Resources, Organizational and Leadership Development, Engineering, Innovation and Technology, creating a rich tapestry of knowledge and insight that supports the Company's strategic direction.

## Board meetings

During the financial year 2025/26, the Board convened five scheduled meetings to provide oversight on key matters concerning strategy, performance, governance, and risk. These sessions served as critical forums for steering the Group's short-term priorities and long-term objectives on page 124 for the composition of the Board and attendance at meetings for FY2025/26)

Attendance and hybrid meeting format
In recognition of the need for flexibility and continuity, Ceylon Tea Brokers PLC continued to adopt a hybrid model for Board meetings. This format enabled Directors travelling overseas or otherwise unable to attend in person to participate virtually, ensuring uninterrupted governance processes.

## Composition of the Board and attendance at meetings

| Name of the Director | Designation | DOA | Age Group | Directorship Status | | Attended/ Eligibility to attend | Board Subcommittee Membership | | | | | | | Tenure on the Board as at 31.03.2026 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | AC | RPTRC | RMC | RC | NGC | CRC | ITSC | |
| Mr. R J N De Mel | Chairman | 01.04.2019 | ≥ 50 Yrs | NED | ID | 5/5 | M | M | M | M | M | | | 6+ |
| Mr. D G W De Silva | Managing Director | 23.03.2009 | 30 - 50 Yrs | ED | NID | 5/5 | BI | BI | BI | BI | BI | M | M | 17 |
| Mr. K A D Fernando | Chief Executive Officer | 24.05.2019 | 30 - 50 Yrs | ED | NID | 5/5 | BI | BI | BI | BI | BI | M | M | 6+ |
| Mr. W A T Fernando | Director | 01.02.2005 | ≥ 50 Yrs | NED | NID | 3/5 | | | BI | BI | BI | C | | 21+ |
| Mr. H T D Nonis | Director | 24.05.2019 | 30 - 50 Yrs | ED | NID | 1/5 | | | BI | | | M | | 6+ |
| Mr. Z Mohamed | Director | 24.05.2019 | 30 - 50 Yrs | ED | NID | 1/5 | | | BI | | | M | C | 6+ |
| Mr. C P R Perera | Director | 30.10.2009 | ≥ 50 Yrs | NED | NID | 1/5 | | | M | | | | | 16+ |
| Ms. N T M S Cooray | Director | 09.10.2006 | ≥ 50 Yrs | NED | NID | 1/5 | | | | M | | | | 19+ |
| Ms. H M S Perera | Director | 09.10.2006 | ≥ 50 Yrs | NED | NID | 2/5 | M | M | | | | | | 19+ |
| Dr. K B G B R Kulapala | Director | 27.09.2024 | 30 - 50 Yrs | NED | ID | 1/5 | | | C | | | | | 1+ |
| Ms. A Akbar | Director | 27.09.2024 | 30 - 50 Yrs | NED | ID | 1/5 | C | | | | | | | 1+ |
| Dr. (Mrs.) M De Zoysa | Director | 27.09.2024 | ≥ 50 Yrs | NED | ID | 3/5 | | C | | C | C | | | 1+ |

DOA – Date of Appointment
ED – Executive Director
NED – Non-Executive Director
ID – Independent Director
NID – Non-Independent Director

AC – Audit Committee
RPTRC – Related Party Transactions Review Committee
RMC – Risk Management Committee
RC – Remuneration Committee
NGC – Nominations and Governance Committee
CRC – Credit Review Committee
ITSC – IT Steering Committee

M – Member
BI – By Invitation
C – Chairperson

GRI 2021 : 2-9

## Composition of the Board as at 31st March 2026

### Executive and Non-Executive Directors

- Executive Directors Non-Independent Directors – 4
- Non-Executive Directors Non-Independent Directors – 4
- Non-Executive Directors Independent Directors – 4

### Board's gender composition

Male – 8 Female – 4

### Board's age composition

- Age above 50 years - 6
- Age below 50 years - 6

### Tenure on the Board (Years)


### Board of Directors' industry/background experience

- Finance, Accounting and Auditing
- Banking and Management
- Engineering, Innovation and Technology
- Tea Industry Expertise
- Marketing
- HR, Organizational and Leadership Development

## Re-election/election of Directors

The Articles of Association of the company prescribe a process for the re-election and election of Directors, ensuring that the Board maintains its effectiveness and alignment with governance principles.

## 2026 re-election candidates:

H M S Perera will seek re-election at the AGM on 30th September 2026.

## Board committees

Ceylon Tea Brokers PLC has instituted a well-defined Board Committee structure to strengthen the Company's governance framework and support the Board in the effective discharge of its responsibilities. The Company has established seven Board Committees, each entrusted with specific mandates and delegated authority to oversee subject-specific and technical matters. This structure enables the Board to remain focused on broader strategic priorities, while ensuring that key operational and governance areas receive dedicated attention.

## Mandatory and voluntary committees

### Mandatory Board Committees:

In compliance with the listing rules of the Colombo Stock Exchange (CSE), Ceylon Tea Brokers PLC has established the following five mandatory committees:

- Audit Committee
- Related Party Transactions Review Committee
- Risk Management Committee
- Remuneration Committee
- Nomination and Governance Committee

These Committees play a critical role in safeguarding stakeholder interests and ensuring adherence to regulatory and governance standards.

### Voluntary Board Committees:

In addition to the mandatory Committees, the Company has constituted two voluntary Committees to address specific business and operational priorities:

- Credit Review Committee
- IT Steering Committee

These Committees reflect the company's proactive approach to strengthening internal controls, technology governance, and credit oversight, underscoring a continued commitment to operational excellence.

# Report of the Audit Committee

67%
**Independence**
(as at end-March 2026)

5
**Meeting**

The Committee regularly assesses the adequacy and effectiveness of the Company's internal control systems to ensure the accuracy, reliability and integrity of its financial reporting.

## Composition of the Committee

During the year under review, the Board Audit Committee was constituted in accordance with the requirements of Section 9.19.6 of the Listing Rules issued by the Colombo Stock Exchange (CSE), and Section D.3.1 of the Code of Best Practice on Corporate Governance – 2023, issued by CA Sri Lanka. The Committee comprised the following Directors:

Ms. A Akbar (Chairperson)
*Independent Non-Executive Director*

Ms. H M S Perera
*Non-Executive Director*

Mr. R J N De Mel
*Independent Non-Executive Director*

## Meeting Attendance

The Committee convened five times during the year under review, and its deliberations and recommendations were communicated to the Board of Directors as appropriate.

| Name of the Director | Attended | Eligibility to Attend |
|---|---|---|
| Ms. A Akbar | 5 | 5 |
| Ms. H M S Perera | 5 | 5 |
| Mr. R J N De Mel | 5 | 5 |

## Regular Attendees by Invitation

The following members of the corporate management team regularly attended the meetings by invitation of the Committee.

Mr. D G W De Silva
*Executive Director / Managing Director*

Mr. K A D Fernando
*Executive Director / Chief Executive Officer*

Mr. S A A R Samarasinghe
*Director Finance*

Mr. P K S Senevirathna
*Finance Manager*

Ms. L S C De Silva (resigned w.e.f 31st March 2026)
*Assistant Finance Manager*

Representatives from external auditors, Messrs. KPMG and representatives from internal auditors, Messrs. Deloitte also attended one meeting each during the year by invitation of the Committee.

## Terms of Reference

The Audit Committee has been established to assist the Board of Directors in discharging its oversight responsibilities. The terms of reference for the Audit committee have been clearly defined and the main scope is as follows:

- Ensure the integrity of the Financial Statements of the Company
- Evaluate the adequacy and effectiveness of internal controls and risk management systems
- Monitor compliance with legal and regulatory requirements
- Review the scope, effectiveness, and independence of both internal and external audit functions

## Financial Reporting

The Committee is responsible for monitoring the Company's compliance with applicable financial reporting regulations, including the Sri Lanka Financial Reporting Standards (SLFRS and LKAS) issued by the Institute of Chartered Accountants of Sri Lanka, the Companies Act No. 7 of 2007, and the Listing Rules of the Colombo Stock Exchange.

In discharging this responsibility, the Audit Committee, together with Management, reviewed the Quarterly and Annual Financial Statements for the year ended 31st March 2026. These reviews focused on ensuring the accuracy, completeness, and regulatory compliance of the financial statements. The Committee also evaluated the effectiveness of the financial reporting processes in place to ensure that reliable and timely information is communicated to shareholders and other stakeholders.

## Internal Audit

To support its oversight of internal controls and risk management, the Committee engaged the services of Deloitte to conduct the internal audit for the year. The scope of the internal audit was reviewed and agreed upon in consultation with both the Internal Auditors and Management prior to the commencement of the audit.

The resulting Internal Audit Report was thoroughly evaluated by the Committee alongside Management. The Committee also monitored the implementation status of key recommendations made by the Internal Auditors to ensure that necessary corrective actions were taken.

## External Audit

The Audit Committee reviewed and discussed the scope of the external audit with both the External Auditors and Management prior to the commencement of audit activities. Upon completion of the audit, the Committee reviewed the Management Letter issued by the External Auditors, and where necessary, recommended appropriate remedial actions.

Following an evaluation of the performance of the External Auditors, the Committee has recommended to the Board of Directors the reappointment of Messrs. KPMG, Chartered Accountants of No. 32A, Sir Mohamed Macan Markar Mawatha, Colombo 02, as the External Auditors for the financial year ending 31st March 2027, subject to shareholder approval at the Annual General Meeting. The Committee also reviewed the proposed audit fees, which were subsequently submitted to the Board for approval.

## Independence of the External Audit

The Audit Committee reviewed all non-audit services provided by the External Auditors to ensure that their independence and objectivity remained uncompromised. The Committee is satisfied that the Company's accounting practices, and internal control environment offer reasonable assurance that operations are conducted in compliance with internal policies and that the Company's assets are properly accounted for and adequately safeguarded.

Ms. A Akbar
*Chairperson – Audit Committee*

31st August 2026

# Report of Related Party Transactions Review Committee

67%
**Independence**
(as at end-March 2026)

4
**Meeting**

The Committee regularly assesses the transactions between the company and its related parties to ensure they are conducted on fair and transparent terms.

## Composition of the Committee

During the year under review, the Board Related Party Transactions Review Committee was constituted in accordance with the requirements of Section 9.14.2 of the Listing Rules of the Colombo Stock Exchange (CSE) and Section D.5.2 of the Code of Best Practice on Corporate Governance – 2023, issued by CA Sri Lanka. The Committee comprised the following Directors:

Dr. (Mrs.) M De Zoysa (Chairperson)
*Independent Non-Executive Director*

Mr. R J N De Mel
*Independent Non-Executive Director*

Ms. H M S Perera
*Non-Executive Director*

## Meeting Attendance

The Committee convened four times during the year under review, and its deliberations and recommendations were communicated to the Board of Directors as appropriate.

| Name of the Director | Attended | Eligibility to Attend |
|---|---|---|
| Dr. (Mrs.) M De Zoysa | 4 | 4 |
| Ms. H M S Perera | 4 | 4 |
| Mr. R J N De Mel | 4 | 4 |

## Regular Attendees by Invitation

The following members of the corporate management team regularly attended the meetings by invitation of the Committee.

Mr. D G W De Silva
*Executive Director / Managing Director*

Mr. K A D Fernando
*Executive Director / Chief Executive Officer*

Mr. S A A R Samarasinghe
*Director Finance*

Mr. P K S Senevirathna
*Finance Manager*

Ms. L S C De Silva (resigned w.e.f 31st March 2026)
*Assistant Finance Manager*

## Terms of Reference

The Related Party Transactions Review Committee has been established to assist the Board of Directors in overseeing and reviewing all Related Party Transactions undertaken by the Company. The Committee's responsibilities include:

- Review all Related Party Transactions carried out by the Company and ensuring adherence to applicable regulatory and governance standards.
- Ensure that such transactions comply with:
  - The Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission (SEC) of Sri Lanka,
  - Section 9 of the Listing Rules of the Colombo Stock Exchange (CSE), and
  - The Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).
- Report to the Board of Directors on a quarterly basis, providing updates and recommendations on matters reviewed by the Committee.

## Procedures followed by the Committee

- The Committee has implemented the following procedures to ensure the effective oversight of related party transactions:
- Senior management is required to present a summary of all related party transactions to the Committee during each of its quarterly meetings.
- Management must notify the Committee of any proposed non-recurrent related party transactions prior to their execution.
- With respect to recurrent transactions, the Committee assesses the ongoing relationships with related parties to verify that such transactions continue to align with established guidelines and remain appropriate.

## Activities during the Year

During the financial year under review, the Committee held periodic meetings to evaluate all related party transactions undertaken by the Company. Each transaction was assessed with regard to its terms, nature, and compliance with applicable guidelines. Observations and recommendations arising from these reviews were formally communicated to the Board of Directors.

The related party transactions executed during the year have been disclosed in Note 31 to the Financial Statements.

## Declaration

The Board of Directors has issued a declaration confirming compliance with the applicable rules and regulations on related party transactions. This declaration is included in the Report of the Board of Directors on page 156 to 162 of this Annual Report.

**Dr. (Mrs.) M De Zoysa**
*Chairperson – Related Party Transactions Review Committee*

31st August 2026

# Report of the Risk Management Committee

67%
**Independence**
(as at end-March 2026)

4
**Meeting**

## The Committee oversees the identification, assessment, and mitigation of key risks to safeguard the company's operations and objectives.

### Composition of the Committee

During the year under review, the Risk Management Committee was constituted in accordance with the requirements of Section D.4.1 of the Code of Best Practice on Corporate Governance 2023, issued by CA Sri Lanka. The Committee comprised the following Directors:

Dr. K B G B R Kulapala (Chairman)
*Independent Non-Executive Director*

Mr. R J N De Mel
*Independent Non-Executive Director*

Mr. C P R Perera
*Non-Executive Director*

### Meeting Attendance

The Committee convened four times during the year under review, and its deliberations and recommendations were communicated to the Board of Directors as appropriate.

| Name of the Director | Attended | Eligibility to Attend |
|---|---|---|
| Mr. K B G B R Kulapala | 4 | 4 |
| Mr. R J N De Mel | 4 | 4 |
| Mr. C P R Perera | 4 | 4 |

### Regular Attendees by Invitation

The following members of the board and corporate management team regularly attended the meetings by invitation of the Committee.

Mr. W A T Fernando
*Non-Executive Director*

Mr. D G W De Silva
*Executive Director / Managing Director*

Mr. K A D Fernando
*Executive Director / Chief Executive Officer*

Mr. Z Mohamed
*Executive Director*

Mr. H T D Nonis
*Executive Director*

Mr. S A A R Samarasinghe
*Director Finance*

Mr. J S Warusevitane
*Risk and Compliance Manager*

Mr. P K S Senevirathna
*Finance Manager*

Ms. L S C De Silva (resigned w.e.f 31st March 2026)
*Assistant Finance Manager*

## Terms of Reference

The Risk Management Committee operates under a defined Terms of Reference outlining its authority and responsibilities. The Committee has been established to support the Board of Directors in overseeing the Company's risk management practices and internal control systems. Its key responsibilities include:

- Reviewing the adequacy and effectiveness of the Company's risk management framework and internal controls, with the objective of mitigating potential risks and minimizing their impact on the Company's operations.
- Evaluating all categories of risk and reporting significant findings and recommendations to the Board through verbal updates and by submitting the minutes of Committee meetings at quarterly Board Meetings.

## Activities during the year

During the year under review, the Risk Management Committee actively supported the Board by evaluating the Company's risk management framework and its operational effectiveness. Where necessary, the Committee recommended improvements to strengthen the overall risk management processes.

A comprehensive review of the Company's Risk Management Framework is presented on pages 163 to 169 of this Annual Report.

Dr. K B G B R Kulapala
*Chairman – Risk Management Committee*

31st August 2026

GRI 2021 : 2-19, 2-20

# Report of the Remuneration Committee

67% **Independence** (as at end-March 2026)

4 **Meeting**

The Committee oversees and determines fair and competitive compensation policies for directors and management to attract and retain talent.

## Composition of the Committee

The Remuneration Committee during the year under review, comprised of the following Independent Non-Executive Directors in conformity with the requirements of Section 9.12.6 of the Listing Rules of the CSE and the Section B.2.2 of the Code of Best Practice on Corporate Governance 2023, issued by CA Sri Lanka.

Dr. (Mrs.) M De Zoysa (Chairperson)
*Independent Non-Executive Director*

Mr. R J N De Mel
*Independent Non-Executive Director*

Ms. N T M S Cooray
*Non-Executive Director*

## Meeting Attendance

The Committee convened four times during the year under review, and its deliberations and recommendations were communicated to the Board of Directors as appropriate.

| Name of the Director | Attended | Eligibility to Attend |
|---|---|---|
| Dr. (Mrs.) M De Zoysa | 4 | 4 |
| Ms. N T M S Cooray | 4 | 4 |
| Mr. R J N De Mel | 4 | 4 |

## Regular Attendees by Invitation

The following members of the board regularly attended the meetings by invitation of the Committee.

Mr. W A T Fernando
*Non-Executive Director*

Mr. D G W De Silva
*Executive Director / Managing Director*

Mr. K A D Fernando
*Executive Director / Chief Executive Officer*

GRI 2021 : 2-19, 2-20

## Terms of Reference

The Remuneration Committee operates under formally agreed Terms of Reference and is responsible for ensuring that remuneration structures are aligned with individual performance and the overall objectives of the Company. The Committee evaluates the performance of Executive Directors against pre-established goals and recommends appropriate remuneration packages. Final decisions on remuneration are made by the Board of Directors, based on the Committee's recommendations. Importantly, no Director is involved in determining his or her own remuneration.

## Remuneration Policy

The Company's Remuneration Policy is designed to attract, retain, and motivate highly qualified and experienced Executive Directors and Key Management Personnel. It aims to link remuneration with both individual and corporate performance, thereby fostering a high-performance culture.

As part of the remuneration structure, a profit-sharing scheme is in place for the Key Management Team, including Executive Directors. This scheme, which is aligned with the interests of the Company and its stakeholders, provides incentives for delivering superior performance. The scheme is reviewed annually by the Remuneration Committee to ensure its continued relevance and effectiveness.

In addition, salaries and other benefits are reviewed on an annual basis, taking into consideration individual contributions, Company performance, and prevailing industry remuneration benchmarks.

Details of the aggregate remuneration paid to Executive and Non-Executive Directors during the year under review are disclosed on page 202 under Directors' Remuneration.

**Dr. (Mrs.) M De Zoysa**
*Chairperson – Remuneration Committee*

31st August 2026

GRI 2021 : 2-10, 2-18

# Report of the Nomination Committee

67%
**Independence**
(as at end-March 2026)

4
**Meeting**

The Committee oversees the selection, evaluation, and appointment of directors to ensure a balanced and effective Board.

## Composition of the Committee

The Nomination Committee during the year under review comprised of the following Independent Non-Executive Directors in conformity with the requirements of Section 9.11.4 of the Listing Rules of the CSE and Section A.7.1 of the Code of Best Practice on Corporate Governance-2023, issued by CA Sri Lanka.

The Nomination Committee appointed by and responsible to the Board of Directors comprises of the following Directors;

Dr. (Mrs.) M De Zoysa (Chairperson)
*Independent Non-Executive Director*

Mr. R J N De Mel
*Independent Non-Executive Director*

Mr. C P R Perera
*Non-Executive Director*

## Meeting Attendance

The Committee convened four times during the year under review and attendance for these meetings is provided below.

| Name of the Director | Attended | Eligibility to Attend |
|---|---|---|
| Dr. (Mrs.) M De Zoysa | 4 | 4 |
| Mr. R J N De Mel | 4 | 4 |
| Mr. C P R Perera | 4 | 4 |

## Regular Attendees by Invitation

The following members of the board also regularly attended the meetings by invitation of the Committee.

Mr. W A T Fernando
*Non-Executive Director*

Mr. D G W De Silva
*Executive Director / Managing Director*

Mr. K A D Fernando
*Executive Director / Chief Executive Officer*

## Terms of Reference

The Nomination Committee is responsible for making recommendations to the Board on all new appointments and re-appointments of Directors. The Committee regularly reviews and assesses the structure, size, composition, and skill set of the Board to ensure it remains effective and well-balanced. Based on these assessments, the Committee makes appropriate recommendations regarding Board composition. These evaluations also inform decisions relating to the appointment of new Directors and the re-election of existing Directors.

## Activities during the year

During the year under review, the Committee engaged in discussions on succession planning for Executive Directors and members of the Corporate Management team.

## Re-election / Re-appointment of Directors at the Sixteenth Annual General Meeting

Information regarding the Directors proposed for re-election or re-appointment at the Seventeenth Annual General Meeting is provided in the Notice of the Annual General Meeting on page 260 of this Annual Report.

**Dr. M De Zoysa**
*Chairperson – Nomination Committee*

31st August 2026

# Report of the Credit Review Committee

8
**Meeting**

The Committee oversees and evaluates the loans and advances extended to tea factory clients, ensuring prudent credit risk management. It reviews portfolio performance, assesses creditworthiness, and supports recovery efforts in line with company policy.

## Composition of the Committee

During the year under review, the Credit Review Committee was composed of the following members of the Board of Directors and the management team:

Mr. W A T Fernando (Chairman)
*Non-Executive Director*

Mr. D G W De Silva
*Executive Director / Managing Director*

Mr. K A D Fernando
*Executive Director / Chief Executive Officer*

Mr. Z Mohamed
*Executive Director*

Mr. H T D Nonis
*Executive Director*

Mr. S A A R Samarasinghe
*Director Finance*

Mr. N Abeygunawardana
*Senior Manager Operations*

Mr. P K S Senevirathna
*Finance Manager*

Ms. L S C De Silva
*(resigned w.e.f 31st March 2026)*
*Assistant Finance Manager*

## Meeting Attendance

The Committee convened ten times during the year under review, and its deliberations and recommendations were communicated to the Board of Directors as appropriate.

| Name of the Director | Attended | Eligibility to Attend |
|---|---|---|
| Mr. W A T Fernando | 8 | 8 |
| Mr. D G W De Silva | 8 | 8 |
| Mr. K A D Fernando | 8 | 8 |
| Mr. Z Mohamed | 8 | 8 |
| Mr. H T D Nonis | 8 | 8 |
| Mr. S A A R Samarasinghe | 8 | 8 |
| Mr. N Abeygunawardana | 8 | 8 |
| Mr. P K S Senevirathna | 8 | 8 |
| Ms. L S C De Silva | 8 | 8 |

## Regular Attendees by Invitation

The following member of the board also regularly attended the meetings by invitation of the Committee.

Mr. R J N De Mel
*Chairman*

# Report of the Credit Review Committee

## Terms of Reference

The Credit Review Committee is tasked with overseeing the Company's portfolio of loans and advances granted to tea factory clients. Its primary responsibilities include:

- Reviewing and assessing the creditworthiness of new and existing tea factory clients.
- Monitoring the performance of the loans and advances portfolio, with a focus on exposure, recoverability, and overdue positions.
- Ensuring that all credit facilities are extended in line with the Company's internal credit policies and regulatory guidelines.
- Recommending measures to mitigate credit risk and improve the effectiveness of the Company's credit risk management practices.
- Supporting the Board and management in maintaining a prudent balance between business development and credit risk exposure.

## Activities in 2026

During the year 2026, the Credit Review Committee undertook the following key activities:

- Conducted regular reviews of the loans and advances portfolio, focusing on high-exposure clients and ageing analysis of outstanding balances.
- Evaluated the creditworthiness of new clients and recommended appropriate limits, terms, and collateral requirements based on risk profiles.
- Ensured that all credit decisions and disbursements were made in compliance with the Company's internal credit policy and in alignment with market conditions.
- Recommended actions to improve recovery of long-outstanding advances and supported management in implementing follow-up strategies.
- Ensured the portfolio remained within acceptable risk parameters throughout the year despite external pressures from market volatility and sectoral challenges.

The Committee remains focused on safeguarding the Company's financial position while supporting the operational liquidity needs of tea factory clients through responsible and structured lending.

Mr. W A T Fernando
*Chairman – Credit Review Committee*

31st August 2026

# Report of the IT Steering Committee

5
**Meeting**

The Committee provides strategic oversight and direction for the Company's technology initiatives. It ensures that IT systems align with business objectives, supports digital transformation, strengthens cybersecurity, and promotes operational efficiency through the effective use of technology.

## Composition of the Committee

During the year under review, the IT Steering Committee was composed of the following members of the Board of Directors and the management team:

Mr. Z Mohamed (Chairman)
*Executive Director*

Mr. D G W De Silva
*Executive Director / Managing Director*

Mr. K A D Fernando
*Executive Director / Chief Executive Officer*

Mr. S A A R Samarasinghe
*Director Finance*

Mr. M De Zoysa
*Manager - IT*

Mr. N Abeygunawardana
*Senior Manager Operations*

## Meeting Attendance

The Committee convened four times during the year under review, and its deliberations and recommendations were communicated to the Board of Directors as appropriate.

| Name of the Director | Attended | Eligibility to Attend |
|---|---|---|
| Mr. Z Mohamed | 5 | 5 |
| Mr. D G W De Silva | 5 | 5 |
| Mr. K A D Fernando | 5 | 5 |
| Mr. S A A R Samarasinghe | 5 | 5 |
| Mr. M De Zoysa | 5 | 5 |
| Mr. N Abeygunawardana | 5 | 5 |

## Regular Attendees by Invitation

The following members of the corporate management team and IT consultants regularly attended the meetings by invitation of the Committee.

Ms. S Arif
*Manager - Administration*

Mr. B G M Arachchige
*IT Consultant*

Ms. D Rajapakse
*Digital Transformation Consultant*

# Report of the IT Steering Committee

## Terms of Reference

The IT Steering Committee is responsible for providing strategic direction, oversight, and governance of the Company's information technology (IT) initiatives. The Committee's key responsibilities include:

- Aligning IT strategies with the Company's overall business objectives.
- Evaluating and recommending major IT investments and system upgrades.
- Monitoring the performance, effectiveness, and security of existing IT systems.
- Ensuring compliance with relevant regulatory and cybersecurity standards.
- Supporting innovation, digital transformation, and operational efficiency through the use of technology.

## Activities in 2026

During the year 2026, the IT Steering Committee undertook the following key activities:

- Oversaw improvements to the Company's core systems to enhance functionality, data accuracy, and reporting capabilities.
- Reviewed and strengthened the Company's cybersecurity framework, including regular vulnerability assessments and implementation of updated protocols to protect sensitive data.
- Updated and tested the Company's IT disaster recovery and business continuity plans to ensure minimal disruption in the event of unforeseen incidents.
- Assessed and reviewed third-party IT service providers and software vendors to ensure value, reliability, and data security.
- Supported the digitization of internal processes, including document management and workflow automation, to improve productivity and reduce manual intervention.

The Committee remains committed to leveraging technology to drive efficiency, resilience, and innovation across the Company's operations. As part of our continued commitment to operational excellence and client-centric service, CTB has invested in advancing its digital capabilities. This year, we strengthened our data infrastructure and analytics frameworks to support smarter, faster decision-making across the value chain.

Mr. Z Mohamed
*Chairman – IT Steering Committee*

31st August 2026

# Directors' Statement on Internal Controls

## Responsibility

The Board is responsible for the adequacy and effectiveness of Ceylon Tea Brokers PLC's system of internal controls. However, such a system is designed to manage the Company's key areas of risk within an acceptable risk profile, rather than eliminate the risk of failure to achieve the business objectives of the Company.

Accordingly, the system of Internal Controls can only provide a reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

## Internal Control Process

The Risk Management Committee and the Audit Committee review the effectiveness of the risk management framework and internal controls, effectiveness of the audit, review of compliance and internal audit processes. The Management Committee and the Credit Committee which are under the supervision and direction of the Board of Directors implement policies and procedures at operational level in order to strengthen the internal controls. Internal Auditors review the effectiveness of risk management practices and the internal controls of the Company whilst the External Auditors review the internal controls over the financial reporting process. Detailed review on risk management and internal controls is given from page 163 to 169 under Risk Management.

## Confirmation

Based on the above processes, the Board confirms that the financial reporting system of the Company has been designed to provide a reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes and has been done in accordance with Sri Lanka Accounting Standards and other regulatory requirements.

By order of the Board

Ms. A Akbar
*Chairman – Audit Committee*

Mr. R J N De Mel
*Chairman*

Mr. D G W De Silva
*Managing Director*

31st August 2026

GRI 2021 : 2-23, 2-24, 2-27

# Summary of Compliance

Voluntary Compliance with the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka is as follows:

## Section I – The Company

| Reference to Code | Governance Principle | Compliance Status | Details of Compliance |
|---|---|---|---|
| **A** | **Directors** | | **The Board comprises of twelve directors out of which Eight serve as Non Executive Directors as at 31st March 2026** |
| A.1 | The Board | | |
| A.1.1 | Board Meetings | Yes | The Board has met five times during the year and attendance at these Board Meetings are given on Page 124 of this report. |
| A.1.2 | Role of the Board | Yes | Key responsibilities of the Board includes;<br>• Formulation and implementation of strategies<br>• Reviewing and approving business plans and budgets<br>• Reviewing and comparing actual results against the budgets<br>• Ensuring effective internal controls and risk management<br>• Ensuring effective compliance with laws, regulations and ethical standards.<br>• Ensuring that the ICT roadmap is in line with the business strategy. |
| A.1.3 | Act in Accordance with the Laws of the Country | Yes | The Board has ensured that the Directors have adhered to all applicable laws, rules and regulations. |
| A.1.4 | Access to the Company Secretary | Yes | All Directors have access to the advice and services of the Company Secretary M/s. PW Corporate Secretarial (Pvt.) Ltd., who is responsible to the Board in ensuring that Board procedures are followed and that applicable rules and regulations are complied. |
| | Appropriate Insurance Cover | Yes | The Group has obtained a Directors and Officers Liability Insurance Cover. |
| A.1.5 | Independent Judgement | Yes | The Board members are required to refrain from matters of self interest and to bring independent judgement to the decision making process. |
| A.1.6 | Adequate Time and Effort | Yes | Directors dedicate adequate time and effort to matters pertaining to the Board and the Group to ensure that their duties and responsibilities are satisfactorily discharged. Directors dedicate sufficient time before a meeting to review Board papers and request additional information and clarification and follow up on issues consequent to the meeting. |
| A.1.7 | Resolution to be presented to the Board | Yes | One third of Directors can call for a resolution to be presented to the Board where they feel it is in the best interest to the Group to do so. |
| A.1.8 | Appropriate Training | Yes | Majority of the Directors have experience in the Tea Industry and every Director is given appropriate training on the industry as well as guidelines for accepting a new directorship, when they are first appointed to the Board. |
| A.2 | Chairman and Chief Executive Officer (CEO) | Yes | The roles of the Chairman, Managing Director and the Chief Executive Officer are separate with a clear distinction of responsibilities, which ensures balance of power and authority. |
| A.3 | Chairman's Role | Yes | Main responsibility of the Chairman is to lead and manage the Board and its Committees, so that they can function effectively. The Chairman ensures that the Board is in complete control of the Group's affairs and alerts to its obligations to all Shareholders and other Stakeholders. |

GRI 2021 : 2-23, 2-24, 2-27

| Reference to Code | Governance Principle | Complia-nce Status | Details of Compliance |
|---|---|---|---|
| **A.4** | **Financial Acumen** | **Yes** | **All Directors have sufficient financial acumen and knowledge on matters of finance. Majority of the Non-Executive Directors have previous experience in Banking and Finance related Companies. Mr. W A T Fernando (Non-Executive Director), Ms. N T M S Cooray (Non-Executive Director) and Ms. H M S Perera (Non-Executive Director) are members of Chartered Institute of Management Accountants, UK (CIMA). Ms. Amrah Akbar (Independent Non-Executive Director) is a Chartered Accountant (England & Wales).** |
| **A.5** | **Board Balance** | | |
| A.5.1 | Non Executive Directors | Yes | Eight out of Twelve Directors were Non-Executive Directors. The names of Non-Executive Directors are given on page 36 to 37 and a brief resume of each Director is available on pages 38 to 41. |
| A.5.2 | Independent Non Executive Directors | Yes | Four out of Eight Non-Executive Directors were independent and the names of Independent Non- Executive Directors are given on page 36 to 37. |
| A.5.3 | Independence of Non Executive Directors | Yes | All Independent Non-Executive Directors have met the criteria set out in the Listing Rules of CSE to be recognised as independent. |
| A.5.4 | Annual Declaration of Non Executive Directors | Yes | The Non-Executive Directors have submitted the required declaration, which was used for determining the independence of the Independent Directors. |
| A.5.5 | Determination of Independence of the Directors | Yes | The Board has made an annual determination as to the independence or non-independence of each Non-Executive Director based on a declaration made by the Non-Executive Directors and as per the criteria set out by the Colombo Stock Exchange Listing Rules. The special declaration on the determination of independence of Independent Non-Executive Directors, is presented on page 123 and 157. |
| A.5.6 | Alternate Directors | Not Applicable | No alternative Directors were appointed during the year. |
| A.5.7 & A.5.8 | Senior Independent Director | Not Applicable | Roles of the Chairman and the Chief Executive Officer are clearly separated. |
| A.5.9 | Chairman conducting Meetings with Non Executive Directors | Yes | The Chairman conducts meetings with the Non-Executive Directors, without the presence of Executive Directors as necessary. |
| A.5.10 | Recording of concerns in the Board Minutes | Yes | Concerns raised by the Directors which could not be unanimously resolved during the year, such individual concerns (if any) were recorded in the minutes. |
| **A.6** | **Supply of Information** | | |
| A.6.1 | Management's obligation to provide appropriate and timely information to the Board | Yes | Directors are provided with monthly reports on financial and operational performance of the Group, minutes of the Board Sub Committees and other Management Committees and any other information as necessary. The Chairman ensures that all Directors are properly briefed on issues arising at Board Meetings. |
| A.6.2 | Providing relevant information prior to the Board Meetings | Yes | The minutes, agenda and papers required for Board Meetings are provided to Directors with adequate time to study them to facilitate its effective conduct. |

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# Summary of Compliance

| Reference to Code | Governance Principle | Compliance Status | Details of Compliance |
|---|---|---|---|
| A.7 | Appointments to the Board | | |
| A.7.1 | A Nomination Committee | Yes | The Board has appointed a Nomination and Governance Committee to make recommendations to the Board on all new Board appointments. Composition of the Nomination Committee is given on page no. 134. |
| A.7.2 | Assessment of the Board Composition | Yes | The Nomination and Governance Committee and the Board continuously assess the Board composition to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Group. The findings of such assessment should be taken into account when new Board appointments are considered and when incumbent Directors come up for re-election. |
| A.7.3 | Succession plan for CEO & for all KMPs and determining training & development requirements for identified successors. | Yes | The committee continuously evaluates the succession plan, training, and development requirements for CEO & KMP. |
| A.7.4 | Disclosure on New Directors to Shareholder | Yes | Upon the appointment of a new Director to the Board, the Group discloses the following details to shareholders through CSE.<br>a brief resume of the Director the nature of his expertise in relevant functional areas the names of companies in which the Director holds Directorships 'independence' of such directors |
| A.7.5 | Chairman and the members of the Nomination Committee to be identified in the Annual Report | Yes | Nomination and Governance Committee comprise of three directors out of which two directors are Independent non-executive directors. Details of the Nomination Committee has been given on page no. 134 of this annual report. |
| A.7.6 | TOR for Nomination Committee | Yes | Referred the terms of reference of the committee and the requirements have been followed. Please refer page 134 on the annual report for the TOR of the Nomination and Governance Committee. |
| A.8 | Re-election | | |
| A.8.1 | Appointment of Non Executive Directors | Yes | Non-Executive Directors are appointed for specified terms subject to re-election and to the provisions in the Companies Act relating to the removal of a Director, and their re-appointment are not automatic. |
| A.8.2 | Re-Election | Yes | All Directors including the Chairman of the Board are subject to election by Shareholders at the first opportunity after their appointment, and re-election thereafter are done in accordance with the Articles of Association of the Company. Refer page 156 to 162 under Annual Report of the Board of Directors. |
| A.8.3 | Resignation of directors - written communication to the board giving reasons for resignation. | Yes | No Resignation during the year. |

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| Reference to Code | Governance Principle | Compliance Status | Details of Compliance |
|---|---|---|---|
| **A.9** | **Appraisal of Board Performance** | | |
| A.9.1 & A.9.2 | Annual Performance Evaluation of the Board and its Sub Committees | Yes | Performance evaluation of the Board and its Sub Committees are done by way of discussions and Checklist-Based/Questionnaire Board Evaluations at Board Meetings. |
| A.9.3 | Review the performance of the Directors at the time of re-election | Yes | The Board reviews the performance of each director in terms of participation, contribution and engagement at the time of reelection. |
| A.9.4 | Disclosure of performance evaluation criteria | Yes | This section itself would serve the purpose of disclosure. |
| **A.10** | **Disclosure of information in respect of Directors** | **Yes** | **The following information in relation to Directors are disclosed in this report.**<br>• **Name, qualifications, nature of expertise, other Directorships of Listed Companies and other companies and brief profile on page 38 to 41.**<br>• **Material Business Relationships on page 242 to 244.**<br>• **Nature of the Directorship on page 124.**<br>• **Number of Board Meetings attended on page 124.**<br>• **Memberships of Board Sub Committees and attendance on pages 126 to 138.** |
| **A.11** | **Appraisal of Chief Executive Officer (CEO)** | | |
| A.11.1 | Setting Annual Targets | Yes | Financial and Non Financial Targets are set at the beginning of the financial year as budgets and KPI's which are in line with the Group's short term and long term business objectives. |
| A.11.2 | Performance Evaluation | Yes | Performance of the CEO and the management team are evaluated by the Board quarterly and at the end of each financial year. Actual performances against targets are compared and with the reasons and justifications in the event that the targets are not achieved. |
| **B** | **Director's Remuneration** | | |
| **B.1** | **Remuneration Procedure** | Yes | Company has established a formal & transparent procedure for developing policy on executive remuneration and for fixing remuneration packages of individual directors. No director is involved in deciding his / her own remuneration package. |
| **B.2** | **Remuneration Committee** | | |
| B.2.1 | Remuneration Committee | Yes | The Board has appointed a Remuneration Committee to make recommendations to the Board, within agreed terms of reference, on the Group's framework of remunerating Executive directors. The Board collectively determines the remuneration of the Non- Executive Directors including the members of the Remuneration Committee, within the limits set in the Articles of Association. |
| B.2.2 | Composition of the Remuneration Committee | Yes | The Remuneration Committee comprises of three Non-Executive Directors out of which two are Independent. |
| B.2.3 | Consultation of the Chairman and access to professional advice | Yes | The Remuneration Committee consults the Chairman, Managing Director and/or CEO about its proposals relating to the remuneration of other Executive Directors and has access to professional advice from within and outside the Group, in discharging their responsibilities. |
| B.2.4 | Remuneration Packages of Executive Directors | Yes | The Remuneration Committee provides the packages needed to attract, retain and motivate Executive Directors of the quality required with reasonable limits. |
| B.2.5 | Design of the remuneration packages of Executive Directors to promote long term success | Yes | Remuneration packages of Executive Directors are designed to promote long term performance of the business. |

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# Summary of Compliance

| Reference to Code | Governance Principle | Compliance Status | Details of Compliance |
|---|---|---|---|
| B.2.6 | Comparison of remuneration with other Companies | Yes | The Remuneration Committee cautiously compare the levels of remuneration of the Group with other companies in the industry. |
| B.2.7 | Comparison of remuneration with other Companies in the Group | Yes | The Remuneration Committee is sensitive to remuneration and employment conditions in other companies of the Group. |
| B.2.8 | Performance related elements of remuneration of Executive Directors | Yes | A profit share scheme based on the performance of the Group is in place as part of the remuneration of Executive Directors to align their interests with those of the Group and main Stakeholders and to give these Directors appropriate incentives to perform at the highest levels. |
| B.2.9 | Executive Share Options | Yes | No share options were issued to Executives during the year. |
| B.2.10 | Performance related remuneration | Yes | The Remuneration Committee follows the provisions set out in Schedule G of the Code as required. |
| B.2.11 & B.2.12 | Early termination of Executive Directors | Not Applicable | Special early termination clauses are not included in the contract of employment of Executive Directors that would entitle them for extra compensation. However, any such compensation would be determined by the Board of Directors. No Executives Directors were terminated during the year. |
| B.2.13 & B.2.14 | Levels of remuneration for Non-Executive Directors | Yes | Remuneration for Non-Executive Directors reflects the time commitment and responsibilities of their role, taking into consideration market practices. No share options were granted to Non-Executive Directors. |
| B.2.15 | Chairman and the members of Remuneration Committee | Yes | Composition of the Remuneration Committee is given on page 132. |
| B.2.16 | Terms of Reference for Remuneration Committee. | Yes | Referred the terms of reference of the committee and the requirements have been followed. Please refer page 132. |
| **B.3** | **Disclosure of Remuneration** | | |
| B.3.1 | Composition of the Remuneration Committee. | Yes | Composition of the Remuneration Committee and the Group's Remuneration Policy is given on the page 132. Aggregate remuneration paid to Executive and Non-Executive Directors during the year under review appears on page 202 under Director's Remuneration. |
| **C.** | **Relations with Shareholders** | | |
| **C.1** | **Constructive use of the Annual General Meeting (AGM) and conduct of General Meetings** | | |
| C.1.1 | Notice of the AGM and Related Documents | Yes | The Notice of Meeting and related documents are dispatched to the Shareholders 15 working days prior to the AGM, as per Section 135 of the Companies Act No.07 of 2007. |
| C.1.2 | Separate resolution for all separate substantial issues at the Annual General Meeting | Yes | Group proposes a separate resolution at the AGM on each substantially separate issue and in particular, propose a resolution at the AGM relating to the adoption of the report and accounts. |
| C.1.3 | Use of Proxy Votes | Yes | An effective mechanism is in place to count all proxy votes and indicate proxies lodged on each resolution and the balance for and against the resolution and withheld, is conveyed to the Chairman. |

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| Reference to Code | Governance Principle | Compliance Status | Details of Compliance |
|---|---|---|---|
| C.1.4 | Availability of Chairmen of the Board Sub Committees to respond to queries at the AGM | Yes | The Chairmen of the Audit, Remuneration and Nomination and Governance Committees are usually present at the Annual General Meeting to facilitate Shareholders' inquiries. |
| C.1.5 | Procedures of voting at the Annual General Meeting | Yes | The Notice of Meeting outlines the procedure relating to voting at the Annual General Meeting. |
| **C.2** | **Communication with shareholders** | | |
| C.2.1 | Communication Channels | Yes | Group uses the Annual General Meeting, Annual Report, Quarterly Financial Statements, Corporate disclosures to the CSE and the Corporate Website as Channels to communicate with Shareholders. |
| C.2.2 | Policy and Methodology for Communication | Yes | The Group’s policy in communication with shareholders includes the sharing of all financial and non-financial information as per the statutory requirements and as well as the sharing of all price sensitive information. The methodology of communication with Shareholders is multifaceted to ensure accurate and timely information. |
| C.2.3 | Implementation of Policy | Yes | The implementation of the policy and the methodology is done through the adoption of the above mentioned channels of communication. |
| C.2.4 | Disclose the contact person for shareholder communications | Yes | The contact person in relation to all matters pertaining to the Shareholders is the Company Secretary. |
| C.2.5 | Directors awareness on major issues and concerns of Shareholders | Yes | The Chairman ensures that all Directors are aware of major issues and concerns of shareholders. Such issues are discussed at Board Meetings. |
| C.2.6 | Contact person in relation to shareholders’ matters | Yes | The contact person in relation to all matters pertaining to the Shareholders is the Company Secretary. |
| C.2.7 | Response to shareholders | Yes | The Chairman and the Directors answer all the queries raised by the Shareholders at the AGM. Appropriate responses formulated and actions taken to address Shareholder concerns by the Board are communicated to the shareholders by the Company Secretary. |
| **C.3** | **Major and Material Transactions** | | |
| C.3.1 & C.3.2 | Disclosure on major and material transactions’ | Yes | There was no transaction during the year that fell within the definition of a major transaction defined by the Companies Act No. 07 of 2007 or SEC Law and CSE Regulations which materially affect the net asset base of the Group. |
| C.3.3 | Compliance with the disclosure requirements and the shareholder approval by special resolution | Yes | The Group has complied with the disclosure requirements and the shareholder approval by special resolution as required by the rules and regulations of the Securities and Exchange Commission (SEC) and by the Colombo Stock Exchange (CSE). |
| **D** | **Accountability and Audit** | | |
| **D.1** | **Financial and Business Reporting (Annual Report)** | | |
| D.1.1 | Presenting the annual report including financial statements | Yes | The Group has strictly complied with all the statutory requirements pertaining to preparing and publishing of Interim Financial Statements, Annual Financial Statements and Annual Reports. |
| D.1.2 | The Board’s responsibility in presenting balanced and understandable information | Yes | The Board is responsible for presenting a balanced and understandable assessment extends to interim and other price sensitive public reports and reports to regulators, as well as to information required for statutory requirements. The ‘Statement of Directors’ Responsibilities’ for preparation and presentation of Financial Statements is given on page 173 of this Annual Report. |

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# Summary of Compliance

| Reference to Code | Governance Principle | Complia-nce Status | Details of Compliance |
|---|---|---|---|
| D.1.3 | Declaration from the Chief Executive Officer and Chief Financial Officer | Yes | Relevant declarations from the Chief Executive Officer and the Finance Director were obtained prior to the Board 's approval of the Financial Statements for the financial period. |
| D.1.4 | Directors' Report in the Annual Report | Yes | The Annual Report of the Board of Directors on the affairs of the Group is given on pages 156 to 162 of this Annual Report which contains the relevant declarations required by this Code. |
| D.1.5 | Statement of Directors' and Auditor's responsibility for the Financial Statements / Directors Statement on Internal Control | Yes | The 'Statement of Directors' Responsibilities' for preparation and presentation of Financial Statements is given on page 173 of this Annual Report and the Auditor's responsibilities are set out on the 'Independent Auditors' Report' on pages 174 to 177 of the Annual Report. Statement on Internal Controls is given on page 163 to 169 of the Annual Report. |
| D.1.6 | The annual report should contain a report on the "Management discussion & analysis" | Yes | The annual report contains a report on Management discussion & analysis which covers, business model, industry structure & developments, risk management, internal control systems & it's adequacy, stakeholder relationship, financial performance, prospects for the future.<br>Refer page nos. 50 to 116 in the annual report. |
| D.1.7 | Summon an Extraordinary General Meeting to notify serious loss of capital | Not Applicable | This situation did not arise during the financial year under review. |
| D.1.8 | Disclosure of Related Party transactions | Yes | The Board has adequately and accurately disclosed the related party transactions in this Annual Report as required in this Code. Refer Report of the Related Party Transactions Review Committee on page 128 to 129 and Related Parties and Related Party Transactions Disclosures on pages 242 to 244. |
| **D.2** | **Risk Management & Internal Control** | | |
| D.2.1 | Risk Management | | |
| D.2.1.1 | Assessment of Risk | Yes | Ongoing risk assessment is being done throughout the year addressing the risks affecting the business model, future performance, solvency, or liquidity. |
| D.2.1.2 | Risk Management | Yes | Report on Risk Management has been given on page 163 to 169 in the annual report. |
| D.2.1.3 | Risk Committee | Yes | Company has a separate committee for the assessment and management of risks. The report on the Risk Committee has been given in page no. 130 to 131 of the annual report. |
| D.2.1.4 | Audit & Risk Committee | Yes | Company has two separate committees for Audit and Risk. The respective reports are given on pages 126 to 127 and 130 to 131. |
| D.2.1.5 | Risk Committee composition | Yes | Please refer page 130 in the annual report. |
| D.2.1.6 | Terms of Reference for the Risk Committee | Yes | Referred and followed the requirements. Please refer the page 131 |
| D.2.1.7 | Report of the Risk Committee | Yes | Please refer page 130 in the annual report. |
| D.2.1.8 | Regulatory Industry | Yes | When determining the composition, scope, roles and responsibilities of the Committee, applicable laws and regulations has been considered. |

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| Reference to Code | Governance Principle | Complia-nce Status | Details of Compliance |
|---|---|---|---|
| D.2.2 | Internal Controls | | |
| D.2.2.1 | Internal Control System | Yes | The report on Directors' statement on internal controls has been given on page 139 |
| D.2.2.2 | Internal Audit | Yes | The group has obtained the service of Messers. Delloite as the Independent Internal Auditor of the Group to serve this purpose. |
| D.2.2.3 | Review on Internal Controls | Yes | Audit committee reviews processes and the effectiveness of internal controls and gives recommendations to the board. |
| D.2.2.4 | Guidance on Internal Controls | Yes | Schedule L of the Code has been referred and followed. |
| **D.3** | **Audit Committee** | | |
| D.3.1 | Composition of the Audit Committee | Yes | The Audit Committee comprises of Three Non-Executive Directors and two of them are Independent. Details are given on page 126. |
| D.3.2 | Duties of the Audit Committee and Terms of Reference of the Audit Committee | Yes | Audit Committee is responsible for reviewing the scope and results of the audit and its effectiveness, and the independence and objectivity of the Auditors. The Terms of Reference of the Audit Committee is given in the Report of the Audit Committee on page 127. |
| **D.3.3** | **Disclosures** | Yes | Refer Report of the Audit Committee on pages 126 to 127 for the relevant disclosures on the composition of the Audit Committee and the independence of the auditors. |
| **D.4** | **Risk Committee** | | |
| D.4.1 | Members of the Risk Committee | Yes | Currently, the Risk Management Committee comprise of Three members out of which two members are Independent, Non-Executive directors. Refer page no 130. |
| D.4.2 | Content of TOR for the Risk Committee | Yes | Please refer page 131 for the TOR of the Risk Committee |
| D.4.3 | Risk Committee Meetings | Yes | Risk Committee has met four times by the end of March 2026. |
| D.4.4 | Consultation for the Risk Committee | Yes | The Risk Committee consults the Chairman, Managing Director and/ or CEO about its potential risks and has access to professional advice from within and outside the Group, in discharging their responsibilities. |
| D.4.5 | Report of the Risk Committee | Yes | Please refer page no. 130 to 131 |
| **D.5** | **Related Party Transactions Review Committee** | | |
| D.5.1 | A related party and related party transactions | Yes | The Group has considered Related parties and related party transactions as defined in the LKAS 24. |
| D.5.2 | Related Party Transactions Review Committee (RPTRC) | Yes | The Group formed a Related Party Transactions Review Committee in November 2015. The Committee comprises three Directors as at 31st March 2026, of whom two are Independent Non-Executive Directors and one is a Non-Executive Director. The Chairman of the Committee is an Independent Non-Executive Director. Composition of the RPTRC is given on page 128. |
| D.5.3 | Terms of Reference of the Related Party Transactions Review Committee (RPTRC) | Yes | Refer Report of the Related Party Transactions Review Committee (RPTRC) on page 128 for the Terms of Reference of the RPTRC. |

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# Summary of Compliance

| Reference to Code | Governance Principle | Compliance Status | Details of Compliance |
|---|---|---|---|
| D.6 | Code of Business Conduct and Ethics | | |
| D.6.1 | Disclosure of Code of Business Conduct & Ethics | Yes | Group has a Code of the Business Conduct and Ethics for Directors and Key Management and relevant declaration is given in the 'Annual Report of the Board of Directors in the Affairs of the Company on the pages 156 to 162. |
| D.6.2 | Process to ensure that material and price sensitive information is promptly identified and reported. | Yes | The Group has a process in place to ensure that material and price sensitive information is promptly identified and reported in accordance with the relevant regulations. |
| D.6.3 | Policy and process to ensure for monitoring and disclosure of shares purchased by any Director, Key Management Personnel or any other employee involved in financial reporting | Yes | All the employees involved in financial reporting are required to declare details of their dealings in shares of the CTB PLC to the Company Secretary immediately. In addition, the Directors and KMP's too are required to disclose their dealings in shares of CTB PLC to the Company Secretary, enabling her to inform such transactions to the CSE. |
| D.6.4 | Whistleblowing Policy | Yes | There is a separate policy on the same and procedures are followed. |
| D.6.5 | Training on Code of Business Conduct & Ethics | Yes | Appropriate training is given at the induction and confirmation is done annually from all the employees. |
| D.6.6 | Whistleblowing Policy Management | Yes | If violations are detected, that will be reported to the board. |
| D.6.7 | Affirmation Statement by Chairman | Yes | Refer the 'Chairman's Statement on Corporate Governance' on page 118. |
| **E** | **Institutional Investors** | | |
| **E.1** | **Shareholder Voting** | | |
| E.1.1 | Communication with Shareholders | Yes | The Annual General Meeting provides the forum for shareholders to express their views. The Chairman ensures that any views expressed by investors to him personally or at General Meetings are discussed with the Board. The Directors consider the importance to understand the views of shareholders and, in particular, any issues which concern them. |
| E.1.2 | Communication with Shareholders | Yes | The Annual General Meeting provides the forum for shareholders to express their views. The Chairman ensures that any views expressed by investors to him personally or at General Meetings are discussed with the Board. The Directors consider the importance to understand the views of shareholders and, in particular, any issues which concern them. |
| E.2 | Evaluation of Governance Disclosures | Yes | This section of the Annual Report contains the Group's governance arrangements and institutional investors are encouraged to give due weight to all relevant factors drawn to their attention. |

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| Reference to Code | Governance Principle | Complia-nce Status | Details of Compliance |
|---|---|---|---|
| **F** | **Other Investors** | | |
| F.1 | Investing/Divesting Decisions | Yes | Interim Financial Statements, Annual Consolidated Financial Statements and Annual Reports are published on the CSE website and these reports provide information that enables shareholders to carry out adequate analysis or seek independent advice in investing or divesting decisions. |
| F.2 | Shareholder Voting | Yes | The shareholders are encouraged to participate at the AGM and exercise their voting rights. Instructions with regard to appointing a proxy and the manner in which a Proxy Form should be completed are available in the Proxy Form circulated with the Annual Report |
| **G** | **Internet of Things and Cyber Security** | **Yes** | **The Group implemented a comprehensive IT policy which covers the security of IT assets and the information assets. The Board's Audit Committee and the Risk Management Committee continuously discussed the importance of cyber risk management.** |
| **H** | **Sustainability: ESG Risk and opportunities** | **Yes** | **ESG principles are reported in a holistic manner throughout this report in the following sections:**<br>**Corporate Governance – on page 119 to 125.**<br>**Enterprise Risk Management – on page 163 to 169.** |
| **I** | **Establishment and maintenance of policies** | **Yes** | **Company has established and maintained the required policies and has disclosed the existence of these policies, along with details of their implementation by the Entity, on its official website.** |

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# Summary of Compliance

Level of compliance with Continuing Listing Requirements Section 7.6 issued by the Colombo Stock Exchange (CSE)

| Rule No. | CSE Listing Rule | Compliance Status | Details of Compliance |
|---|---|---|---|
| 7.6 (i), (ii) | Names of the individuals who served as directors during the financial year and the principal activities undertaken during the year. | Yes | Please refer Annual Report of the Board of Directors on the Affairs of the Company on page 156 to 162. |
| 7.6 (iii), (iv) | Twenty largest Shareholders, float adjusted market capitalization, public holding percentage, no. of public shareholders and minimum required public shareholding | Yes | Please refer Investor Relations Section on page 248 to 251. |
| 7.6 (v) | Directors' and CEO's(MD's) holding in shares | Yes | Please refer Investor Relations Section on Page 250. |
| 7.6 (vi) | Material foreseeable risk factors of the entity. | Yes | Please refer Risk Management on page 163 to 169. |
| 7.6 (vii) | Details of material issues pertaining to employees and industrial relations of the Entity. | Yes | Please refer Human Capital on page 82 to 89. |
| 7.6 (viii) | Extents, locations, valuations, number of buildings | Yes | Please refer "Who we are" Section Page 6 to 8. |
| 7.6 (ix) | Number of shares representing the Entity's stated capital. | Yes | Please refer Annual Report of the Board of Directors on the affairs of the company. |
| 7.6 (x) | Shareholder Distribution Schedule including percentage of total holding in given categories. | Yes | Please refer Investor Relations Section on page 248 to 251. |
| 7.6.(xi) | Ratios and Market Price Information. | Yes | Please refer Investor Relations Section on page 248 to 251. |
| 7.6 (xii) | Changes in Entity's and subsidiaries fixed assets and market value of land. | Yes | Please refer the Consolidated Statement of Financial Position on page 180 to 181 |
| 7.6 (xiii) | If during the financial year the entity has raised funds either through a public issue, rights issue or private placement. | N/A | N/A |
| 7.6 (xiv) | Information in respect of Employee Share Ownership or Stock Option Schemes. | N/A | N/A |
| 7.6 (xv) | Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules. | Yes | Please refer Corporate Governance Report on page 119 to 125. |
| 7.6 (xvi) | Related party transactions exceeding 10% of Equity or 5% of total assets of the Entity as per audited financial statements, whichever is lower. | Yes | Please refer Related Party Transactions on page 242 to 244. |
| 7.6 (xvii) | In the event a Listed Entity has its Foreign Currency denominated Securities listed on the Exchange, the Entity shall additionally disclose in its Annual Report: | N/A | N/A |
| 7.6 (xviii) | In the event a Listed Entity has listed GSS + Bonds on the Exchange, such Entity shall additionally disclose the following; | N/A | N/A |

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Level of Compliance under Section 168 of the Companies Act No 07 of 2007

| Section No. | Requirement | Compliance status | Reference |
|---|---|---|---|
| 168 (1) (a) | The nature of the business of the Company together with any change thereof during the accounting period | Yes | Annual Report of the Board of Directors on page 156 to 162. |
| 169 (1) (b) | Signed financial statements of the Company for the accounting period completed | Yes | Consolidated Financial Statements from pages 178 to 185. |
| 170 (1) (c) | Auditors' Report on financial statements of the Company | Yes | Independent Auditors' Report on pages 174 to 177. |
| 171 (1) (d) | Accounting policies and any changes therein | Yes | Notes to the Consolidated Financial Statements from pages 186 to 246. |
| 172 (1) (e) | Particulars of the entries made in the Interests Register during the accounting period | Yes | Annual Report of the Board of Directors from pages 156 to 162. |
| 173 (1) (f) | Remuneration and other benefits paid to Directors of the Company during the accounting period | Yes | Director's Remuneration on page 245. |
| 174 (1) (j) | Corporate donations made by the Company during the accounting period | Yes | Refer Annual Report of the Board of Directors on page 156 to 162. |
| 175 (1) (h) | Information on the Directorate of the Company during and at the end of the accounting period | Yes | Refer Board of Directors section from pages 38 to 41. |
| 176 (1) (i) | Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered during the accounting period | Yes | Refer Notes to the Consolidated Financial Statements on page 186 to 246 |
| 177 (1) (j) | Auditors' relationship or any interest with the Company and its Subsidiaries | Yes | Refer Report of the Audit Committee on page 126 to 127. |
| 178 (1) (k) | Acknowledgment of the contents of this Report and signatures on behalf of the Board | Yes | Refer Statement on Directors' Responsibilities for Preparation of Financial Statements on page 173 and Annual Report of the Board of Directors on pages 156 to 162. |

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# Summary of Compliance

Compliance with CSE Corporate Governance Principles – Revised Section 9 of the Listing Rules

| Rule No. | Corporate Governance Principles | Compliance Status | Details of Compliance |
|---|---|---|---|
| **9.2** | **Policies** | | |
| 9.2.1 | Establish, maintain and disclose the following policies | Compliant | The Company has established and continues to maintain the following policies - Policy on the matters relating to the Board of Directors, Policy on Board Committees, Policy on Corporate Governance, Nominations and Re-election, Policy on Remuneration, Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities, Policy on Risk management and Internal controls, Policy on Relations with Shareholders and Investors, Policy on Environmental, Social and Governance Sustainability, Policy on Control and Management of Company Assets and Shareholder Investments, Policy on Corporate Disclosures, Policy on Whistleblowing and Policy on Anti-Bribery and Corruption |
| 9.2.3 | Disclosure on the Annual Report | Compliant | The Company has disclosed in its Annual Report:<br>i. the list of policies that are in place in conformity Rule 9.2.1 above, with reference to its website.<br>ii. details pertaining to any changes to policies adopted by the Listed Entities in compliance with Rule 9.2 above. |
| **9.3** | **Board Committees** | | |
| 9.3.1 | Board committees at minimum includes | Compliant | The Company continues to maintain the Nominations and Governance Committee, Remuneration Committee, Audit Committee and Related Party Transactions Review Committee as well as the Risk Management Committee |
| 9.3.2 | Board Committees - Composition and disclosures | Compliant | All the Committees comply with the required rules. Please refer the respective Committee Reports |
| 9.3.3 | Chairperson of Board Committees | Compliant | Chairperson of Board Committees is not the Chairperson of the Board |
| **9.4** | **Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders** | | |
| 9.4.1 | Meeting Procedures | Compliant | Company maintains records of all resolutions passed at General Meetings |
| 9.4.2 | Communication and Relations with shareholders | Compliant | The Company has a Shareholder Communication and Relations policy and it is published on the coompany website.<br>The contact person is mentioned.<br>The policy includes a process whereby Directors are informed of major issues and concerns of shareholders |

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| Rule No. | Corporate Governance Principles | Compliance Status | Details of Compliance |
|---|---|---|---|
| **9.5** | **Policy on matters relating to the Board of Directors** | | |
| 9.5.1 | Establish and maintain a formal policy governing matters relating to the Board of Directors | Compliant | The Company maintains a Policy on Matters relating to the Board of Directors which addresses the requirements in rules 9.5.1 |
| 9.5.2 | Confirm compliance with the requirements of the policy referred to in Rule 9.5.1 above in the Annual Report | Compliant | The Company maintains a Policy on Matters relating to the Board of Directors which addresses the requirements in rules 9.5.1 and has confirmed compliance on the annual report as required in rule 9.5.2 |
| **9.6** | **Chairperson and CEO** | | |
| 9.6.1 | Chairperson shall be a Non-Executive Director and the position of the Chairperson and CEO shall not be held by the same individual | Compliant | Chairperson of the company is a Non-Executive Director and the position of the Chairperson, Managing Director and CEO are not been held by the same individual |
| 9.6.2 | Chairperson of a Listed Entity 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 | Not Applicable | Not Applicable |
| 9.6.3 | The Requirement for a SID | Not Applicable | Not Applicable |
| 9.6.4 | Rationale for appointing a SID | Not Applicable | Not Applicable |
| **9.7** | **Fitness of Directors and CEOs** | | |
| 9.7.1 | Take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of these Rules | Compliant | The Company ensures that the Chairman, Managing Director, CEO and Directors at all times fulfill the fit and proper assessment criteria set out in the Listing Rules |
| 9.7.4 | "Obtain declarations from their Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria" | Compliant | The Chairman, Managing Director, CEO and Directors have provided the declaration confirming that they satisfy the Fit and Proper Assessment Criteria during the financial year and as at the date of such confirmation |
| 9.7.5 | Fit and Proper Assessment Criteria - Disclosures in the Annual Report | Compliant | Page 158 of the Annual Report provides the relevant disclosure |
| **9.8** | **Board Composition** | | |
| 9.8.1 | Minimum number of Directors | Compliant | The Board consisted of 12 Directors as at 31st March 2026 |
| 9.8.2 | Independent Directors | Compliant | Four Directors are Independent as at 31st March 2026 |
| 9.8.3 | Criteria for determining independence | Compliant | The 4 independent directors are deemed independent according to the criteria listed on section 9.8.3 |

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# Summary of Compliance

| Rule No. | Corporate Governance Principles | Compliance Status | Details of Compliance |
|---|---|---|---|
| 9.8.5 | Disclosure relating to Director independence | Compliant | Each Independent Director has submited a signed and dated declaration annually of his or her "independence" or "non-independence" |
| **9.9** | **Alternate Directors** | **Not Applicable** | **The Board does not have any alternate directors** |
| **9.10** | **Disclosures relating to Directors** | | |
| 9.11.1 | Establish a Nominations and Governance Committee | Compliant | Refer the Nominations and Governance Committee Report on page 134. |
| 9.11.2 | Maintain a formal procedure for the appointment of new Directors and re-election of Directors | Compliant | Refer the Nominations and Governance Committee Report on page 134. |
| 9.11.3 | Nominations and Governance Committee shall have a written terms of reference | Compliant | Refer the Nominations and Governance Committee Report on page 134. |
| 9.11.4 | Composition of the Nominations and Governance Committee | Compliant | The Nominations and Governance Committee comprised of 2 Independent Non Executive Directors. There are no Executive Directors on the Committee. Please refer the Report on Page134. |
| 9.11.5 | Functions of the Nominations and Governance Committee | Compliant | Refer the Nominations and Governance Committee Report on page 134. |
| 9.11.6 | Disclosures in Annual Report | Compliant | Refer the Nominations and Governance Committee Report on page 134. |
| **9.12** | **Remuneration Committee** | | |
| 9.12. 2 | Establish a Remuneration Committee that conforms to the requirements set out in Rule 9.12 | Compliant | The Remuneration Committee comprises 2 Independent Non Executive Directors. Refer the Remuneration Committee Report on page 132. |
| 9.12.3 | 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. | Compliant | |
| 9.12.4 | Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices | Compliant | |
| 9.12.5 | Remuneration Committee shall have a written terms of reference | Compliant | The Remuneration Committee includes Terms of Reference |

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| Rule No. | Corporate Governance Principles | Compliance Status | Details of Compliance |
|---|---|---|---|
| 9.12.6 | Remuneration Committee Composition | Compliant | Refer the Remuneration Committee Report on page 132 to 133. |
| 9.12.7 | Functions of Remuneration Committee | Compliant | The Remuneration Committee recommends the remuneration payable to the Managing Director, Chief Executive Officer and the Executive Directors. Refer the Remuneration Committee Report on page 132 to 133. |
| 9.12.8 | Disclosure in the Annual Report relating to Remuneration Committee | Compliant | |
| **9.13** | **Audit Committee** | | |
| 9.13.1 | Establish an Audit Committee | Compliant | The Audit Committee comprises 2 Independent Non Executive Directors. The Committee has defined Terms of Reference defining its scope, authority and duties. The company maintains separate Committees to perform the Audit and Risk functions. Refer Audit Committee Report on pages 126 to 127. |
| 9.13.2 | The Audit Committee shall have a written terms of reference | Compliant | |
| 9.13.3 | Composition of Audit Committee | Compliant | |
| 9.13.4 | Audit Committee Functions | Compliant | |
| 9.13.5 | Disclosure in the Annual Report relating to Audit Committee | Compliant | |
| **9.14** | **Related Party Transactions Review Committee (RPTRC)** | | |
| 9.14. 1 and 9.14.2 | Composition of the Related Party Transactions Review Committee (RPTRC) | Compliant | The Company has a RPTRC which comprises 3 Directors out of which 2 Directors are Independent. Please refer the Report of the Related Party Transaction Review Committee in page 128 to 129. |
| 9.14.3 | Functions of RPTRC | Compliant | Please refer the Report of the Related Party Transaction Review Committee on page 128 to 129. |
| 9.14.4 | RPTRC Meetings | Compliant | RPTRC met 04 times during the year 2025/26. |
| 9.14.7 | Immediate Disclosures | Compliant | Please refer Note 31 on pages 242 to 244. |
| 9.14.7 | Disclosure of Non- Recurrent and Recurrent Related Party Transactions | Compliant | Please refer Note 31 on pages 242 to 244. |
| 9.14.8 | The Report by the Related Party Transaction Review Committee | Compliant | Please refer the Report of the Related Party Transaction Review Committee on pages 242 to 244. |
| 9.14.8 (4) | An affirmative declaration by the Board of Directors | Compliant | Please refer the Annual Report of Board of Directors for an affirmative statement of compliance of the Board on pages 156 to 162. |
| **9.17** | **Additional Disclosures** | **Compliant** | **Please refer the Report of the Board of Directors on pages 156 to 162.** |

# Annual Report of the Board of Directors on the Affairs of the Company

Annual Report of the Board of Directors on the Affairs of the Company

The Board of Directors of Ceylon Tea Brokers PLC has pleasure in presenting to the Shareholders their Annual Report on the affairs of the Company together with the Audited Financial Statements of the Company and the Consolidated Financial Statements of the Company and its subsidiary for the financial year ended 31st March 2026, conforming to all relevant statutory requirements.

This Report provides the information as required by the Companies Act No.07 of 2007, Listing Rules of the Colombo Stock Exchange and the recommended best practices.

## General

The Company was incorporated in terms of the Companies Act, No.17 of 1982 under the name of "De Silva Abeywardena and Peiris (Private) Limited" on 15th June 1999, changed its name to Ceylon Tea Brokers (Private) Limited on 5th April 2006 and was converted to a public company on 21st June 2007. The Company which was re-registered as per the Companies Act, No.07 of 2007 on 20th January 2010 with PB 1280 as the new number assigned to the Company, obtained a listing on the Diri Savi Board of the Colombo Stock Exchange on 16th March 2010 and changed its name to Ceylon Tea Brokers PLC on 3rd May 2010. The registration number of the Company is PB 1280 PQ.

## Subsidiary

Logicare (Pvt) Ltd is a fully owned subsidiary of Ceylon Tea Brokers PLC which provides transportation and warehousing facilities to third-party logistic clients. The new warehousing project of the Group started its commercial operations in June 2019.

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

The Company's principal activities during the year were Tea Broking, warehousing and providing financing facilities to its producer clients for their working capital requirements. This Report together with the Financial Statements, reflect the state of affairs of the Company.

The Group continues to own the leasehold rights of a land in Muthurajawela under the name of Logicare (Pvt) Ltd., the fully owned subsidiary of Ceylon Tea Brokers PLC. Logicare operates as a total supply chain solutions provider which includes, specialized logistics, transport and other supply chain related services to external clients based on their unique requirements.

This Report together with the Financial Statements, reflect the state of affairs of the Company.

## Vision, Mission and Values

The Company's vision, mission and values are available on page 9.

## Code of Business Conduct and Ethics

The Company has adopted a Code of Business Conduct and Ethics for Directors and Members of the Key Management. The Directors and all the employees conduct their activities with the highest level of ethical standards and integrity in achieving the corporate objectives of the Company.

## Review of Business Performance

Review of business performance of the Company is available in the Chairman's message, Managing Director's message and the Chief Executive Officer's review.

## Disclosures

The Annual Report of the Company complies with the disclosure requirements of Sri Lanka Accounting Standards (SLFRs/ LKASs), Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange and Code of Best Practices on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka.

## Financial Statements

The Consolidated Financial Statements of the Group have been prepared in accordance with the Sri Lanka Accounting Standards (LKAS) and Sri Lanka Financial Reporting Standards (SLFRSs), issued by The Institute of Chartered Accountants of Sri Lanka and comply with requirements of the Companies Act No. 07 of 2007 and Listing Rules of the Colombo Stock Exchange. Consolidated Financial Statements for the year ended 31st March 2026 duly signed by Director Finance and two Directors on behalf of the Board, are given on page 178 to 185.

## Directors' Responsibility for Financial Reporting

The Directors are responsible for the preparation of the Financial Statements of the Company and the Group, which reflect a true and fair view of their state of affairs.

The Directors are of the view that the Statement of Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement and Notes to Financial Statements appearing on pages 178 to 246 have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards, Companies

Act, No.07 of 2007, Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995 and the amendments thereto and the Listing Rules of the Colombo Stock Exchange. The Statement of Director Responsibility for Financial Reporting is given on page 173.

## Independent Auditors' Report

The Report of the Independent Auditors on the Financial Statements of the Company and its subsidiary is given on page 174 and 177.

## Accounting Policies

The accounting policies adopted by the Company in the preparation of Financial Statements are given on pages 186 to 199 and are consistent with those of the previous period.

## The Board of Directors

As at end of the financial year under review, the Board consisted of twelve Directors namely, four (04) Executive Directors, four (04) Non-Executive Directors and four (04) of whom are Independent. The names of the Directors who held office as at the end of the accounting period are given below and their brief profiles appear on pages 38 to 41.

- Mr. R J N De Mel - Chairman / Independent Non-Executive Director
- Mr. W A T Fernando - Non-Executive Director
- Mr. D G W De Silva - Executive Director / Managing Director
- Mr. K A D Fernando - Executive Director / Chief Executive Officer
- Mr. H T D Nonis - Executive Director
- Mr. Z Mohamed - Executive Director
- Ms. N T M S Cooray - Non-Executive Director
- Ms. H M S Perera - Non-Executive Director
- Mr. C P R Perera - Non-Executive Director .
- Ms. A Akbar - Independent Non-Executive Director
- Dr. K B K B R Kulapala – Independent Non-Executive Director
- Dr.(Mrs) M. De Zoysa – Independent Non- Executive Director

## Changes in the Directorate of the Company after the Reporting Period

There were no changes in the Directorate of the Company, during the year under review and upto the date of this report.

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

Mr C P R Perera who is 82 years of age and vacates office at the conclusion of the Annual General Meeting in terms of Section 210(2)(b) of the Companies Act No. 7 of 2007, is recommended by the Board, consequent to review by the Nomination and Governance Committee for re-appointment as a Director under Section 211 of the Companies Act, specially declaring that the age limit stipulated in Section 210 of the Companies Act shall not apply to the said Director.

A resolution proposing the re-appointment of Mr. C P R Perera who is 82 years of age, to the Board of the Company, declaring that the age limit of 70 years shall not apply to the said Director, will be placed before the shareholders at the forthcoming Annual General Meeting

## Recommendation for re-election of Directors who retire by rotation

Ms. H M S Perera retires by rotation at the Annual General Meeting in terms of Articles 87 and 88 of the Articles of Association and being eligible, consequent to review by the Nominations and Governance Committee is recommended by the Board for re-election.

## Directors of the Subsidiary

The Directors of the subsidiary, Logicare (Pvt) Ltd as at 31st March 2026 consisted of the following:

- Mr. W A T Fernando
- Mr. K H S Deshapriya – resigned with effect from. 30.04.2025
- Mr. C P R Perera – resigned with effect from 01.07.2026
- Mr. D G W De Silva
- Ms. H M G de Alwis – resigned with effect from 11.05.2026
- Ms. H M S Perera – resigned with effect from 01.07.2026
- Dr. M de Zoysa – resigned with effect from 11.05.2026
- Mr. K A D Fernando was appointed as a Director of the Company with effect from 11.05.2026.

## Review of the Performance of the Board

The performance of the Board has been appraised through a formalized process of individual appraisal by enabling each member to self-appraise on an anonymous basis and it is mentioned in page 143 of the Annual Report.

## Corporate Governance

The Board of Directors confirms, that the Company is in compliant with Section 9 of the Listing Rules of the Colombo Stock Exchange. The Chairman, the Board of Directors and the Key Management Staff is dedicated towards upholding an effective Corporate Governance Framework in compliance with the Code of Business Conduct, Ethics of the Company and in implementing systems and structures required to ensuring best practices within the Company.

# Annual Report of the Board of Directors on the Affairs of the Company

The Corporate Governance of the Company is reflected in its strong belief in protecting and enhancing stakeholder value in a sustainable manner, supported by a sound system of policies and practices. Prudent internal controls ensure professionalism, integrity and commitment of the Board of Directors, Management and employees.

The Corporate Governance Statement on Pages 118 explains the measures adopted by the Company during the year of review.

## Policies in terms of Rule 9.2 of the Listing Rules

In terms of Rule 9.2.1 of the Listing Rules, the Company established, adopted and published on the Company website (www.ceylonteabrokers.com) the following policies, ensuring adherence to best practices in corporate governance, ethical conduct, and regulatory compliance:

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

These Policies were subject to review by the relevant Sub Committees and there were no changes to the policies during the year.

## Fit and Proper Assessment of Directors

In terms of Rule 9.7.4 of the Listing Rules of the Colombo Stock Exchange, Declarations were obtained from the Directors who confirmed that they have continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the financial year under review and as at the date of such Declarations. These declarations were placed before the Nominations and Governance Committee, and upon review by the Nominations and Governance Committee, where no member participated in decisions relating to his/her continuation, were then presented to the Board.

The Board determined that all Directors satisfy the fit and proper assessment criteria stipulated in the Listing Rules and qualify to continue as Directors in their respective capacities, subject to those who retire by rotation or over 70 years of age, being re-elected / re-appointed by the shareholders at the forthcoming Annual General Meeting.

## Independence of Directors

The Board, based on the Declarations submitted by the Independent Directors declaring his/her independence against the criteria specified in Rule 9.8.3 of the Listing Rules and such other information available to the Board that could reasonably be constructed to have a bearing on the independence of such Directors, determined that the Four (4) Independent Directors namely Mr. R J N De Mel, Dr. K B G B R Kulapala, Ms. A Akbar and Dr (Mrs.) M De Zoysa are 'Independent' in terms of the Listing Rules.

## Policy on Relations with the Shareholders and Investors

The Company has established a process for effective communication and relations with shareholders and investors. Accordingly, the shareholders have access to the Company as set out in the Corporate Governance Report ["Shareholder Communication Channels"] on page 145 of this Report.

## Directorships held by the Directors in other Listed Entities

The Board, based on the recommendations of the Nominations and Governance Committee, and considering the time allocation required of the Directors for the Board related matters of the Company decided that a Director of the Company shall not hold more than 20 directorships in Listed Companies.

## Policy on Matters relating to the Board of Directors

The Company has in terms of the above Policy, acted in compliance with the requirements set out in Rule 9.5.1 of the Listing Rules.

## Additional disclosures pertaining to Directors

### (i) Material Interests in Contracts involving the Company

The Directors have declared all material interests in contracts involving the Company in terms of the Companies Act and the Articles of the Association of the Company and have acted as prescribed therein, and where relevant have refrained from voting on matters in which they were materially interested.

### (ii) Material Business Relationships with each other

None of the Directors or close family members have any material business relationships with the other Directors of the Company.

### (iii) Other directorships held by the Directors

Other directorships held by Directors are disclosed on pages 38 and 41.

### (iv) Review of Internal Controls

The Directors have, through the Audit Committee conducted a review of the internal controls covering financial, operational and compliance control and risk management and thereby obtained reasonable assurance of their effectiveness and successful adherence therewith.

### (v) Applicable Laws Rules and Regulations

The Directors have made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of the changes, particularly to the Listing Rules ad applicable capital market provisions.

There were no material non-compliance with law or regulation or any fine, which are material, imposed by any Government or regulatory authority in any jurisdiction where the Company has operations.

## Directors' Remuneration

The Company has adopted a Remuneration Policy and established a formal procedure for determination of the remuneration of  the Directors including the Executive Directors. No Director is involved in deciding his or her own remuneration.

The Directors remuneration is disclosed under key management personnel compensation in Note 31.4 to the Financial Statements on page 245.

## Corporate Social Responsibility

The Company continued its Corporate Social Responsibility initiatives with a range of programs, details of which are set out on page 102 to 108 of this report.

## Directors Shareholdings

The relevant interest of Directors in the shares of the Company as at 31st March 2026 as recorded in Interest Register are given on page 248 of the Annual Report under Shareholdings of Directors.

## Share information

There were 3,531 shareholders registered as at 31st March 2026 (2,743 shareholders as at 31st March 2025). The details of the distribution are given on page 248 of this report.

## Major Shareholders, Distribution Schedule and other information

Information on the distribution of shareholding, analysis of shareholders, market values per share, earnings per share, net assets per share, twenty largest shareholders of the Company, percentage of shares held by the public as pre the Listing Rules of the Colombo Stock Exchange are given on pages 248 to 251 under Shareholders' Information.

## Stated Capital

The Stated Capital of the Company as at 31st March 2026 was Rs. 333,200,000/- represented by 182,400,000 ordinary shares. There  were no changes in the Stated Capital of the Company during the year.

## Shareholder Information

Information on the distribution of shareholding, analysis of shareholders, market values per share, earnings, dividends, net assets per share, twenty largest shareholders of the Company, Directors' shareholding, percentage of shares held by the public as per the Listing Rules of the Colombo Stock Exchange are given on page 248 to 251  under Investor Highlights and Information.

## Donations

The Company made donations to the value of Rs. 599,069/- during the year under review.

## Dividends

The Directors have approved a final dividend of 0.5 per share for the year under review subject to obtaining a certificate of solvency from the Auditors and the said dividend will be paid on 28th September 2026.

## Property, Plant and Equipment

Details of property, plant and equipment and changes during the year are given in Note 12 of the Consolidated Financial Statements.

## Land Holdings

The Company does not own any freehold land or buildings.

## Investments

Details of the Company's quoted and unquoted investments as at 31st March 2026 are given in Note 15 to the Financial Statements on page 213.

## Appraisal of Board Performance

The Board is aware that appraising their own performance periodically would enhance the understanding of individual performance of the Board as a whole. The Board members ensure that Board responsibilities are satisfactorily discharged. Further details of the same are mentioned in page 132 to 133.

## Delegation of Authority

The Board has delegated the authority of the day to day management of the Company to the Managing Director who is responsible for delivering services according to the policies and the budgets approved by the Board.

# Annual Report of the Board of Directors on the Affairs of the Company

## Delegation to Board Members

The Board has delegated certain functions and duties to Sub Committees that comprises of Board members. The functions and duties of each Sub Committee namely, the Audit Committee, the Remuneration Committee, the Related Party Transactions Review Committee, Nominations and Governance Committee and Risk Management Committee are detailed in the respective reports.

The Board is also encouraged to seek independent professional advice when necessary, at the Company's expense and also have access to the Company Secretary to obtain advice and services as and when necessary.

## Board Committees

The Audit Committee, Remuneration Committee, Related Party Transactions Review Committee, Nominations and Governance Committee and the Risk Management Committee function as Board Sub Committees, with Directors who possess the requisite qualifications and experience. The composition of the said Committees is as follows:

### Audit Committee

Ms. Amrah Akbar - Chairperson of the Committee
Mr. R J N De Mel - Member
Ms. H M S Perera - Member

### Related Party Transactions Review Committee

(Dr.)Mrs. Mihirini De Soyza - Chairperson of the Committee
Mr. R J N De Mel - Member
Ms. H M S Perera - Member

### Remuneration Committee

Dr. (Mrs.) Mihirini De Zoysa - Chairperson of the Committee
Mr. R J N De Mel - Member
Ms. N T M S Cooray - Member

### Nomination Committee

Dr. Mihirini De Zoysa - Chairperson of the Committee
Mr. R J N De Mel - Member
Mr. C P R Perera - Member

### Risk Management Committee

Dr. Beshan Kulapala - Chairperson of the Committee
Mr. R J N De Mel - Member
Mr. C P R Perera - Member

### IT Steering Committee

Mr. Z Mohamed - Chairperson of the Committee
Mr. D G W De Silva - Member
Mr. K D D Fernando - Member
Mr. S A A R Samarasinghe - Member
Mr. M De Zoysa - Member
Mr. N Abeygunawardana - Member

### Credit Review Committee

Mr. W A T Fernando - Chairperson of the Committee
Mr. D G W De Silva - Member
Mr. K D D Fernando - Member
Mr. Z Mohamed - Member
Mr. H T D Nonis - Member
Mr. S A A R Samarasinghe - Member
Mr. N Abeygunawardana - Member
Mr. P K S Senevirathna - Member
Ms. L S C De Silva - Member
(resigned w.e.f.31 March 2026)

The Company maintains an Interests Register in terms of the Companies Act, No. 07 of 2007, which is deemed to form part and parcel of this Annual Report and available for inspection upon request.

All related party transactions which encompasses the transactions of Directors who were directly or indirectly interested in a contract or a related party transaction with the Company during the accounting period are recorded in the Interests Register in due compliance with the applicable rules and regulations of the relevant Regulatory Authorities.

## Board Meetings and Sub Committee Meetings

The number of Board meetings and Sub Committee meetings held during the year and the attendance of Directors at these meetings are given on Corporate Governance Section from page 124 to 125.

## Internal Control and Risk Management

The Board is responsible for the adequacy and effectiveness of the Company's system of internal controls and risk management framework. Detail review in this regard is given in the page 163 to 169 under the Corporate Governance.

## Material Foreseeable Risk Factors

Information pertaining to material foreseeable risk factors is given under the Risk Management section on page 163 to 169.

## Declaration - Compliance with Section 9 of the Listing Rules

In terms of Rule 9.14.8(4) of the Listing Rules, the Directors declare that the Company is in compliance with Rule 9.14 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions.

## Related Party Transactions/ Disclosures during the year

**Non Recurrent Related Party Transactions – Disclosure in terms of Rule 9.14.8(1) of the Listing Rules of the Colombo Stock Exchange**

There were no non recurrent related party transactions of which the aggregate value exceeded 10% of equity or 5% of total assets, whichever is lower, of the Group as per the latest Audited Financial Statements as at 31st March 2025. Accordingly, no additional disclosures are required in this Annual Report under Rule 9.14.8(1) of the Listing Rules of the Colombo Stock Exchange or the Code of Best Practices on Related Party Transactions issued under Section 13(c) of the Securities and Exchange Commission Act.

Recurrent Related Party Transactions – Disclosure in terms of Rule 9.14.8(2) of the Listing Rules of the Colombo Stock Exchange

There were no recurrent related party transactions of which the aggregate value exceeded 10% of the consolidated revenue of the Group as per latest Audited Financial Statements as at 31st March 2025. Accordingly, no additional disclosures are required in this Annual Report in terms of Rule 9.14.8 (2) of the Listing Rules of the Colombo Stock Exchange or the Code of Best Practices on Related Party Transactions issued under Section 13(c) of the Securities and Exchange Commission Act.

## Sustainability

The Company pursues its business goals based on a model of stakeholders' governance. Finding of the continuous internal stakeholder engagements have enabled the Company to focus on material issues highlighted by other stakeholders such as employees, customers, suppliers and the community. These steps have been encapsulated in a Company-wide strategy focused on sustainable development which is continuously evolving based on the above-mentioned stakeholder engagements.

## Major Transactions

The Board of Directors is required to act in accordance with Section 185 of the Companies Act No. 07 of 2007 with regard to 'major transactions' as per the said Section 185. There were no major transactions entered into by the Company during the year.

## Employment Policy

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

At a Company level as at 31st March 2026 a total of 125 persons were in employment (121 persons as at 31 March 2025). There were no material issues pertaining to employees and industrial relations during the financial year.

Refer Human Capital on Pages 82 to 88 for more information.

## Statutory Payments

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

## Contingent Liabilities

Except as disclosed in Note 32 to the Financial Statements, there were no material Contingent Liabilities as at the reporting date.

## Risk Management

An ongoing process is in place to identify and manage the risks that are associated with the business and operations of the Company and the Group on a quarter basis. The Directors review this process through the Risk Management Committee, to identify the competence and success of internal controls.

Specific steps taken by the Company in managing the risks are detailed in the section on Enterprise Risk Management on Pages 163 to 169

## Independent Auditors

Messrs KPMG, Chartered Accountants served as the Auditors of the Company during the year under review. The Auditors do not have any other relationship with the Company other than as Auditors of the Company who have also provided certain non-audit services.

A total amount of Rs. 1,865,000/- is payable by the Company to the Auditors for the year under review. Rs 1,615,000/- as audit fees and Rs. 250,000/- as non-audit fees respectively.

The Auditors have expressed their willingness to continue in office. The Audit Committee at a meeting held on 28th August 2026 recommended that they be re-appointed as Auditors. A resolution to re-appoint the Auditors and to authorise the Directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

# Annual Report of the Board of Directors on the Affairs of the Company

## Group

Messrs KPMG, Chartered Accountants served as Auditors of the subsidiary company.

Details of payments to the said Auditors on account of audit fees and for permitted non audit services, are set out in Note 08 to the Financial Statements on page 202.

## Independence of Auditors

Based on the declaration provided by Messrs. KPMG, Chartered Accountants and to the extent that the Directors are aware, the Auditors do not have any relationship with (other than that of the Auditor), or interest in, the Company, which in the opinion of the Board, may reasonably be considered to have a bearing on their independence within the meaning of the Code of Professional Conduct and Ethics issued by The Institute of Chartered Accountants of Sri Lanka as of the reporting date.

## Compliance with laws and regulations

To the best of knowledge and belief of the Directors, the Company and its subsidiary have not engaged in any activity, which contravenes laws and regulations of the Country.

## Events Occurring after the Reporting Date

No circumstances have arisen and no material events have occurred during the period between the reporting date and the date of signing of Financial Statements by Directors that require disclosure or adjustment to the financial statements other than those disclosed in Note 34 to the Financial Statements on page 245 of this Annual Report.

## Going Concern

The Financial Statements are prepared on going concern principles. After making adequate enquires from the Management, the Directors are satisfied that the Company has adequate resources to continue its operations in the foreseeable future.

## Annual General Meeting

The Notice of the Seventeenth (17th) Annual General Meeting appears on page 260

## Acknowledgement of the content of the report

As required by Section 168(1)(k) of the Companies Act no.07 of 2007, the Board of Directors do hereby acknowledge the content of this Annual Report.

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

**R J N de Mel**
*Chairman*

**D G W De Silva**
*Managing Director*

**P W Corporate Secretarial (Pvt) Ltd**
*Secretaries*

31st August 2026
Colombo

GRI 2021 : 3-3

# Risk Management

## Risk Management

Risk implies future uncertainty about deviation from expected earnings or expected outcome. Therefore, risk management is vital for any business entity irrespective of in which industry it operates. As per the Corporate Governance Framework the Board is responsible for ensuring an effective risk management process and a sound system of internal controls to safeguard shareholders' investments and the Company's assets.

## Risk Management Framework

The Company has established a Risk Management Framework with three levels of control in place under the supervision and direction of its Board of Directors and supported by the Corporate Management Team and employees at all levels. A graphical overview of the Company's risk management framework is given below.

| Level of Controls | | Responsibility | Actions |
|---|---|---|---|
| LEVEL 01 | Board of Directors | Audit Committee | Review the scope and results of the audit and its effectiveness |
| | | Risk Management Committee | Overlooks the Risk Management Framework and assist the Board in fulfilling its responsibilities relating to Risk Management and Internal Controls |
| LEVEL 02 | Corporate Management | Management Committee | Managing day to day risk taking activities. Implementing Internal Policies and Procedures |
| | | Credit Committee | Responsible for the decisions on credit risk of the company. Implementing policies and procedures on Lending. |
| LEVEL 03 | Independent Assurance | Internal Audit | Review the effectiveness of Risk Management Practices and the Internal Controls |
| | | External Audit | Provides an opinion on the true and fair view of the Financial Statements. Review the Internal Controls over the Financial Reporting process. |

GRI 2021 : 3-3

# Risk Management

### Level 1 – Board of Directors

The Board of Directors gives the leadership to risk management framework of the Company as a part of its good governance practices.

The Board has delegated this responsibility to its two main subcommittees which are Risk Management Committee and the Audit Committee. These two subcommittees conduct meetings at least once in every quarter and update the Board of Directors at the board meetings on the effectiveness of the risk management framework and internal controls, effectiveness of the audit, review of compliance and internal audit processes.

### Level 2 – Corporate Management

Management Committee and the Credit Committee which operates at the corporate management level are responsible for managing the risks of day to day business activities. These two committees which are under the supervision and direction of the Board of Directors implement policies and procedures at operational level in order to strengthen the internal controls.

### Level 3 - Independent Assurance – Internal Audit / External Audit

Internal Audit reviews the effectiveness of risk management practices and the internal controls of the Company whilst the External Audit reviews the internal controls over the financial reporting process. This independent assurance assists the Board of Directors to identify any gaps in the current risk management framework and internal controls.

## Risk Strategy

The Risk Strategy of the Company is to establish formal mechanisms to ensure that best efforts are taken to appropriately identify the risks and maximize any potential opportunities arising from such risks events and mitigate and minimize the adverse effects stemming from those identified risks. This is operationalised through the embedding of risk management in business operations and strategic decision making process.

## Risk Appetite

The Company's risk appetite is the amount of risk it is prepared to accept in pursuing its strategic objectives based on its key value drivers. The Company's stated Risk Appetite provides a decision-making framework for the strategic and operational treatment of risk and is used as an internal tool by the central Enterprise Risk Management Division as means of calibrating the level of tolerance of risk on a Company wide level.

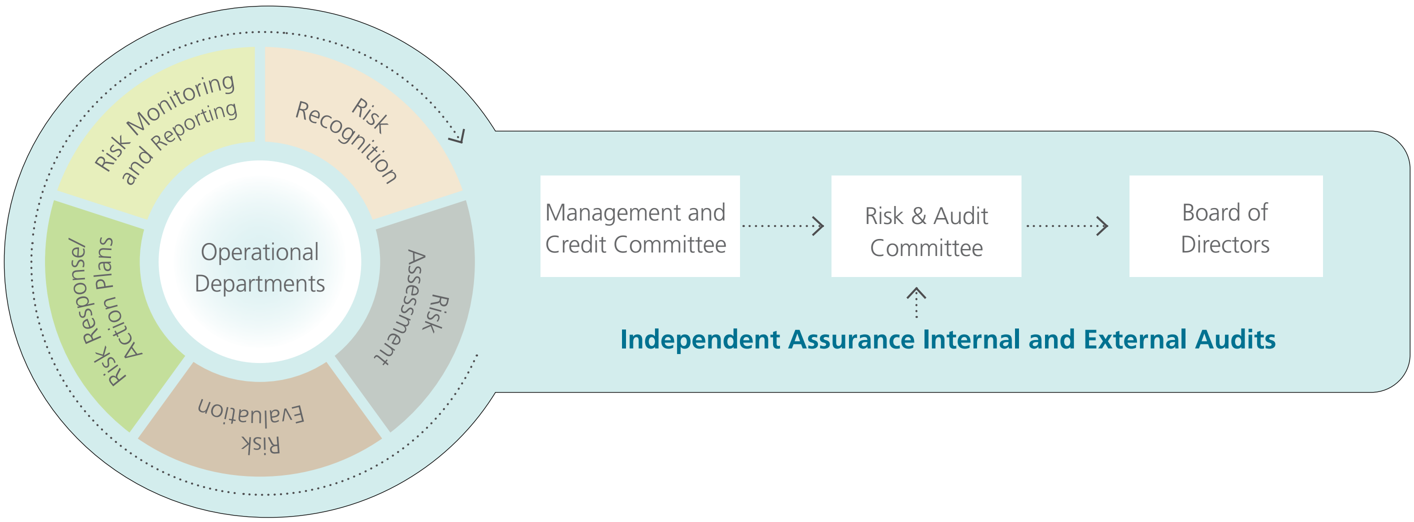
## Ceylon Tea Brokers PLC Risk Appetite Statement

Ceylon Tea Brokers PLC operates within a low overall risk range. The Company has a zero tolerance with regards to governance, reputation and regulatory non- compliance, and a low tolerance to business disruption, health and safety of its stakeholders, and employee satisfaction and a medium level of tolerance towards strategic objectives related to earnings volatility.

GRI 2021 : 3-3

## Risk Management Process

Whilst the overall setting of risk appetite is set at a Company level, the CTB's ERM process is a bottom-up approach, starting at business level as depicted in the process diagram below.




### Key Risks

i. Credit Risk

ii. Market Risk

iii. IT Risk

iv. Business Continuity Risk

v. Compliance Risk

### Risk Register

The key risk areas which may interrupt the achievement of corporate objectives of the Company along with risk responses and action plans implemented to mitigate them are given from pages 164 to 167.

### Rating of Risks

The level of risk for each risk event is determined by rating risks based on:

i. Likelihood of occurrence – Rating of probability of occurrence from 1 to 5

ii. Severity of impact – Rating of the impact to the business from 1 to 5.

iii. Velocity of Risk – assessment of the speed at which the impact of the risk would affect the organisation.

Below table elaborates the risk rating of the each risk identified in the above risk register.

| Impact / Severity | | | | | | |
|---|---|---|---|---|---|---|
| | 5 Catastrophic / Extreme Impact | 5 | 10 | 15 | 20 | 25 |
| | 4 Major / Very High Impact | 4 | 8 | 12 | 16 | 20 |
| | 3 Moderate / High Impact | 3 | 6 | 9 | 12 | 15 |
| | 2 Minor Impact | 2 | 4 | 6 | 8 | 10 |
| | 1 Low / Insignificant Impact | 1 | 2 | 3 | 4 | 5 |
| | | Rare / Remote to occur | Unlikely to occur | Possible to occur | Likely to occur | Almost certain to occur |
| | | 1 | 2 | 3 | 4 | 5 |

Ultra High | High | Medium | Low | Insignificant — Occurrence / Likelihood

Velocity represents the speed at which the risk event would affect the Company. The impact of the risk event is felt immediately if the risk item has a high velocity.

GRI 2021 : 3-3

# Risk Management

The key risk areas which may interrupt the achievement of corporate objectives of the Company along with risk responses and action plans implemented to mitigate them are given below.

| Headline Risk | Risks | Implications | Impact to Company | Likelihood of Occurrence | Score | Velocity | Measures/Actions |
|---|---|---|---|---|---|---|---|
| Credit Risk | High Credit exposure of the Company | Increased cost of finance, Poor Recoverability, Increased bad debt provisions and reduced profitability | 5 | 1 | 5 | High | Regularly monitoring client's advance ratios by the Credit Committee, Review of facility agreements and securities, Regular Visits to Factories |
| | Reduced Liquidity | Increased cost of finance, Loss of Business, Disruptions to operations | 5 | 1 | 5 | High | Regular review of Book debts, Annual Credit Rating Review |
| | Low recoverability of Loans & Advances | Increased cost of finance, Increased bad debt provisions and reduced profitability, Loss of Revenue | 5 | 1 | 5 | High | Regularly monitoring client's advance ratios by the Credit Committee, Review of facility agreements and securities, Regular Visits to Factory, Carrying out critical evaluation on both quantitative and qualitative information pertaining to high risk clients |
| | Fluctuations of Interest Rates | Increased cost of finance, reduced profitability | 3 | 2 | 6 | High | Adjust the interest rates on lending to reflect the changes in the market rates. |

GRI 2021 : 3-3

| Headline Risk | Risks | Implications | Impact to Company | Likelihood of Occurrence | Score | Velocity | Measures/Actions |
|---|---|---|---|---|---|---|---|
| Market Risk | Loss of Marks | Loss of Revenue, Loss of Market share and reputation | 5 | 3 | 15 | High | Provide a better service to the clients to increase customer retention, Constant dialogue with clients and regular factory visits to understand the clients requirements / satisfaction |
| | Low prices for the Teas Catalogued | Loss of Revenue, Loss of Business, Loss of Profitability and reputation | 5 | 5 | 25 | High | Manufacturing Advisory Services, Relationship building, Restrict the advances granted on Tea Stocks up to a certain limit, Closely monitor the market trends, Helding regular Information sharing meeting to evaluate weekly performances |
| | Increased number of claims and disputes over quality of Teas sold | Loss of Reputation, Loss of prices at the auctions, Increased unsold percentages | 4 | 2 | 8 | Low | Constant dialogue with clients and regular factory visits to factories/buyers to understand the clients requirements / satisfaction |
| | Increased number of Tea withdrawals | Loss of Reputation, Loss of prices at the auctions, Increased exposure to credit risk | 3 | 2 | 6 | Medium | Constant dialogue with Sri Lanka Tea Board officials and clients. Regular factory visits to factories to understand the reasons for withdrawals |
| | Customer Dissatisfaction with services | Loss of Revenue, Loss of Market share and reputation | 5 | 2 | 10 | High | Provide a better service to the clients to increase customer retention, Constant dialogue with clients and regular factory visits to understand the clients requirements / satisfaction |

GRI 2021 : 3-3

# Risk Management

| Headline Risk | Risks | Implications | Impact to Company | Likelihood of Occurrence | Score | Velocity | Measures/Actions |
|---|---|---|---|---|---|---|---|
| IT Risk | Data and information security | Disruptions to operations, loss of reputation, loss of Competitive advantage, | 5 | 2 | 10 | High | Periodical review of User access rights, Carrying out Vulnerability Assessment and Penetration Testing (VAPT), Ensure protection from virus guards and firewalls, Data classification and segregation |
| | Network Security | Disruptions to operations, loss of reputation, loss of Competitive advantage | 5 | 2 | 10 | High | Periodical review of User access rights, Carrying out Vulnerability Assessment and Penetration Testing (VAPT), Ensure protection from virus guards and firewalls |
| | Lack of User awareness and IT skills | Loss of Competitive advantage, Potential data theft | 3 | 2 | 6 | Low | Encouraging use of a complex passwords, Periodical review of user access rights, regular trainings to increase user awareness on cyber attacks |
| | Technology and Infrastructure security | Disruptions to operations, loss of reputation, loss of Competitive advantage | 5 | 1 | 5 | High | Obtaining an appropriate insurance cover, Fixation of tools to monitor server room environment |
| Business Continuity Risk | Lack of Succession planning | Disruptions to operations and quality of service, loss of business | 4 | 2 | 8 | High | Development of a succession planning framework (competency & skill) with current situation, Regular performance appraisal, training and development |
| | Lack of adequate training | Disruptions to operations and quality of service, loss of business | 4 | 2 | 8 | High | Development of a succession planning framework (competency & skill) with current situation, Regular performance appraisal, training and development |

GRI 2021 : 3-3, 416-1

| Headline Risk | Risks | Implications | Impact to Company | Likelihood of Occurrence | Score | Velocity | Measures/Actions |
|---|---|---|---|---|---|---|---|
| Business Continuity Risk (contd.) | Data theft | Disruptions to operations and quality of service, loss of business, loss of reputation, increased cost due to penalties | 5 | 1 | 5 | High | Periodical review of user rights and activity, increasing awareness on potential cyber attacks |
| | Natural Disasters/ Biological Disasters | Disruptions to operations, loss of business, increased costs | 5 | 1 | 5 | High | Data backups, Business Continuity Planning, Obtain Relevant Insurance Policies. Monitoring Server room environment & use of network monitoring tool. |
| Compliance Risk | Unacceptable employee behaviour | Disciplinary issues, Loss of Company Reputation | 2 | 1 | 2 | Low | Conduct induction programs to educate employees on regular basis, Regular meetings with staff (Formal/ informal)<br>Staff training and development |
| | Non-compliances with health and safety guidelines | Disruptions to operations, loss of Company reputation, Increased cost due to penalties/ expenses | 3 | 1 | 3 | Medium | Roll out of plan to contain the spread of Virus<br>Availability of insurance covers |
| | Non-compliances to laws and regulations due to oversights | Disruptions to operations, loss of Company reputation, Increased cost due to penalties/ expenses | 3 | 2 | 6 | High | Implementation of checks and controls to ensure compliance to laws and regulations |

The Risk Management Committee on a quarterly basis evaluate the process and identify areas for improvement.

# Managing Director, Chief Executive Officer and Director - Finance's Responsibility Statement

The Financial Statements of Ceylon Tea Brokers PLC and the Consolidated Financial Statements of the Group for the year ended 31st March 2026 have been prepared and presented in compliance with the following:

- Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka);
- The Companies Act No. 07 of 2007;
- The Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995;
- The Listing Rules of the Colombo Stock Exchange; and
- The Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka.

We affirm that the accounting policies adopted in the preparation of these Financial Statements are suitable, consistently applied, and disclosed in detail in the Notes to the Financial Statements. Policies and estimates requiring significant judgment and involving a high degree of complexity were reviewed with the Audit Committee and discussed with the External Auditors.

The Internal Audit function provides reasonable assurance that the Company's established policies and procedures are adhered to. Nonetheless, we acknowledge that no system of internal control can provide absolute assurance, given its inherent limitations. The Audit Committee meets regularly with both the Internal Auditors and External Auditors to evaluate audit effectiveness and address matters relating to internal control, audit, and financial reporting. Both audit functions enjoy unrestricted access to the Audit Committee to raise any issues of significance.

The Financial Statements have been audited by the independent external auditors, Messrs. KPMG, Chartered Accountants, whose report appears on pages 174 to 177 of this Annual Report. The Audit Committee has also reviewed and approved the services provided by the External Auditors to ensure that their independence and objectivity are not compromised.

We further confirm that:

- The Company and its subsidiaries have complied with all applicable laws, regulations and prudential requirements;
- There are no material instances of non-compliance; and
- There are no material litigations pending against the Group.

Chairman

Managing Director

Chief Executive Officer

Director – Finance

# The Radius of Trust

True leadership is defined by the security it provides to those within its reach. Beyond the directional beam lies an encompassing glow a 360-degree sanctuary of stability in a volatile market. Ceylon Tea Brokers serves as more than a guide; we are the industry's guardian, creating a defined zone of safety where our partners can operate with absolute peace of mind.

## FINANCIAL REPORTS

# Financial Calendar

## Interim Reports

1st Quarter 13th August 2025
2nd Quarter 12th November 2025
3rd Quarter 13th February 2026
4th Quarter 27th May 2026

## Audited Financial Statements

As at 31st March 2025 - 24th October 2025
As at 31st March 2026 - 31st August 2026

## Meetings

16th Annual General meeting was held on 27th November 2025
17th Annual General meeting to be held on 30th September 2026

## Dividends

Final dividend for the year 2023/24 of Rs. 0.44 per share was paid on 24th September 2024
Final dividend for the year 2024/25 of Rs. 0.60 per share was paid on 24th November 2025
Final dividend for the year 2025/26 of Rs. 0.50 per share to be paid on 28th September 2026

# Statement on Director's Responsibilities for Preparation of Financial Statements

The responsibilities of the Directors, in relation to the Financial Statements of the Company and its subsidiary differ from the responsibilities of the Auditors.

The responsibility of the Independent Auditors in relation to the Financial Statements is set out in the Report of the Auditors given on pages 174 to 177 of the Annual Report.

As per the Sections 150(1), 151, 152(1) and (2), 153 (1) and (2) of the Companies Act No. 07 of 2007, the Directors are required to prepare Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company and its subsidiary as at the end of the financial year and of the results of its operations for the financial year, ensure that they are completed within six months or such extended period as may be determined by the Registrar General of Companies, certified by the person responsible for the preparation of the Financial Statements that they are in compliance with the said Companies Act and dated and signed on behalf of the Board by two Directors of the Company.

In terms of section 166(1) read together with sections 168(1)(b) and (c) and section 167(1) of the Companies Act, the Directors shall cause a copy of the aforesaid Financial Statements together with the Annual Report of the Board of Directors of the Company prepared as per section 166(1) of the Companies Act to be sent to every shareholder not less than fifteen working days before the date fixed for holding the Annual General Meeting.

The Directors consider that in preparing these Financial Statements set out on pages 178 to 185, appropriate accounting policies have been selected and applied in a consistent manner and supported by reasonable and prudent judgment and that all applicable Accounting Standards, as relevant, have been followed. The Directors are also confident that the Company has adequate resources to continue in operation and have applied the going concern basis in preparing these Financial Statements as disclosed in Note 2.4.

Further, the Directors have a responsibility to ensure that the Company and its subsidiary maintain sufficient accounting records to disclose, with reasonable accuracy, the financial position of the Company and its subsidiary. The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and its subsidiary and in this regard to give proper consideration to the establishment of appropriate internal control systems to prevent and detect fraud and other irregularities.

Financial Statements prepared and presented in this report have been prepared based on Sri Lanka Accounting Standards (SLFRS/ LKAS) and are consistent with the underlying books of accounts and are in conformity with the requirements of Sri Lanka Accounting Standards, Companies Act No. 07 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the Listing Rules of the Colombo Stock Exchange.

## Compliance Report

The Directors are of the view, that they have discharged their responsibilities as set out in this statement.

The Directors also confirm that to the best of their knowledge, all statutory payments payable by the Company and its subsidiary as at the reporting date have been paid or where relevant provided for.

By Order of the Board of
**CEYLON TEA BROKERS PLC**

**P W Corporate Secretarial (Pvt) Ltd**
*Secretaries*

31st August 2026

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# Independent Auditor's Report

KPMG
(Chartered Accountants)
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## To the Shareholders of Ceylon Tea Brokers PLC

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Ceylon Tea Brokers PLC ("the Company") and the consolidated financial statements of the Company and its subsidiary ("the Group"), which comprise the statement of financial position as at 31st March 2026, and statements of profit and loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies as set out on pages 178 to 246 of this 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 of 31st March 2026, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

### Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the 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 financial statements and the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Company financial statements 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

| Allowance for impairment on Loans and advances to Tea Suppliers | |
|---|---|
| Refer to Note 3.1.6.5 for Material Accounting Policies and explanatory Note 16 of the financial statements. | |
| **Risk Description** | **Our Response** |
| The Group and the Company has recognized a total impairment provision of Rs. 175 Million on loans and advances given to tea suppliers amounting to Rs. 1,697 million as at 31st March 2026. | Our audit procedures included;<br>• Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the key internal controls management has established over the calculation of ECL provision. |

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KPMG

| Allowance for impairment on Loans and advances to Tea Suppliers (Continued) | |
|---|---|
| **Refer to Note 3.1.6.5 for Material Accounting Policies and explanatory Note 16 of the financial statements.** | |
| **Risk Description** | **Our Response** |
| Impairment allowance represent management's best estimate of the expected credit losses on loans and advances given to tea suppliers at the reporting date. The Group uses both individual and collective assessments for the calculation of expected credit losses.<br><br>The individual assessment involves exercise of management judgement in estimating the expected timing and amount of cash flows, adjusted for probability-weighted scenarios, while the collective impairment allowance is determined using statistical models that consider historical settlement patterns, with adjustments for current and expected economic conditions.<br><br>We identified the audit of impairment of loans and advances to tea suppliers as a key audit matter due to the significant level of management judgement, complexity and subjectivity involved in determining the impairment allowance. | • Testing the completeness and accuracy of key inputs into models and computations. Further, we assessed the reasonability of the model methodology and key assumptions.<br><br>• Assessing the recoverability of a sample of customers and reviewing the underlying documents to verify the details recorded in the database such as the credit limits, historical patterns of receipts and reviewing cash received subsequent to year end for its effect in reducing amounts outstanding at year end etc. and perform re-computation over the expected credit loss computation.<br><br>• Testing the mathematical accuracy of the calculation of allowance for impairment.<br><br>• Assessing the appropriateness of the Group's disclosures in the financial statements in line with the requirements of the Sri Lanka Accounting Standards |

| Impairment assessment of Goodwill and Investments in subsidiary | |
|---|---|
| **Refer to Note 3.1.9 for Material Accounting Policies and explanatory Note 14.2 and Note 15 of the financial statements** | |
| **Risk Description** | **Our Response** |
| As at 31st March 2026, the goodwill on consolidation was carried at Rs. 43.5 million. Management allocated goodwill to the respective cash generating unit ("CGU") as disclosed in Note 14 to the financial statements. As at 31st March 2026, the Company's investment in the subsidiary is carried at Rs. 603 million, after adjusting a provision for impairment of Rs. 29.5 million.<br><br>The subsidiary operates in provision of warehouse facilities and logistics and have indicators of impairment as at the reporting date. Management performed the impairment assessment for the subsidiary and determined its recoverable amounts based on value in use calculation.<br><br>We identified the audit of management's impairment assessment of goodwill and investment in subsidiary as a key audit matter due to the magnitude of the carrying amount and the subjectivity involved in the calculation of the recoverable amount which requires estimation and the use of assumptions. | Our audit procedures included;<br>• Obtaining an understanding of management's impairment assessment process by examining the indications of possible impairment in subsidiary.<br><br>• Assessing the mathematical accuracy of the Value in use calculations.<br><br>• Engaging our own internal experts to review the appropriateness of fair values determined using value in use calculation including the valuation methodology and key assumptions used.<br><br>• Assessing the adequacy of the disclosures in the financial statements in respect of the assessment of impairment. |

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# Independent Auditor's Report

### 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 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.

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- 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 2618.

Chartered Accountants
*Colombo, Sri Lanka*

31st August 2026

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| **For The Year Ended 31st March** | | **2026** | **2025** | **2026** | **2025** |
| | **Note** | **Rs.** | **Rs.** | **Rs.** | **Rs.** |
| Revenue | 5 | 1,545,295,636 | 1,370,435,890 | 1,128,295,101 | 1,001,493,729 |
| Operating Expenses | | (467,783,382) | (495,906,275) | (161,955,218) | (197,078,517) |
| **Gross Profit** | | 1,077,512,254 | 874,529,615 | 966,339,883 | 804,415,212 |
| Other Income | | 3,176,415 | 2,446,447 | 466,046 | 1,111,592 |
| Marketing Expenses | | (36,177,605) | (29,803,238) | (32,361,414) | (25,444,966) |
| Administration Expenses | | (584,194,445) | (535,506,654) | (528,665,027) | (431,623,643) |
| Other Expenses | 6 | (9,638,331) | (8,853,124) | (17,325,400) | (31,923,322) |
| **Profit from Operations** | | 450,678,288 | 302,813,046 | 388,454,088 | 316,534,873 |
| Finance Income | 7.1 | 46,853,428 | 93,625,156 | 45,858,137 | 90,650,742 |
| Finance Expenses | 7.2 | (278,825,753) | (286,910,200) | (215,739,812) | (215,674,962) |
| Net Finance Expenses | 7 | (231,972,325) | (193,285,044) | (169,881,675) | (125,024,220) |
| **Profit Before Tax** | 8 | 218,705,963 | 109,528,002 | 218,572,413 | 191,510,653 |
| Income Tax Expenses | 9 | (83,122,592) | (127,818,878) | (79,783,010) | (70,314,087) |
| **Profit /(Loss) for the Year** | | 135,583,371 | (18,290,876) | 138,789,403 | 121,196,566 |
| | | | | | |
| **Total Other Comprehensive Income** | | | | | |
| Remeasurement of Retirement Benefit Obligations | 25.3 | 12,162,053 | (8,048,909) | 11,938,488 | (15,249,887) |
| Deferred Tax on Remeasurement of Retirement Benefit Obligations | 21 | (3,648,616) | 2,414,673 | (3,581,546) | 4,574,966 |
| Gain on Revaluation | 12 | 68,863,154 | - | - | - |
| Deferred Tax on Revaluation | 21 | (20,658,946) | - | - | - |
| **Total Other Comprehensive Income Net of Tax** | | 56,717,645 | (5,634,236) | 8,356,942 | (10,674,921) |
| | | | | | |
| **Total Comprehensive Income for the Year** | | **192,301,016** | **(23,925,112)** | **147,146,345** | **110,521,645** |

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| **For The Year Ended 31st March** | | **2026** | **2025** | **2026** | **2025** |
| | **Note** | **Rs.** | **Rs.** | **Rs.** | **Rs.** |
| Profit /(Loss) attributable to : | | | | | |
| Equity holders of the company | | 135,583,371 | (18,290,876) | 138,789,403 | 121,196,566 |
| Non Controlling Interest | | - | - | - | - |
| **Profit/(Loss) for the Year** | | **135,583,371** | **(18,290,876)** | **138,789,403** | **121,196,566** |
| Total comprehensive Income attributable to: | | | | | |
| Equity holders of the company | | 192,301,016 | (23,925,112) | 147,146,345 | 110,521,645 |
| Non Controlling Interest | | - | - | - | - |
| **Total Comprehensive Income for the Year** | | **192,301,016** | **(23,925,112)** | **147,146,345** | **110,521,645** |
| Earning /(Loss) Per Share - basic and diluted | 10 | 0.74 | (0.10) | 0.76 | 0.66 |

Figures in brackets indicate deductions.

The Financial Statements are to be read in conjunction with the related notes, which form a part of the financial statements of the Company/Group set out on pages 186 to 246.

# Consolidated Statement of Financial Position

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| **As At 31st March** | | **2026** | **2025** | **2026** | **2025** |
| | **Note** | **Rs.** | **Rs.** | **Rs.** | **Rs.** |
| ASSETS | | | | | |
| Non Current Assets | | | | | |
| Property, Plant and Equipment | 12 | 1,010,314,884 | 976,428,221 | 86,696,851 | 72,004,760 |
| Right of use Assets | 13.1 | 284,255,683 | 315,106,823 | 138,462,662 | 155,417,274 |
| Intangible Assets | 14 | 49,215,780 | 49,864,258 | 1,520,009 | 973,312 |
| Deferred Tax Assets | 21 | - | - | 26,593,157 | 28,351,379 |
| Investment in Subsidiary | 15 | - | - | 603,490,194 | 611,604,470 |
| Loans and Advances to Tea Suppliers | 16.1 | 12,066,270 | 11,087,842 | 12,066,270 | 11,087,842 |
| Refundable Deposit on Lease Premises | 13.2 | 2,212,499 | 1,956,405 | 2,212,499 | 1,956,405 |
| Total Non Current Assets | | 1,358,065,116 | 1,354,443,549 | 871,041,642 | 881,395,442 |
| Current Assets | | | | | |
| Inventories | 17 | 412,674 | 12,674 | - | - |
| Trade and Other Receivables | 18 | 1,570,470,815 | 813,714,439 | 1,460,337,520 | 699,893,447 |
| Refundable Deposit on Lease Premises | 13.2 | 11,156,930 | 30,332,362 | 11,156,930 | 16,036,952 |
| Amount Due From Related Party | 27 | - | - | 30,235,093 | 23,299,167 |
| Loans and Advances to Tea Suppliers | 16.2 | 1,510,594,561 | 1,399,139,880 | 1,510,594,561 | 1,399,139,880 |
| Short Term Investments | 19 | 25,158,818 | 23,567,980 | 25,158,818 | 23,567,980 |
| Cash and Cash Equivalents | 20 | 559,101,273 | 149,363,937 | 558,758,827 | 148,383,398 |
| Total Current Assets | | 3,676,895,071 | 2,416,131,272 | 3,596,241,749 | 2,310,320,824 |
| **Total Assets** | | **5,034,960,187** | **3,770,574,821** | **4,467,283,391** | **3,191,716,266** |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Stated Capital | 22 | 333,200,000 | 333,200,000 | 333,200,000 | 333,200,000 |
| Retained Earnings | | 40,835,981 | 6,179,173 | 600,780,982 | 563,074,637 |
| Revaluation Reserve | 22.1 | 258,930,412 | 210,726,204 | - | - |
| Total equity attributable to owners of the company | | 632,966,393 | 550,105,377 | 933,980,982 | 896,274,637 |
| Non Controlling Interest | | - | - | - | - |
| Total Equity | | 632,966,393 | 550,105,377 | 933,980,982 | 896,274,637 |

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| **As At 31st March** | **Note** | **2026 Rs.** | **2025 Rs.** | **2026 Rs.** | **2025 Rs.** |
| Non Current Liabilities | | | | | |
| Deferred Tax Liability | 21 | 159,697,134 | 133,873,314 | - | - |
| Interest Bearing Borrowings | 23.2 | 514,966,667 | 663,966,667 | 85,000,000 | 145,000,000 |
| Lease Payable | 24 | 142,468,433 | 150,271,392 | 142,468,433 | 150,271,392 |
| Retirement Benefit Obligations | 25 | 81,526,018 | 78,487,037 | 77,051,056 | 73,761,801 |
| **Total Non Current Liabilities** | | 898,658,252 | 1,026,598,410 | 304,519,489 | 369,033,193 |
| Current Liabilities | | | | | |
| Interest Bearing Borrowings | 23.1 | 1,646,945,433 | 1,369,101,046 | 1,557,097,129 | 1,289,606,502 |
| Lease Payable | 24 | 7,802,959 | 14,431,437 | 7,802,959 | 4,560,030 |
| Trade and Other Payables | 26 | 1,667,455,165 | 663,774,009 | 1,603,116,569 | 590,232,815 |
| Amount Due to Related Party | 27 | 18,643,472 | - | - | - |
| Current Tax Payables | | 59,715,092 | 37,721,269 | 59,715,092 | 37,721,269 |
| Bank Overdrafts | 20 | 102,773,421 | 108,843,273 | 1,051,171 | 4,287,820 |
| **Total Current Liabilities** | | 3,503,335,542 | 2,193,871,034 | 3,228,782,920 | 1,926,408,436 |
| **Total Liabilities** | | 4,401,993,794 | 3,220,469,444 | 3,533,302,409 | 2,295,441,629 |
| **Total Equity And Liabilities** | | **5,034,960,187** | **3,770,574,821** | **4,467,283,391** | **3,191,716,266** |

The Financial Statements are to be read in conjunction with the related notes, which form a part of the financial statements of the Group/ Company set out on pages 186 to 246.

I certify that these Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

**S.A.A.R. Samarasinghe**
*Director Finance*

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 of Ceylon Tea Brokers PLC.

**R.J.N. De Mel**
*Chairman*

**W. De Silva**
*Managing Director*

31st August 2026
Colombo

# Statement of Changes in Equity

| | | Total equity attributable to parent | | | | | |
|---|---|---|---|---|---|---|---|
| **GROUP** | **Note** | **Stated Capital** | **Revaluation Reserve** | **Retained Earnings** | **Total** | **Non Controlling Interest** | **Total Equity** |
| **For The Year Ended 31st March** | | **Rs.** | **Rs.** | **Rs.** | **Rs.** | **Rs.** | **Rs.** |
| Balance as at 1st April 2024 | | 333,200,000 | 210,726,204 | 110,360,285 | 654,286,489 | - | 654,286,489 |
| **Total Comprehensive Income For the Year** | | | | | | | |
| Loss for the Year | | - | - | (18,290,876) | (18,290,876) | - | (18,290,876) |
| Other Comprehensive Expense For the Year-Net of Tax | | - | - | (5,634,236) | (5,634,236) | - | (5,634,236) |
| **Transactions with equity holders** | | | | | | | |
| Dividend Paid During the Year | 11 | | | (80,256,000) | (80,256,000) | - | (80,256,000) |
| **Balance as at 31st March 2025** | | **333,200,000** | **210,726,204** | **6,179,173** | **550,105,377** | **-** | **550,105,377** |
| **Balance as at 1st April 2025** | | 333,200,000 | 210,726,204 | 6,179,173 | 550,105,377 | - | 550,105,377 |
| **Total Comprehensive Income For the Year** | | | | | | | |
| Profit for the Year | | - | - | 135,583,371 | 135,583,371 | - | 135,583,371 |
| Other Comprehensive Income for the Year-Net of Tax | | - | 48,204,208 | 8,513,437 | 56,717,645 | - | 56,717,645 |
| **Transactions with equity holders** | | | | | | | |
| Dividend Paid During the Year | 11 | - | - | (109,440,000) | (109,440,000) | - | (109,440,000) |
| **Balance as at 31st March 2026** | | 333,200,000 | 258,930,412 | 40,835,981 | 632,966,393 | - | 632,966,393 |

| **COMPANY** | **Note** | **Stated Capital** | **Retained Earnings** | **Total** |
|---|---|---|---|---|
| **For The Year Ended 31st March** | | **Rs.** | **Rs.** | **Rs.** |
| Balance as at 1st April 2024 | | 333,200,000 | 532,808,992 | 866,008,992 |
| **Total Comprehensive Income For the Year** | | | | |
| Profit for the Year | | - | 121,196,566 | 121,196,566 |
| Other Comprehensive Expense for the Year | | - | (10,674,921) | (10,674,921) |
| **Transactions with equity holders** | | | | |
| Dividend Paid During the Year | 11 | | (80,256,000) | (80,256,000) |
| **Balance as at 31st March 2025** | | **333,200,000** | **563,074,637** | **896,274,637** |
| **Balance as at 1st April 2025** | | 333,200,000 | 563,074,637 | 896,274,637 |
| **Total Comprehensive Income For the Year** | | | | |
| Profit for the Year | | - | 138,789,403 | 138,789,403 |
| Other Comprehensive Income for the Year | | - | 8,356,942 | 8,356,942 |
| **Transactions with equity holders** | | | | |
| Dividend Paid During the Year | 11 | - | (109,440,000) | (109,440,000) |
| **Balance as at 31st March 2026** | | **333,200,000** | **600,780,982** | **933,980,982** |

Figures in brackets indicate deductions.

The Financial Statements are to be read in conjunction with the related notes, which form a part of the financial statements of the Group and the Company set out on pages 186 to 246.

# Consolidated Statement of Cash Flows

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| **For The Year Ended 31st March** | **Note** | **2026** | **2025** | **2026** | **2025** |
| | | **Rs.** | **Rs.** | **Rs.** | **Rs.** |
| Cash Flows From Operating Activities | | | | | |
| Profit Before Taxation | | 218,705,963 | 109,528,002 | 218,572,413 | 191,510,653 |
| *Adjustment for;* | | | | | |
| Depreciation/Amortisation | 12,13,14 | 105,267,913 | 120,225,368 | 36,999,629 | 24,303,118 |
| Interest Income | 7.1 | (46,853,428) | (93,625,156) | (45,858,137) | (90,650,742) |
| Interest Expense | 7.2 | 278,825,753 | 286,910,200 | 215,739,812 | 215,674,962 |
| Impairment of Loans Given to Tea Suppliers | 16.3 | 8,616,042 | 8,034,668 | 8,616,042 | 8,034,668 |
| Impairment of Investment in Subsidiary | | - | - | 8,114,276 | 21,395,530 |
| Impairment of Related Party Receivable | | - | - | 80,406 | 1,254,540 |
| Impairment of Trade and Other Receivable | 18.1 & 18.2 | 1,022,289 | 818,456 | 514,676 | 1,238,584 |
| Loss / (Gain) on Disposals of Property, Plant and Equipment | | 146,564 | (539,596) | 146,564 | (539,596) |
| Provision for Retirement Benefit Obligations | 25.1 | 16,730,034 | 15,083,313 | 15,227,743 | 11,741,104 |
| **Operating Profit Before Working Capital Changes** | | 582,461,130 | 446,435,255 | 458,153,424 | 383,962,821 |
| (Increase)/Decrease in Loans to Tea Suppliers | 16 | (121,049,151) | (122,106,080) | (121,049,151) | (122,106,080) |
| (Increase)/Decrease in Trade and Other Receivables | 18 | (759,225,927) | 181,722,676 | (762,486,418) | 140,668,635 |
| (Increase)/Decrease in Inventories | | (400,000) | 1,304,382 | - | - |
| Increase/(Decrease) in Trade and Other Payables | 26 | 1,003,681,156 | (49,817,347) | 1,012,883,754 | (28,752,575) |
| Increase /(Decrease) in Related Party Payable | | 18,643,472 | - | (6,935,926) | (38,514,416) |
| **Cash Generated from Operations** | | 724,110,680 | 457,538,886 | 580,565,683 | 335,258,385 |
| Retirement Benefit Obligations Paid | 25.1 | (1,529,000) | (7,737,400) | - | (1,525,000) |
| Income Tax Paid | | (58,165,249) | (71,246,852) | (58,165,249) | (71,246,852) |
| **Net Cash Flow Generated from Operating Activities** | | 664,416,431 | 378,554,634 | 522,400,434 | 262,486,533 |

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| **For The Year Ended 31st March** | **Note** | **2026 Rs.** | **2025 Rs.** | **2026 Rs.** | **2025 Rs.** |
| Cash Flow From Investing Activities | | | | | |
| Interest / Investment income Received | 7.1 | 45,006,497 | 86,553,226 | 44,011,205 | 86,027,167 |
| Acquisition of Property, Plant and Equipment | 12 | (37,588,368) | (65,789,143) | (34,080,369) | (64,855,413) |
| Investment in Unit Trusts | | 1,420,000,000 | 1,520,000,000 | 1,420,000,000 | 1,520,000,000 |
| Redemption of Unit Trust Investment | | (1,420,000,000) | (1,520,000,000) | (1,420,000,000) | (1,520,000,000) |
| Acquisition of Intangible Assets | 14 | (1,350,000) | (2,190,819) | (1,350,000) | - |
| Proceeds on Disposal of Property, Plant and Equipment | | - | 1,315,500 | - | 1,315,500 |
| Receipt of Refundable Deposit | | 20,891,120 | - | 6,595,710 | - |
| Re-Payment of Refundable Deposit | 13 | (1,715,688) | (15,483,243) | (1,715,688) | (6,904,237) |
| Net Cash Flow Generated from Investing Activities | | 25,243,561 | 4,405,521 | 13,460,858 | 15,583,017 |
| Cash Flow From Financing Activities | | | | | |
| Interest Paid | | (278,825,754) | (284,115,461) | (215,739,811) | (213,192,955) |
| Loans Obtained During the Year | 23 | 16,180,000,000 | 14,320,000,000 | 17,480,000,000 | 14,000,000,000 |
| Loan Repayment made during the Year | 23 | (16,051,155,613) | (14,007,600,135) | (17,272,509,373) | (13,652,022,188) |
| Proceeds from Commercial Papers issued | | - | 200,000,000 | - | 200,000,000 |
| Repayment of Commercial Papers redeemed | | - | (200,000,000) | - | (200,000,000) |
| Payment of lease liabilities | 24 | (14,431,437) | (34,479,598) | (4,560,030) | (7,487,522) |
| Dividend Paid | | (109,440,000) | (80,256,000) | (109,440,000) | (80,256,000) |
| **Net Cash Flow Generated/(Used in) from Financing Activities** | | **(273,852,804)** | **(86,451,194)** | **(122,249,214)** | **47,041,335** |
| Net Increase in Cash and Cash Equivalents | | 415,807,188 | 296,508,961 | 413,612,078 | 325,110,885 |
| Cash and Cash Equivalents at the beginning of the Year | | 40,520,664 | (255,988,297) | 144,095,578 | (181,015,307) |
| **Cash and Cash Equivalents at the end of the Year** | 20 | **456,327,852** | **40,520,664** | **557,707,656** | **144,095,578** |

Figures in brackets indicate deductions.

The Financial Statements are to be read in conjunction with the related notes, which form a part of the financial statements of the Group/ Company set out on pages 186 to 246.

# Notes to the Consolidated Financial Statements

## 1. GENERAL INFORMATION

### 1.1 Reporting Entity

Ceylon Tea Brokers PLC (the "Company") is a Company domiciled and operating in Sri Lanka, incorporated on 15th June 1999 and listed on the Colombo Stock Exchange on 20th January 2010. The Company's registered office and the principal place of business are located at No 481, T.B. Jayah Mawatha, Colombo 10.

The Company has a fully owned subsidiary, Logicare (Private) Limited, which was acquired in 2017, is a private Company with limited liability incorporated in Sri Lanka under the provisions of the Companies Act No. 07 of 2007. The Ordinary shares of the company have a primary listing on the CSE.

Immediate and ultimate parent of the Ceylon Tea Brokers is Ashthi Holdings (Private) Limited.

The staff strength of the Group and the Company was 125 and 94 in 2025/26 and 121 and 91 in 2024/25.

### 1.2 Principal Activities and Nature of Operations

The principal activities of the Company were tea brokering, tea warehousing and financing. The principal activity of the subsidiary is to provide services related to third party logistics (TPL). There were no significant changes in the nature of principal activities of the Company and the Group during the financial year.

### 1.3 Consolidated Financial Statements

The Consolidated financial statements of the Company as at, and for the year ended 31st March 2026 comprise the financial statements of Company (Parent Company) and its subsidiary (together referred to as the "Group")

## 2. BASIS OF PREPARATION

### 2.1 Statement of Compliance

The Consolidated Financial Statements of the Group and the separate Financial Statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards (the "Accounting Standards"), as issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). The Accounting Standards comprise:

- Sri Lanka Financial Reporting Standards ("SLFRS");
- Sri Lanka Accounting Standards ("LKAS");
- Statements of Recommended Practices (SoRPs);
- Statement of Alternate Treatment (SoATs) and
- Financial Reporting Guidelines issued by the CA Sri Lanka

The Accounting Standards along with FAQs issued are available at the website of CA Sri Lanka www.casrilanka.com

#### 2.1.1 Statement of Presentation

The financial statements have been prepared and presented in accordance with the requirement of Companies Act No 7 of 2007 and provide appropriate disclosures as required by the Listing Rules of the Colombo stock exchange (CSE).

### 2.2 Responsibility for Financial Statements

The Board of Directors of the Company is responsible for the preparation and fair presentation of the financial statements of the Group and the Company as per the provision of the Companies Act No. 07 of 2007 and Sri Lanka Accounting Standards.

These financial statements include the following components:

- a Statement of Profit or Loss and Other Comprehensive Income providing the information on the financial performance of the Group and the Company for the year under review. Refer page 178 to 179;
- a Statement of Financial Position providing the information on the financial position of the Group and the Company as at the year end. Refer page 180 to 181;
- a Statement of Changes in Equity depicting all changes in shareholders' funds during the year under review of the Group and the Company. Refer pages 182 to 183;
- a Statement of Cash Flows providing the information to the users, on the ability of the Group and the Company to generate cash and cash equivalents and utilisation of those cash flows. Refer page 184 to 185;
- Notes to the Financial Statements comprising Material Accounting Policies and other explanatory information. Refer pages 186 to 246.

The Consolidated Financial Statements were authorized for issue by the Company's Board of Directors in accordance with the resolution passed by the Board of Directors on 31st August 2026.

### 2.3 Basis of Measurement

The Consolidated Financial Statements have been prepared on the historical cost basis except for the following material items in the statement of financial position.

- Liability for Retirement Benefit Obligation is measured at the present value of the defined benefit obligation based on actuarial valuation as per LKAS 19: Employee benefits.

- Buildings under Property, Plant and Equipment are measured at fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated any impairment as per LKAS 16: Property, Plant and Equipment.

### 2.4 Going Concern Basis of Accounting

The Management has made an assessment of the Group's and the Company's ability to continue as a going concern in the foreseeable future and they do not foresee a need for liquidation or cessation of business. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as going concern. Therefore, the Financial Statements of the Group continue to be prepared on going concern basis.

### 2.5 Current Versus Non-Current Classification

The Group presents assets and liabilities in the Statement of Financial Position based on Current / Non-Current classification. An asset is Current when it is expected to be realized or intended to be sold or consumed in the normal operating cycle and held primarily for the purpose of trading or expected to be realized within twelve months after the reporting period or is Cash or Cash Equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as Non-Current Assets. A liability is Current when it is expected to be settled in the normal operating cycle and is held primarily for the purpose of trading and is due to be settled within twelve months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as Non-Current Liabilities.

### 2.6 Functional and Presentation Currency

The Consolidated Financial Statements have been presented in Sri Lankan Rupees, which is the Group's/ Company's functional and presentation currency. All the financial information presented in Sri Lankan Rupees has been rounded to the nearest Rupee value unless otherwise indicated.

### 2.7 Presentation of Financial Statements

The assets and liabilities of the Group and the Company presented in the statement of financial position are grouped by nature and listed in an order that reflects their relative liquidity and maturity pattern.

### 2.8 Materiality and Aggregation

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

### 2.9 Offsetting

Financial assets and financial liabilities are offset and the net amount report in the statement of financial position, only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on net basis, or to realize the assets and settle the liability simultaneously. Income and expenses are not offset in the income statement, unless required or permitted by Sri Lanka accounting standards and as specifically disclosed in the material accounting policies of the Company and the Group.

### 2.10 Comparative Information

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period in the Financial Statements in order to enhance the understanding of the current period's Financial Statements and to enhance the inter period comparability. The comparative information have been reclassified where necessary to conform to the current year's presentation.

### 2.11 Use of Estimates, Judgments and Assumptions

In preparing these Consolidated and Separate Financial Statements, management has made judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

#### 2.11.1 Determination of Fair Values

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group and the Company has access at that date. The fair value of a liability reflects its non-performance risk. Several

# Notes to the Consolidated Financial Statements

of the Group's and the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

When measuring fair value of an asset or liability, the Group and the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

Level 1: inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs are inputs that are not based on observable market data (unobservable inputs).

If inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair value is disclosed in the notes specific to that asset or liability.

### 2.11.2 Fair Value of Non-Financial Assets

The fair value used by the Group in the measurement of non-financial assets is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market that is accessible by the Group and the Company for the asset or liability

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

A fair value measurement of a non-financial asset takes into account a market participants ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

### 2.11.3 Useful Lives of Depreciable Assets

The Management reviews its estimation of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the useful life of certain property, plant and equipment.

### 2.11.4 Defined Benefit Obligation

The cost of the defined benefit plans are determined using an actuarial valuation. The Group's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as mortality rates, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the defined benefit obligation amount and the annual defined benefit expense.

### 2.11.5 Fair Value of Financial Instruments

The Group applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

### 2.11.6 Recognition of Deferred Tax Assets

The Group applies significant judgment to the extent the deferred tax assets can be recognised based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various future tax jurisdictions.

## 3. MATERIAL ACCOUNTING POLICIES

Summary of material accounting policies have been disclosed along with the relevant individual notes in the subsequent pages. Those accounting policies presented with each note, have been applied consistently by the Group. Set out below are material accounting policies, which have been applied consistently by the Group, but not covered in any other sections.

### 3.1 Consolidation

#### 3.1.1 Basis of Consolidation

The Group's Financial Statements comprise consolidated Financial Statements of the Group and its Subsidiary, prepared in accordance with the Sri Lanka Accounting Standards (SLFRS) 10 - Consolidated Financial Statements.

#### 3.1.2 Business Combination

Business combinations are accounted for using the acquisition method as at the acquisition date - i.e. when control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; Minus
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Any goodwill that arises is tested annually for impairment (refer note 14). When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

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, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

#### 3.1.3 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 Group reassesses whether it has control if there are changes to one or more of the elements of control.

The Financial Statement of the subsidiary is included in the consolidated financial statements from the date, that control commence, until the date that control ceases.

##### 3.1.3.1 Loss of Control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

##### 3.1.3.2 Transactions Eliminated On Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra group transactions are eliminated in preparing the consolidated financial statements.

#### 3.1.4 Foreign Currency

Transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the closing rate. Non-monetary items measured at fair value are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items measured at historical cost are translated at the rates prevailing on the date of transaction. Exchange differences arising on the settlement of monetary items and on the translation of monetary items are included in profit or loss for the period.

#### 3.1.5 Assets and the Bases of their Valuation

##### 3.1.5.1 Property, Plant And Equipment

3.1.5.1.1 Recognition And Measurement

Basis of recognition

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably, in accordance with the Sri Lanka Accounting Standard - LKAS 16 on "Property Plant and Equipment".

# Notes to the Consolidated Financial Statements

### Basis of measurement
An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and subsequent costs (as explained under 3.1.5.1.4 - subsequent cost).

### Cost Model
All property, plant and equipment, are recorded at cost, less accumulated depreciation and accumulated impairment losses, if any. When an asset's carrying value is higher than it's recoverable amount, the carrying value is written down to its recoverable amount (Please refer Note 3.1.9 - Impairment of non-financial assets).

### Revaluation Model
The Group policy is to revalue all buildings by an independent professional valuer every three years or when there is a substantial difference between the fair value and the carrying amount. On revaluation of an asset, any increase in the carrying amount is recognised in revaluation reserve in equity through Other Comprehensive Income or used to reverse a previous loss on revaluation of the same asset, which was charged to Profit or Loss. In this circumstance, the increase is recognised as income only to the extent of the previous write down in value. Any decrease in the carrying amount is recognised as an expense in Profit or Loss or charged to revaluation reserve in equity through Other Comprehensive Income, only to the extent of any credit balance existing in the revaluation reserve in respect of that asset. Any balance remaining in the revaluation reserve in respect of an asset, is transferred directly to retained earnings upon disposal of the asset.

### 3.1.5.1.2 Owned Assets
The cost of an item of property, plant and equipment comprise its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use.

The cost of self-constructed assets includes the cost of materials, direct labor, and any other costs directly attributable to bringing the asset to the working condition for its intended use. This also includes cost of dismantling and removing the items and restoring in the site on which they are located and borrowing costs on qualifying assets.

Purchased software that is integrate to the functionality of the related equipment is capitalized as part of equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for separate items (major component) of property, plant and equipment.

### 3.1.5.1.3 Capital Work-In-Progress
The cost of capital work-in-progress is the cost of purchase or construction together with any related expenses thereon. Capital work-in-progress is transferred to the respective asset accounts at the time of first utilization or at the time the asset is commissioned.

### 3.1.5.1.4 Subsequent Costs
The Group recognises in the carrying amount of property, plant and equipment the cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

The costs of the day to day servicing of property, plant and equipment are recognized in profit or loss as incurred.

### 3.1.5.1.5 Depreciation
Depreciation is recognized in profit or loss on the straight-line basis over the estimated useful lives of each part of item of Property, Plant and Equipment. Depreciation of an asset begins when it is available for use whereas depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) and the date that the asset is derecognized.

The estimated useful lives of Property Plant and Equipment used by the Group and the Company are as follows:

| Class of Assets | Annual Rate | Useful Life (Years) |
|---|---|---|
| Lease Hold Right Over Land | 2.60% | 39 |
| Computer | 25.00% | 04 |
| Furniture and Fittings | 12.50% | 08 |
| Motor Vehicle | 25.00% | 04 |
| Office Equipment | 12.50% | 08 |
| Weight Scale | 12.50% | 08 |
| Wooden Pallets | 10.00% | 10 |
| Racking System | 2.78% | 36 |
| Building | 3.03% | 33 |
| Machinery & Electrical Equipment | 12.50 | 08 |

Depreciation method, useful lives and residual values are reviewed at each Reporting Date end and adjusted if appropriate.

### 3.1.5.1.6 Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing 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 derecognized.

### 3.1.5.2 Intangible Assets

### 3.1.5.2.1 Initial Recognition And Measurement

An intangible asset is recognized where it is probable that economic benefits are attributable to the assets will flow to the entity and cost of the assets can be measured reliably and carried at cost less accumulated amortization and accumulated impairment losses.

Separately acquired intangible assets are measured on initial recognition at cost. The cost of such separately acquired intangible assets include the purchase price, import duties, non-refundable purchase taxes and any directly attributable cost of preparing the asset for its intended use.

The cost of intangible assets acquired in a business combination is the fair value of the asset at the date of acquisition.

The cost of an internally generated intangible asset arising from the development phase of an internal project which is capitalised includes all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Management. Other development expenditure and expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding is expensed in the income statement as and when incurred.

### 3.1.5.2.2 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 is recognized in profit or loss as incurred.

### 3.1.5.2.3 Subsequent Measurement

After initial recognition an intangible asset is stated at its costs less any accumulated amortisation and any accumulated impairment losses.

The useful economic life of an intangible asset is assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life of the asset, The amortization expense on intangible assets with finite lives is recognized in the income statement Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

### 3.1.5.2.4 Computer Software

All computer software costs incurred, which are not internally related to associate hardware, which can be clearly identified, reliably measured and its probable that they will lead to future economic benefits, are included in the Statement of Financial Position under the category of intangible assets. Amortization is calculated at an annual rate of 25% (useful life : 4 years).

### 3.1.5.2.5 Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. Any goodwill that arises is tested annually for impairment.

#### *3.1.5.2.5.1 Initial Recognition And Measurement*

Goodwill is initially measured at cost and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

#### *3.1.5.2.5.2 Subsequent Measurement*

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is tested for impairment. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

# Notes to the Consolidated Financial Statements

**3.1.5.3 Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the First in First Out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

## 3.1.6 Financial Assets

**3.1.6.1 Recognition and Initial Measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group and the Company becomes a party to the contractual provisions 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 or minus, for an item not at fair value through profit or loss (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.

**3.1.6.2 Classification and Subsequent Measurement of Financial Assets**

All financial assets are subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Transaction cost in relation to financial assets and financial liabilities at fair value through profit or loss are dealt with through the Income Statement. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under SLFRS 15. Refer to the accounting policies in section 3.1.14.1, Revenue from contracts with customers.

**Financial assets – Business model assessment**

The Group makes an assessment of the objective 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 realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that 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 assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations 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 - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes 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 costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments 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 limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments 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 additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

**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, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

#### 3.1.6.3 Reclassification
Financial assets are not reclassified subsequent to their initial recognition, except and only in those rare circumstances when the Group's changes its objective of the business model for managing such financial assets.

Financial Liabilities are not reclassified as such reclassifications are not permitted by SLFRS 9.

#### 3.1.6.4 Derecognition of Financial Assets
A financial asset (or, where applicable a part of a financial asset or part of a Group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired,
- The Group and the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company has transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group and the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognized to the extent of the Group's and the Company's continuing involvement in it.

In that case, the Group and the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company has retained.

#### 3.1.6.5 Impairment of Financial Assets
**i. Impairment Policy: Financial instruments**
Loss allowances for trade receivables is 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 assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations 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 90 days past due.

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).

# Notes to the Consolidated Financial Statements

### 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 have 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;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market tor a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances 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 expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures to recovery of amounts due.

## 3.1.7 Financial Liabilities
On initial recognition, the Company classifies financial liabilities, other than financial guarantees and loan commitments, into amortised cost.

### 3.1.7.1 Classification and Subsequent Measurement of Financial Liabilities
The subsequent measurement of financial liabilities depends on their classification.

#### i. Financial Liabilities at Amortised Cost
Financial Liabilities issued by the Group that are not designated at fair value through profit or loss are recognised initially at fair value plus any directly attributable transaction costs, by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Deposit liabilities including savings deposits, current deposits, fixed/time deposits, call deposits, certificates of deposit and debentures are classified as financial liabilities measured at amortised cost.

The EIR amortisation is included in 'Interest expense' in the Income Statement. Gains and losses too are recognised in the Income Statement when the liabilities are derecognised as well as through the EIR amortisation process.

#### Loans and Borrowings
After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method.

### 3.1.7.2 Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts are recognized in the income statement.

## 3.1.8 Offsetting of Financial Instruments
Financial assets and financial liabilities are offset with the net amount reported in the Statement of Financial Position only if there is a current enforceable legal right to offset the recognized amounts and intent to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Income and expense will not be offset in the Income Statement unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

### 3.1.9 Impairment of Non-Financial Assets

The carrying amounts of the Group's non-financial assets, other than inventories 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. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit 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 discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually 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 other assets or groups of assets (the "cash-generating unit, or CGU").

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (Company of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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 amortization, if no impairment loss had been recognized.

### 3.1.10 Leases

The Group assesses at the inception of a contract, whether a contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration as per the guidelines of SLFRS 16. This assessment considers whether, throughout the period of use, the lessee has both the right to obtain all of the economic benefits from the use of the identified asset and the right to direct how and for what purpose the identified asset is used.

After the assessment of whether a contract is, or contains, a lease, the Group determines whether it contains additional lease or non-lease (service) components based on the detailed guidance provided in SLFRS 16. Accordingly, the right to use of an identifying asset is a separate lease component if the lessee can benefit from the use of underlying asset either on its own or together with other resources readily available to the lessee and the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract.

#### 3.1.10.1 As A Lessee

As per SLFRS 16, when the Group has determined that a contract contains a lease component and one or more additional lease components or non-lease components, the consideration in the contract is allocated to each lease component on the basis of relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. 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 and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

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,

# Notes to the Consolidated Financial Statements

discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount 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 asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

The 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 under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### 3.1.10.2 Short-Term Leases And Leases Of Low-Value Assets

The Company / Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### 3.1.11 Provision, Contingent Liabilities, Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

All contingent liabilities are disclosed as a note to the financial statements unless the outflow of resources is remote.

Contingent assets are disclosed, where inflow of economic benefit is possible.

### 3.1.12 Post-Employment Benefits

#### I) 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.

#### ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan as define by Sri Lankan Accounting Standard – LKAS 19 on "Employment Benefits". 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 by qualified actuary as recommended by LKAS - 19. 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.

However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for payment to an employee arises only after the completion of 5 years continued service.

The liability is not externally funded.

Group recognises all actuarial gains and losses arising from defined benefit plans immediately in the statement of other comprehensive income as they occur.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gain or losses on the settlement of a defined plan when the settlement occurs.

**iii) Defined contributions plans – Employees' Provident Fund and Employees' Trust Fund**

All employees who are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions are covered by relevant contributions funds in line with the relevant statutes. Employer's contributions to the defined contribution plans are recognized as an expense in profit or loss when incurred.

### 3.1.13 Ordinary Shares

Ordinary Shares Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with LKAS 12.

### 3.1.14 Income Statement

#### 3.1.14.1 Revenue From Contracts with Customers

Revenue represents the amounts derived from the provision of services, which falls within the Company's ordinary activities net of Revenue related taxes.

The Group/Company recognizes revenue from contracts with customers when control of the goods or services is transferred to the customer at an amount that reflects the consideration that the Group is to be entitled in exchange for those goods or services. Determining the timing of the transfer of control of goods or services, at a point in time or over time, requires judgements taking into consideration the nature of goods or services that Group/Company offers.

**Disaggregation of revenue**

SLFRS 15 requires an entity to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. The Group/ Company disaggregate revenue in to following categories.

- Brokerage Fee
- Handling Charges
- Logistic and transportation income
- Lot fee

Revenue from rendering of services is recognized when the Group/ Company satisfies all performance obligations by transferring a promised service to a customer.

#### 3.1.14.2 Net Financing Income / Cost

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on external borrowings and related party loans and payments made under lease agreements. Payments made under lease agreements are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received may be recognised as an integral part of the total lease expense, over the term of the lease.

#### 3.1.14.3 Expenditure Recognition

a) All expenditure incurred in the running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency including depreciation has been charged to Income Statement in arriving at the profit for the year.

b) For the purpose of presentation of the Income Statement, the Directors are of the opinion that the function of expenses, present fairly the elements of the enterprises performance, hence such presentation method is adopted.

#### 3.1.14.4 Income Tax Expense

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in 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.

**(i) Current Tax**

Current tax expense for the current and comparative periods are measured at the amount paid or expected to be payable to the Commissioner General of Inland Revenue on taxable income for the respective year of assessment computed in accordance with the provisions of the Inland Revenue Act, No. 24 of 2017 as amended by subsequent legislation enacted or substantively enacted by the reporting date.

# Notes to the Consolidated Financial Statements

(ii) Deferred Taxation
Deferred taxation is recognised using the Balance Sheet liability method, 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: 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, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they 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. Deferred tax assets and deferred tax liabilities are offset, if legally enforceable right exists to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

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

**3.1.14.6 Related Party Transactions**
Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is being charged or not.

The relevant details are disclosed in the respective notes to the Financial Statements.

### 3.1.15 Cash Flow Statements

Interest received is classified as investing cash flows, while interest paid, is classified as financing cash flows for the purpose of presentation of Cash Flow Statement which has been prepared using the 'Indirect Method'. The group has elected to classify cash flows from Dividends paid as financing activities.

**3.1.15.1 Cash and Cash Equivalents**
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 changes in value. The cash and cash equivalents include cash in-hand, balances with banks and short term deposits with banks.

### 3.1.16 SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Corporate Management Team headed by the Managing Director/ Chief Executive Officer (being the chief operating decision-maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

The Group has two strategic divisions (operating segments), namely:

- Tea broking
- Warehousing for Third Party Logistics

Segment performance is evaluated based on operating profits or losses which, in certain respects, are measured differently from operating profits or losses in the Consolidated Financial Statements. Income taxes are managed on a group basis and are not allocated to operating segments.

### 3.1.17 Events After The Reporting Date

Events after the reporting period are those events favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue.

The materiality of the events occurring after the reporting period are considered and appropriate adjustments to or disclosures are made in the Financial Statements, where necessary.

## 4. NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE AS AT REPORTING DATE

The Institute of Chartered Accountants of Sri Lanka has issued the following amendments to Sri Lanka Accounting Standards (SLFRSs/ LKASs) which will become applicable for financial periods beginning on or after 1st April 2026. Accordingly, the Group has not applied these amendments in preparing these Financial Statements. The following amendments are not expected to have a significant impact on the Group's and Company's Financial Statements.

- SLFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information
- SLFRS S2 - Climate Related Disclosure
- SLFRS 18 – Presentation and Disclosure in Financial statements

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# Notes to the Consolidated Financial Statements

## 5. REVENUE

### 5.1 Revenue from Contract with Customers

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| For The Year Ended 31st March | 2026 Rs. | 2025 Rs. | 2026 Rs. | 2025 Rs. |
| Brokerage Fee | 525,124,980 | 499,432,778 | 525,124,980 | 499,432,778 |
| Handling Charges | 117,941,592 | 111,645,059 | 116,358,602 | 111,645,059 |
| Tea - Documentation Charges | 2,375,775 | 2,221,107 | 2,375,775 | 2,221,107 |
| Tea - SVAT Voucher Handling Charges | 872,046 | 1,439,262 | 872,046 | 1,439,262 |
| Logistic & Transportation Income | 415,417,545 | 368,942,161 | - | - |
| Lot Fee | 8,946,572 | 8,201,259 | 8,946,572 | 8,201,259 |
| Sundry Income | 86,935,690 | 86,398,902 | 86,935,690 | 86,398,902 |
| **Total Revenue from Contract with Customers** | **1,157,614,200** | **1,078,280,528** | **740,613,665** | **709,338,367** |
| Interest Earned from Loans and Advances | 387,681,436 | 292,155,362 | 387,681,436 | 292,155,362 |
| **Total Revenue** | **1,545,295,636** | **1,370,435,890** | **1,128,295,101** | **1,001,493,729** |

### 5.2 Timing of Revenue Recognition

| | | | | |
|---|---|---|---|---|
| At a Point In Time (Ceylon Tea Brokers PLC) | 1,129,878,091 | 1,001,493,729 | 1,128,295,101 | 1,001,493,729 |
| Over The Period (Logicare Private Limited) | 415,417,545 | 368,942,161 | - | - |
| | **1,545,295,636** | **1,370,435,890** | **1,128,295,101** | **1,001,493,729** |

## 6. OTHER EXPENSES

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| For The Year Ended 31st March | 2026 Rs. | 2025 Rs. | 2026 Rs. | 2025 Rs. |
| Impairment charge for Loans and advances Given to Tea Suppliers | 8,616,042 | 8,034,668 | 8,616,042 | 8,034,668 |
| Impairment of Investment in Subsidiary (Note 15.1) | - | - | 8,114,276 | 21,395,530 |
| Impairment of Related Party Receivable (Note 27.1) | - | - | 80,406 | 1,254,540 |
| Impairment of Trade and Other Receivables | 1,022,289 | 818,456 | 514,676 | 1,238,584 |
| | **9,638,331** | **8,853,124** | **17,325,400** | **31,923,322** |

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## 7. NET FINANCE EXPENSES

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **For The Year Ended 31st March** | **2026 Rs.** | **2025 Rs.** | **2026 Rs.** | **2025 Rs.** |
| Finance Income (Note 7.1) | 46,853,428 | 93,625,156 | 45,858,137 | 90,650,742 |
| Finance Expenses (Note 7.2) | (278,825,753) | (286,910,200) | (215,739,812) | (215,674,962) |
| **Net Finance Expenses** | **(231,972,325)** | **(193,285,044)** | **(169,881,675)** | **(125,024,220)** |

### 7.1 Finance Income

| | | | | |
|---|---|---|---|---|
| Interest Income on Staff Loans | 5,290,136 | 5,996,213 | 5,088,580 | 5,294,916 |
| Investment / Interest Income on Others | 39,638,201 | 85,583,674 | 38,846,011 | 83,448,050 |
| Exchange Gain | 789 | 1,720 | - | - |
| Interest from Savings Account | 756 | 135,773 | - | - |
| Interest on Fixed Deposits | 1,923,546 | 1,907,776 | 1,923,546 | 1,907,776 |
| **Total Finance Income** | **46,853,428** | **93,625,156** | **45,858,137** | **90,650,742** |

### 7.2 Finance Expenses

| | | | | |
|---|---|---|---|---|
| Financial Services VAT on Interest Income | 21,731,558 | 10,082,732 | 21,731,558 | 10,082,732 |
| Interest on Borrowings | 234,447,358 | 244,963,379 | 171,794,701 | 177,521,523 |
| Interest on Lease | 19,794,963 | 20,159,409 | 19,607,970 | 16,680,478 |
| Loss on Exchange | - | - | - | - |
| Interest on Commercial Papers | - | 8,908,222 | - | 8,908,222 |
| Un-winding of Prepaid Staff Loan Expenses | 2,851,874 | 2,796,458 | 2,605,583 | 2,482,007 |
| **Total Finance Expense** | **278,825,753** | **286,910,200** | **215,739,812** | **215,674,962** |

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# Notes to the Consolidated Financial Statements

## 8. PROFIT BEFORE TAXATION

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| For The Year Ended 31st March | 2026 Rs. | 2025 Rs. | 2026 Rs. | 2025 Rs. |
| Is stated after charging all expenses including the following; | | | | |
| Auditors' Remuneration - Statutory Audit | 1,615,000 | 1,375,000 | 1,275,000 | 1,075,000 |
| - Non Audit Services | 250,000 | 225,000 | 250,000 | 225,000 |
| Directors' Fees & Consultancy Fees | 19,482,900 | 17,866,667 | 18,435,000 | 16,611,667 |
| Depreciation of Property, Plant and Equipment | 72,418,295 | 62,939,740 | 19,241,714 | 9,299,043 |
| Amortisation of Intangible Assets | 1,998,478 | 10,098,606 | 803,303 | 875,232 |
| Amortisation of Right of Use Assets | 30,851,140 | 47,187,022 | 16,954,612 | 14,128,843 |
| Personnel Costs (Note 8.1) | 431,567,333 | 395,345,806 | 339,460,751 | 282,665,823 |

### 8.1 Personnel Costs

| | | | | |
|---|---|---|---|---|
| Salaries, Wages and Overtime | 312,958,609 | 287,604,494 | 232,660,896 | 192,838,723 |
| Bonus & Profit Share Expenses | 62,374,895 | 51,892,166 | 58,834,782 | 50,724,666 |
| Defined Contribution Plan Costs - EPF | 31,603,036 | 32,612,666 | 26,189,864 | 21,889,064 |
| - ETF | 7,900,759 | 8,153,167 | 6,547,466 | 5,472,266 |
| Retirement Benefit Obligation Expenses | 16,730,034 | 15,083,313 | 15,227,743 | 11,741,104 |
| | **431,567,333** | **395,345,806** | **339,460,751** | **282,665,823** |

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## 9. INCOME TAX EXPENSES

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **For The Year Ended 31st March** | **2026 Rs.** | **2025 Rs.** | **2026 Rs.** | **2025 Rs.** |
| Current Year Income Tax Expenses (Note 9.1) | 86,341,079 | 75,612,089 | 86,341,079 | 75,612,089 |
| Over Provision in Respect of Previous Years | (4,734,745) | - | (4,734,745) | - |
| Deferred Tax Charge (Note 21) | 1,516,258 | 52,206,789 | (1,823,324) | (5,298,002) |
| | **83,122,592** | **127,818,878** | **79,783,010** | **70,314,087** |
| **Effective Tax Rate** | | | | |
| **Total Income Tax Expense** | | | | |
| Effective Tax Rate (%) - Including Defferred Tax | N/A | N/A | 28% | 33% |
| Effective tax rate (%) - excluding deferred tax | 30% | 69% | 30% | 35% |

### 9.1 Current Year Income Tax Expenses

| | | | | |
|---|---|---|---|---|
| Accounting Profit Before Taxation | 218,705,963 | 109,528,002 | 218,572,413 | 191,510,653 |
| Less: Income from Other Sources | (41,309,153) | (85,491,599) | (41,309,153) | (85,355,826) |
| Add: Aggregate Disallowable Items | 180,930,390 | 155,260,210 | 110,892,300 | 107,535,686 |
| Less: Aggregate Allowable Items | (112,395,025) | (120,606,066) | (41,533,582) | (47,006,043) |
| Taxable Business Income | 245,932,175 | 58,690,547 | 246,621,978 | 166,684,470 |
| Tax Loss for The Year - Logicare (Private) Limited (Note 9.2) | 8,885,240 | 107,993,923 | - | - |
| Business Income - Ceylon Tea Brokers PLC | 246,621,978 | 166,684,470 | 246,621,978 | 166,684,470 |
| **Net Business Income** | 246,621,978 | 166,684,470 | 246,621,978 | 166,684,470 |
| Add: Income from Other Sources | 41,309,153 | 85,491,599 | 41,309,153 | 85,355,826 |
| Less: Loss deducted against Investment Income (Note 9.2) | - | (135,773) | - | - |
| Less: Balancing Allowance on Asset Disposal | (127,535) | - | (127,535) | - |
| **Total Taxable Income** | 287,803,596 | 252,040,296 | 287,803,596 | 252,040,296 |
| Income Tax at 30% | 86,341,079 | 75,612,089 | 86,341,079 | 75,612,089 |
| | 86,341,079 | 75,612,089 | 86,341,079 | 75,612,089 |

The Aggregate Disallowable Items of the Group and the Company has increased during the year due to Lease interest, ROU amortization and Impairments related to subsidiary.

# Notes to the Consolidated Financial Statements

## 9. INCOME TAX EXPENSES (Contd.)

The income tax provision of the Group has been calculated in accordance with the Inland Revenue Act No. 24 of 2017 and its amendments thereto. In terms of the Inland Revenue Act no 24 of 2017, the Group is liable for income tax on 30% on revenue sources and other income.

Logicare (Private) Limited, the subsidiary company, is not liable for pay income tax for the year ended 31st March 2026 as the Company did not generate a taxable income.

### 9.2 Tax Losses Carried Forward

| | GROUP | |
|---|---|---|
| **For The Year Ended 31st March** | **2026 Rs.** | **2025 Rs.** |
| Tax Losses Brough Forward | 712,336,473 | 605,147,420 |
| Add : Tax Losses for the Year | 8,885,240 | 107,993,923 |
| Less: Utilization of Tax Losses | - | (135,773) |
| Losses expired during the year | (130,240,534) | - |
| Adjustment with respect to previous year | - | (669,097) |
| **Balance carried forward** | **590,981,179** | **712,336,473** |

#### 9.2.1 Breakup of Tax Losses

| | | |
|---|---|---|
| Tax Losses incurred in 2025/26 (Will Expire in 2031/32) | 8,885,240 | - |
| Tax Losses incurred in 2024/25 (Will Expire in 2030/31) | 107,858,150 | 107,858,150 |
| Tax Losses incurred in 2023/24 (Will Expire in 2029/30) | 89,022,591 | 89,022,591 |
| Tax Losses incurred in 2022/23 (Will Expire in 2028/29) | 93,864,633 | 93,864,633 |
| Tax Losses incurred in 2021/22 (Will Expire in 2027/28) | 138,765,591 | 138,765,591 |
| Tax Losses incurred in 2020/21 (Will Expire in 2026/27) | 152,584,974 | 152,584,974 |
| Tax Losses incurred in 2019/20 (Will Expire in 2025/26) | - | 130,240,534 |
| | **590,981,179** | **712,336,473** |

Tax Losses incurred on 2019/20, amounting Rs. 130,240,534 has expired during the year under review.

### 9.3 Unutilized Tax Credits

| | Enhanced Capital Allowance | | Tax Credits | |
|---|---|---|---|---|
| **For The Year Ended 31st March** | **2026 Rs.** | **2025 Rs.** | **2026 Rs.** | **2025 Rs.** |
| Balance | 257,599,225 | 257,599,225 | 77,279,767 | 77,279,767 |

Unutilized tax credits above relates to the entitlement of the enhanced capital allowance of Rs. 725,252,199 applicable to the subsidiary Logicare (Private) Limited as per the provision of second schedule of the Inland Revenue Act No 24 of 2017. The enhanced capital allowance can be claimed in addition to the general capital allowances for those qualifying depreciable assets.

Out of this full amount the Inland Revenue Department has disallowed Rs. 467,652,974 during the year ended 31st March 2023.

Any unused tax credits out of this balance tax credits is set to expire by 31st March 2030.

## 10. EARNINGS/(LOSS) PER SHARE

### 10.1 Basic Earnings Per Share

The calculation of earnings per share is based on the profit/(Loss) after tax for the year attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year and calculated as follows;

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **2026** | **2025** | **2026** | **2025** |
| Profit/(Loss) attributable to Ordinary Share Holders (Rs.) | 135,583,371 | (18,290,876) | 138,789,403 | 121,196,566 |
| Weighted Average Number of Ordinary Shares as at 31st March (No.) | 182,400,000 | 182,400,000 | 182,400,000 | 182,400,000 |
| **Basic Earnings Per Share (Rs.)** | **0.74** | **(0.10)** | **0.76** | **0.66** |

### 10.2 Diluted Earnings Per Share

There were no potential dilutive ordinary shares outstanding at any time during the year. Therefore, diluted earning per share is same as Basic earnings per share.

## 11. DIVIDEND PER SHARE

The calculation of the dividend per share is based on the dividend paid during the year divided by the weighted average number of ordinary shares in issue as at balance sheet date and calculated as follows;

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **2026** | **2025** | **2026** | **2025** |
| Dividend Paid (Rs.) | 109,440,000 | 80,256,000 | 109,440,000 | 80,256,000 |
| Weighted Average Number of Ordinary Shares (No.) | 182,400,000 | 182,400,000 | 182,400,000 | 182,400,000 |
| **Dividend Per Share (Rs.)** | **0.60** | **0.44** | **0.60** | **0.44** |

# Notes to the Consolidated Financial Statements

## 12. PROPERTY, PLANT AND EQUIPMENT

As At 31st March

### a) GROUP

| | Cost/Fair Value | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Balance as at 1st April 2024 Rs. | Additions during the Year Rs. | Disposals/ Transfers during the Year Rs. | Balance as at 31st March 2025 Rs. | Gain on Revaluation Rs. | Adjustment on Revaluation Rs. | Additions during the Year Rs. | Disposals/ Transfers during the year Rs. | Balance as at 31st March 2026 Rs. |
| Motor Vehicles | 25,104,750 | - | - | 25,104,750 | - | - | 25,300,000 | - | 50,404,750 |
| Furniture & Fittings | 30,427,309 | 57,318,801 | (21,461,347) | 66,284,763 | - | - | 1,695,008 | - | 67,979,771 |
| Office Equipment | 24,852,197 | 972,545 | (562,986) | 25,261,756 | - | - | 2,815,882 | (311,572) | 27,766,066 |
| Weighing Scales | 849,675 | 593,868 | - | 1,443,543 | - | - | - | - | 1,443,543 |
| Computer Equipment | 29,314,443 | 4,339,929 | - | 33,654,372 | - | - | 4,269,479 | (1,465,825) | 36,458,026 |
| Storage System | 123,802,118 | - | - | 123,802,118 | - | - | - | - | 123,802,118 |
| Building | 749,812,302 | - | - | 749,812,302 | 68,863,154 | (47,860,456) | - | - | 770,815,000 |
| Machinery & Equipment | 154,372,223 | 2,564,000 | - | 156,936,223 | - | - | 3,507,999 | - | 160,444,222 |
| | **1,138,535,017** | **65,789,143** | **(22,024,333)** | **1,182,299,827** | **68,863,154** | **(47,860,456)** | **37,588,368** | **(1,777,397)** | **1,239,113,496** |

| | Accumulated Depreciation | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Balance as at 1st April 2024 Rs. | Charge for the year Rs. | Disposals During the year Rs. | Balance as at 31st March 2025 Rs. | Adjustment on Revaluation Rs. | Charge for the year Rs. | Disposals During the year Rs. | Balance as at 31st March 2026 Rs. |
| Motor Vehicles | 15,369,682 | 3,062,340 | - | 18,432,022 | - | 7,501,490 | - | 25,933,512 |
| Furniture & Fittings | 26,604,097 | 3,986,015 | (20,740,660) | 9,849,452 | - | 7,996,464 | - | 17,845,916 |
| Office Equipment | 13,306,639 | 2,804,479 | (507,770) | 15,603,348 | - | 3,216,093 | (192,094) | 18,627,347 |
| Weighing Scales | 128,012 | 12,378 | - | 140,390 | - | 74,268 | - | 214,658 |
| Computer Equipment | 21,255,032 | 4,237,479 | - | 25,492,511 | - | 4,326,541 | (1,438,739) | 28,380,313 |
| Storage System | 25,417,362 | 5,504,645 | - | 30,922,007 | - | 5,458,387 | - | 36,380,394 |
| Building | - | 23,930,228 | - | 23,930,228 | (47,860,456) | 23,930,228 | - | - |
| Machinery & Equipment | 62,099,472 | 19,402,176 | - | 81,501,648 | - | 19,914,824 | - | 101,416,472 |
| | **164,180,296** | **62,939,740** | **(21,248,430)** | **205,871,606** | **(47,860,456)** | **72,418,295** | **(1,630,833)** | **228,798,612** |

**Carrying Amounts**

| | Balance as at 31st March 2026 Rs. | Balance as at 31st March 2025 Rs. |
|---|---|---|
| Motor Vehicles | 24,471,238 | 6,672,728 |
| Furniture and Fittings | 50,133,855 | 56,435,311 |
| Office Equipment | 9,138,719 | 9,658,408 |
| Weighing Scales | 1,228,885 | 1,303,153 |
| Computer Equipment | 8,077,713 | 8,161,861 |
| Storage System | 87,421,724 | 92,880,111 |
| Building | 770,815,000 | 725,882,074 |
| Machinery and Equipment | 59,027,750 | 75,434,575 |
| | **1,010,314,884** | **976,428,221** |

**Non-Financial Assets Fair Value hierarchy**

| Asset | Fair Value Measurement | Fair Value as at 31st March 2026 Rs. |
|---|---|---|
| Building | Level 3 - Significant unobservable inputs | 770,815,000 |

The Group carries its buildings on leasehold lands at fair value. An external independent property valuation specialist was engaged in determining the fair value of the building owned by the Group as at 31st March 2026.

Mr W.D.P. Rupananda (RICS), FIV (SL) has derived the fair value of the buildings on leasehold land as of 31st March 2026, based on the investment method, which utilises the discounted cash flow technique/rent income of the property, as explained below.

In determining the fair value, the highest and best use of the property has been considered, including the current location and future usability. The valuer has made reference to the market evidences of the similar properties and made the relevant adjustments for the size and locations.

| Valuation Technique | Significant Unobservable Inputs | Inter-Relationship Between Key Unobservable Inputs and Fair Value Measurement |
|---|---|---|
| Discounted Cash flow technique : The valuation model considers the present value of net cash flows generated from the property taking into account the net rent that would yield from the property | Net rent | Positively correlated sensitivity |
| | Rs. 85Mn - Rs. 90 Mn per Annum | |
| | Discount rate | Negatively correlated sensitivity |
| | YP rate 5.5% for 29 years | |

| Location | Building area Sq.Ft | No of Buildings |
|---|---|---|
| No.1, Muthurajawella Road, Muthurajawella | 99,673 | 8 |

# Notes to the Consolidated Financial Statements

## 12. PROPERTY, PLANT AND EQUIPMENT (Contd.)

The carrying amount of revalued assets that would have been included in the Financial Statements had the asset being carried at cost less accumulated depreciation is as follows;

| Asset | Cost Rs. | Accumulated Depreciation Rs. | Net Book Value as at 31/03/2026 Rs. | Net Book Value as at 31/03/2025 Rs. |
|---|---|---|---|---|
| Buildings | 524,576,445 | (94,170,278) | 430,406,167 | 444,989,393 |

### b) COMPANY

| | Cost | | | | | | |
|---|---|---|---|---|---|---|---|
| | Balance as at 1st April Rs. | Additions during the Year Rs. | Disposals/ Transfers during the Year Rs. | Balance as at 31st March 2025 Rs. | Additions during the Year Rs. | Disposals/ Transfers during the Year Rs. | Balance as at 31st March 2026 Rs. |
| Motor Vehicles | 24,623,700 | 196,429 | - | 24,820,129 | 25,300,000 | - | 50,120,129 |
| Furniture & Fittings | 26,506,078 | 57,221,595 | (21,461,347) | 62,266,326 | 1,695,008 | - | 63,961,334 |
| Office Equipment | 5,445,970 | 3,822,837 | (562,986) | 8,705,821 | 2,815,882 | (311,572) | 11,210,131 |
| Weighing Scales | 53,839 | 593,868 | - | 647,707 | - | - | 647,707 |
| Computer Equipment | 17,460,214 | 3,020,684 | (840,209) | 19,640,689 | 4,269,479 | (1,465,825) | 22,444,343 |
| | **74,089,801** | **64,855,413** | **(22,864,542)** | **116,080,672** | **34,080,369** | **(1,777,397)** | **148,383,644** |

| | Accumulated Depreciation | | | | | | |
|---|---|---|---|---|---|---|---|
| | Balance as at 1st April 2024 Rs. | Charge for the year Rs. | Disposals During the year Rs. | Balance as at 31st March 2025 Rs. | Charge for the year Rs. | Disposals During the year Rs. | Balance as at 31st March 2026 Rs. |
| Motor Vehicles | 14,884,623 | 3,022,252 | - | 17,906,875 | 7,501,490 | - | 25,408,365 |
| Furniture & Fittings | 25,261,510 | 3,493,395 | (20,740,659) | 8,014,246 | 7,503,190 | - | 15,517,436 |
| Office Equipment | 3,730,644 | 503,800 | (507,770) | 3,726,674 | 1,056,479 | (192,094) | 4,591,059 |
| Weighing Scales | 53,839 | 12,378 | - | 66,217 | 74,268 | - | 140,485 |
| Computer Equipment | 12,934,891 | 2,267,218 | (840,209) | 14,361,900 | 3,106,287 | (1,438,739) | 16,029,448 |
| | **56,865,507** | **9,299,043** | **(22,088,638)** | **44,075,912** | **19,241,714** | **(1,630,833)** | **61,686,793** |

**Carrying Amounts**

| | Balance as at 31st March 2026 Rs. | Balance as at 31st March 2025 Rs. |
|---|---|---|
| Motor Vehicles | 24,711,764 | 6,913,254 |
| Furniture and Fittings | 48,443,898 | 54,252,080 |
| Office Equipment | 6,619,072 | 4,979,147 |
| Weighing Scales | 507,222 | 581,490 |
| Computer Equipment | 6,414,895 | 5,278,789 |
| | **86,696,851** | **72,004,760** |

The initial cost of the fully depreciated items of Property, Plant and Equipment which are still in use as at reporting date are as follows,

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 2026 Rs. | 2025 Rs. | 2026 Rs. | 2025 Rs. |
| Motor Vehicles | 21,703,700 | 21,703,700 | 12,623,700 | 12,623,700 |
| Furniture and Fittings | 4,593,429 | 3,734,539 | 4,593,429 | 3,734,539 |
| Office Equipments | 2,011,991 | 2,080,348 | 2,011,991 | 2,080,348 |
| Weighing Scales | 53,839 | 53,839 | 53,839 | 53,839 |
| Computer Equipments | 18,053,342 | 16,660,819 | 9,416,390 | 9,691,680 |
| | **46,416,301** | **44,233,245** | **28,699,349** | **28,184,106** |

# Notes to the Consolidated Financial Statements

## 13. RIGHT OF USE ASSETS

### 13.1 Carrying Value of Right to use Assets

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **As At 31st March** | **2026 Rs.** | **2025 Rs.** | **2026 Rs.** | **2025 Rs.** |
| Cost | | | | |
| At the Beginning of the year | 421,945,714 | 366,272,738 | 169,546,117 | 75,516,124 |
| Derecognition of Right of Use Asset | - | (113,873,141) | - | (75,516,124) |
| Additions during the year | - | 169,546,117 | - | 169,546,117 |
| At the end of the year | 421,945,714 | 421,945,714 | 169,546,117 | 169,546,117 |
| | | | | |
| Accummulated Amortization | | | | |
| At the Beginning of the year | 106,838,891 | 173,525,010 | 14,128,843 | 75,516,124 |
| Derecognition of Right of Use Asset | - | (113,873,141) | - | (75,516,124) |
| Ammortization for the Year | 30,851,140 | 47,187,022 | 16,954,612 | 14,128,843 |
| **At the end of the year** | **137,690,031** | **106,838,891** | **31,083,455** | **14,128,843** |
| | | | | |
| Carrying Value at the year end | 284,255,683 | 315,106,823 | 138,462,662 | 155,417,274 |

Logicare (Pvt) Ltd (Subsidiary) has entered in to a 39 year lease agreement commencing from 29th July 2016 with Sri Lanka Land Reclamation and Development Corporation to lease a land in Muthurajawela.

With the adoption of SLFRS 16 from 1 April 2019, the leased rentals paid in advance has transferred to right-to-use assets.

### 13.2 Refundable Deposit on Lease Premises

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **As At 31st March** | **2026 Rs.** | **2025 Rs.** | **2026 Rs.** | **2025 Rs.** |
| Refundable Deposit on Lease Premises - Previous Head Office | - | 6,595,710 | - | 6,595,710 |
| Refundable Deposit on Lease Premises - Athukorala Warehouse | - | 14,295,410 | - | - |
| Refundable Deposit on Lease Premises - AECP Warehouse | 9,906,930 | 8,191,242 | 9,906,930 | 8,191,242 |
| Refundable Deposit on Lease Premises - Enderamulla Warehouse | 1,250,000 | 1,250,000 | 1,250,000 | 1,250,000 |
| Refundable Deposit on Lease Premises - New Head Office | 2,212,499 | 1,956,405 | 2,212,499 | 1,956,405 |
| | **13,369,429** | **32,288,767** | **13,369,429** | **17,993,357** |
| | | | | |
| Amount Receivable within one year | 11,156,930 | 30,332,362 | 11,156,930 | 16,036,952 |
| Amount Receivable after one year | 2,212,499 | 1,956,405 | 2,212,499 | 1,956,405 |
| **Total** | **13,369,429** | **32,288,767** | **13,369,429** | **17,993,357** |

The Company had placed a refundable security deposit of Rs. 6,595,710/- with Allied Properties Ltd. The deposit was refundable upon completion of the four-year lease period, which ended on 15th September 2024. The full refundable security deposit of Rs. 6,595,710/- was subsequently received by the Company on 22nd May 2025.

During the year under review, the company made additional deposit of Rs.1,715,688 to the existing refundable deposits of Rs. 8,191,242 relating to the AECP Warehouse. The lease agreement for the AECP warehouse is set to expire on 28th February 2027 and the Enderamulla warehouse agreement is set to expire on 31st October 2026.

The deposit for the new head office has been fair valued using 13.09% as the discount factor by the company and unwinding the interest on a yearly basis starting from the commencement date of the lease.

## 14. INTANGIBLE ASSETS

| | GROUP | | | | COMPANY | |
|---|---|---|---|---|---|---|
| | Goodwill Rs. | Computer Software Rs. | Capital Work In Progress Rs. | Total Rs. | Computer Software Rs. | Total Rs. |
| Cost | | | | | | |
| Balance as at 1st April 2025 | 43,533,355 | 60,634,144 | 3,132,769 | 107,300,268 | 23,648,289 | 23,648,289 |
| Additions during the Year | - | 1,350,000 | - | 1,350,000 | 1,350,000 | 1,350,000 |
| Transfer from WIP | | 3,132,769 | (3,132,769) | | | |
| **Balance as at 31st March 2026** | **43,533,355** | **65,116,913** | **-** | **108,650,268** | **24,998,289** | **24,998,289** |
| Accumulated Amortisation | | | | | | |
| Balance as at 1st April 2025 | - | 57,436,010 | - | 57,436,010 | 22,674,977 | 22,674,977 |
| Charge for the Year | - | 1,998,478 | - | 1,998,478 | 803,303 | 803,303 |
| **Balance as at 31st March 2026** | **-** | **59,434,488** | **-** | **59,434,488** | **23,478,280** | **23,478,280** |
| **Net Book Value As at 31st March 2026** | **43,533,355** | **5,682,425** | **-** | **49,215,780** | **1,520,009** | **1,520,009** |
| **Net Book Value As at 31st March 2025** | **43,533,355** | **3,198,134** | **3,132,769** | **49,864,258** | **973,312** | **973,312** |

**14.1** The Work-in-Progress expenditure amounting to Rs. 3,132,769 incurred in relation to the development of the Customer Portal was successfully completed on 31st December 2025. Accordingly, the accumulated cost has been transferred from Work-in-Progress to Intangible Assets.

# Notes to the Consolidated Financial Statements

## 14. INTANGIBLE ASSETS (Contd.)

### 14.2 Goodwill

The group has recognized goodwill of Rs. 43,533,355 as at 31st March 2017 as a result of acquisition of subsidiary Logicare (Private) Limited in 2017.

As required by LKAS 36 - "Impairment of Assets" , goodwill is tested for impairment on an annual basis at each reporting date to ensure that carrying amount does not exceed the recoverable amount. Accordingly, the management of the Group/Company conducted an assessment and concluded that there is no impairment of the goodwill as at 31st March 2026.

For the purpose of testing, goodwill is assigned to the relevant cash generating unit (CGU) which is the subsidiary.

The subsidiary was considered as a single cash generating unit for the purpose of assessment of impairment as at 31st March 2026. The Group estimated the recoverable value of the subsidiary, with reference to its value in use.

The key assumptions used in the calculation of value in use as at 31st March 2026 were as follows.

| | |
|---|---|
| Discount rate | 14.26% |
| Terminal growth | 5.00% |
| Forecast EBITDA growth rate (average of next five years) | 6.00% |

The discount rate was a pre-tax measure based on the yield on 10-year government bonds issued by the Government of Sri Lanka and is in the same currency as the cashflows, adjusted for market, company and industry risk premium to reflect both the increased risk of investing in equities generally and the systematic risk arising from the Investment in Subsidiary.

Five years of cashflows were included in the discounted cash flow model. The forecasted inflation rate has been determined as an applicable long term growth rate, until the end of the lease term with Sri Lanka Land Reclamation and Development Corporation (SLRDC).

Forecasted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth and cost increases. Revenue growth was projected taking into account the historical growth levels and the estimated increase in the price per pallet for the next five years.

**14.3** The gross carrying amount of fully depreciated computer software which are still in use as at 31st March 2026 is Rs. 22,901,967 (2025 - Rs. 20,147,396).

## 15. INVESTMENT IN SUBSIDIARY

| | Company | |
|---|---|---|
| | **2026** | **2025** |
| | **Rs.** | **Rs.** |
| Logicare (Private) Limited (100% owned subsidiary) | 633,000,000 | 633,000,000 |
| Less - Provision for Impairment of Investment in Subsidiary (Note 15.1) | (29,509,806) | (21,395,530) |
| | **603,490,194** | **611,604,470** |

### 15.1 Movement for Impairment of Investment in Subsidiary

| | | |
|---|---|---|
| Balance as at 01st April | 21,395,530 | - |
| Provision made during the year | 8,114,276 | 21,395,530 |
| **Balance as at 31st March** | **29,509,806** | **21,395,530** |

Considering the negative operational results and other indicators present, the Company tested the investment in subsidiary for impairment as at the reporting date. For the purpose of impairment testing the subsidiary was considered as a single cash generating unit. Recoverable value of the subsidiary was determined with reference to the value in use calculation as explained in Note 14.2.

The carrying amount of the investment in subsidiary was determined to be higher than its recoverable amount of Rs. 603,490,194 and an impairment loss of Rs. 8,114,276 (2025: Rs. 21,295,530) was recognised for the year ended 31st March 2026.

### 15.2 Summarized financial information of the subsidiary

| | Company | |
|---|---|---|
| | **2026** | **2025** |
| | **Rs.** | **Rs.** |
| Non-Current Assets | 1,074,585,899 | 1,070,483,029 |
| Current Assets | 110,888,416 | 129,109,613 |
| **Total Assets** | **1,185,474,315** | **1,199,592,642** |
| | | |
| Non-Current Liabilities | 596,733,393 | 685,916,597 |
| Current Liabilities | 306,122,663 | 292,016,311 |
| **Total Liabilities** | **902,856,056** | **977,932,908** |
| | | |
| Revenue | 417,000,535 | 502,972,543 |
| Loss for the Year | (11,400,713) | (162,137,514) |
| Total Comprehensive Income | 60,958,518 | (157,096,829) |

The subsidiary provides Logistics and transportation services to third party clients.

# Notes to the Consolidated Financial Statements

## 16. LOANS & ADVANCES TO TEA SUPPLIERS

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **As At 31st March** | **2026 Rs.** | **2025 Rs.** | **2026 Rs.** | **2025 Rs.** |
| Loans to Tea Suppliers | 217,858,230 | 196,299,889 | 217,858,230 | 196,299,889 |
| Advances given to Tea Suppliers | 1,479,584,969 | 1,383,044,042 | 1,479,584,969 | 1,383,044,042 |
| Less: Written off of Loans and Advances | | (2,949,883) | - | (2,949,883) |
| | 1,697,443,199 | 1,576,394,048 | 1,697,443,199 | 1,576,394,048 |
| Less: | | | | |
| Provision for impairment of Loans and Advances (Note 16.3) | (174,782,368) | (166,166,326) | (174,782,368) | (166,166,326) |
| | **1,522,660,831** | **1,410,227,722** | **1,522,660,831** | **1,410,227,722** |
| | | | | |
| Receivable after One Year (Note 16.1) | 12,066,270 | 11,087,842 | 12,066,270 | 11,087,842 |
| Receivable within One Year ( Note 16.2 ) | 1,510,594,561 | 1,399,139,880 | 1,510,594,561 | 1,399,139,880 |
| | **1,522,660,831** | **1,410,227,722** | **1,522,660,831** | **1,410,227,722** |

### 16.1 Receivable after One Year

| | | | | |
|---|---|---|---|---|
| Loans & Advances to Tea Suppliers | 123,360,716 | 141,382,288 | 123,360,716 | 141,382,288 |
| Less: Provision of Impairment (Note 16.3) | (111,294,446) | (130,294,446) | (111,294,446) | (130,294,446) |
| | **12,066,270** | **11,087,842** | **12,066,270** | **11,087,842** |

### 16.2 Receivable within One Year

| | | | | |
|---|---|---|---|---|
| Loans & Advances to Tea Suppliers | 1,574,082,483 | 1,435,011,760 | 1,574,082,483 | 1,435,011,760 |
| Less: Provision of Impairment (Note 16.3) | (63,487,922) | (35,871,880) | (63,487,922) | (35,871,880) |
| | **1,510,594,561** | **1,399,139,880** | **1,510,594,561** | **1,399,139,880** |

### 16.3 Movement of Provision for impairment

| | | | | |
|---|---|---|---|---|
| Balance as at 01st April | 166,166,326 | 161,081,541 | 166,166,326 | 161,081,541 |
| Provision made during the year | 8,616,042 | 8,034,668 | 8,616,042 | 8,034,668 |
| | 174,782,368 | 169,116,209 | 174,782,368 | 169,116,209 |
| Amounts written off | - | (2,949,883) | - | (2,949,883) |
| **Balance as at 31st March** | **174,782,368** | **166,166,326** | **174,782,368** | **166,166,326** |

Loans & Advances given to tea suppliers which have been written off during the year 2024/25, are still subject to enforceable activity.

## 17. INVENTORIES

| | GROUP | |
|---|---|---|
| **As At 31st March** | **2026 Rs.** | **2025 Rs.** |
| Packing materials | 412,674 | 12,674 |
| | **412,674** | **12,674** |

## 18. TRADE AND OTHER RECEIVABLES

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **As At 31st March** | **2026 Rs.** | **2025 Rs.** | **2026 Rs.** | **2025 Rs.** |
| Gross Trade Receivables | 1,513,209,520 | 755,511,268 | 1,414,002,360 | 651,006,929 |
| Less: Impairment on Trade Receivables (Note 18.1) | (3,844,586) | (3,329,910) | (3,102,034) | (2,587,358) |
| Net Trade Receivables | 1,509,364,934 | 752,181,358 | 1,410,900,326 | 648,419,571 |
| Deposits and Prepayments | 18,933,062 | 13,610,316 | 9,464,768 | 7,566,861 |
| Staff Loan Receivables | 23,841,449 | 27,741,238 | 22,538,122 | 26,593,581 |
| Salary and Festival Advances | 3,090,635 | 3,226,655 | 2,886,775 | 2,384,935 |
| WHT Receivables | 2,052,965 | 2,052,930 | 2,037,418 | 2,037,419 |
| Other Receivables | 17,339,224 | 18,606,306 | 12,510,111 | 12,891,080 |
| Less - Provision for Impairment of Other Receivable (Note 18.2) | (4,151,454) | (3,704,364) | - | - |
| | **1,570,470,815** | **813,714,439** | **1,460,337,520** | **699,893,447** |

### 18.1 Impairment on Trade Receivables

| | | | | |
|---|---|---|---|---|
| Balance as at 1st April | 3,329,910 | 8,413,176 | 2,587,358 | 1,348,774 |
| Provision / (Reversal) made during the year | 575,199 | (2,308,268) | 514,676 | 1,238,584 |
| Write Off for the Period | (60,523) | (2,774,998) | - | - |
| **Balance as at 31st March** | **3,844,586** | **3,329,910** | **3,102,034** | **2,587,358** |

### 18.2 Impairment on Other Receivables

| | | |
|---|---|---|
| Balance as at 1st April | 3,704,364 | 577,640 |
| Provision made during the year | 447,090 | 3,126,724 |
| **Balance as at 31st March** | **4,151,454** | **3,704,364** |

Trade Receivables which have been written off during the years of 2025/26 and 2024/25, are still subject to enforceable activity.

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# Notes to the Consolidated Financial Statements

## 19. SHORT TERM INVESTMENT

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **As At 31st March** | **2026 Rs.** | **2025 Rs.** | **2026 Rs.** | **2025 Rs.** |
| Fixed Deposit | 25,158,818 | 23,567,980 | 25,158,818 | 23,567,980 |
| | **25,158,818** | **23,567,980** | **25,158,818** | **23,567,980** |

Fixed Deposit is placed on Nations Trust Bank PLC and their credit rating is A(lka) with a Stable Outlook. The deposit is set to mature on 2nd January 2027.

## 20. CASH AND CASH EQUIVALENTS

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **As At 31st March** | **2026 Rs.** | **2025 Rs.** | **2026 Rs.** | **2025 Rs.** |
| Favourable Balances | | | | |
| Cash at Bank | 558,949,273 | 149,181,937 | 558,646,827 | 148,271,398 |
| Cash in Hand | 152,000 | 182,000 | 112,000 | 112,000 |
| | 559,101,273 | 149,363,937 | 558,758,827 | 148,383,398 |
| Unfavourable Balances | | | | |
| Bank Overdrafts | (102,773,421) | (108,843,273) | (1,051,171) | (4,287,820) |
| | | | | |
| Cash and Cash Equivalents for Cash Flows Purpose | **456,327,852** | **40,520,664** | **557,707,656** | **144,095,578** |

Capital Alliance Holding Limited has provided Rs. 100 Mn of Corporate guarantees on behalf of the Company in order to obtain bank overdraft facilities.

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## 21. DEFERRED TAXATION LIABILITY/(ASSET)

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **As At 31st March** | **2026 Rs.** | **2025 Rs.** | **2026 Rs.** | **2025 Rs.** |
| Balance as at 1st April | 133,873,314 | 84,081,198 | (28,351,379) | (18,478,411) |
| **Recognised in profit or loss** | | | | |
| Deferred tax charge / (reversal) for the year | 1,516,258 | 52,206,789 | (1,823,324) | (5,298,002) |
| **Recognised in other comprehensive income** | | | | |
| Deferred tax on Revaluation Gain | 20,658,946 | - | - | - |
| Deferred tax on Actuarial Gain/(Loss) | 3,648,616 | (2,414,673) | 3,581,546 | (4,574,966) |
| **Balance at 31st March** | **159,697,134** | **133,873,314** | **(26,593,157)** | **(28,351,379)** |

Deferred tax is provided using the Liability method 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 has been computed taking into consideration the tax rate of 30%. The provision for deferred tax is attributable to the following;

### a) GROUP

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | **(Deductible) / Taxable Temporary Difference Rs.** | **Tax Effect Rs.** | **(Deductible) / Taxable Temporary Difference Rs.** | **Tax Effect Rs.** |
| **Deferred Tax on** | | | | |
| Property, Plant and Equipment | 280,766,343 | 84,229,903 | 244,223,138 | 73,266,941 |
| Impairment of Loans and Advances | (43,953,363) | (13,186,009) | (35,337,321) | (10,601,196) |
| Right of Use Assets | 165,242,041 | 49,572,612 | 186,562,314 | 55,968,694 |
| Lease Payable | (150,271,392) | (45,081,418) | (164,702,829) | (49,410,849) |
| Impairment of Trade and Other Receivable | (7,996,040) | (2,398,812) | (7,034,274) | (2,110,283) |
| Intangible Assets | 161,624 | 48,487 | (17,043) | (5,113) |
| Retirement Benefit Obligations | (93,688,071) | (28,106,421) | (70,438,128) | (21,131,438) |
| | **150,261,142** | **45,078,342** | **153,255,857** | **45,976,756** |
| Actuarial Gain / (Loss) on Retirement Benefit Obligations | 12,162,053 | 3,648,615 | (8,048,909) | (2,414,673) |
| Revaluation Gain | 369,900,589 | 110,970,177 | 301,037,435 | 90,311,231 |
| | **532,323,784** | **159,697,134** | **446,244,383** | **133,873,314** |

**Subsidiary - Logicare (Private) Limited**
Unutilized enhanced capital allowance and tax losses of the group as at the reporting date was Rs. 848,580,404 (2025: Rs. 969,935,698) which gave rise to a defferred tax asset of Rs. 254,574,121 (2025: Rs.290,980,709). However, deferred tax asset arising from these tax credits and losses as at the reporting date has not been recognized due to the uncertainty regarding the availability of future taxable profits.

# Notes to the Consolidated Financial Statements

## 21. DEFERRED TAXATION LIABILITY/(ASSET) (Contd.)

### b) COMPANY

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | (Deductible) / Taxable Temporary Difference Rs. | Tax Effect Rs. | (Deductible) / Taxable Temporary Difference Rs. | Tax Effect Rs. |
| Deferred Tax on | | | | |
| Property, Plant and Equipment | 47,271,327 | 14,181,398 | 16,596,031 | 4,978,809 |
| Impairment of Loans and Advances | (43,953,363) | (13,186,009) | (35,337,321) | (10,601,196) |
| Right of Use Asset | 138,462,662 | 41,538,799 | 155,417,274 | 46,625,182 |
| Lease Payable | (150,271,392) | (45,081,418) | (154,831,422) | (46,449,427) |
| Impairment of Trade Receivable | (3,102,034) | (930,610) | (2,587,358) | (776,207) |
| Retirement Benefit Obligations | (88,989,544) | (26,696,863) | (58,511,914) | (17,553,574) |
| | **(100,582,344)** | **(30,174,703)** | **(79,254,710)** | **(23,776,413)** |
| Actuarial Gain /(Loss) on Retirement Benefit Obligations | 11,938,488 | 3,581,546 | (15,249,887) | (4,574,966) |
| | **(88,643,856)** | **(26,593,157)** | **(94,504,597)** | **(28,351,379)** |

## 22. STATED CAPITAL

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **As At 31st March** | **2026 Rs.** | **2025 Rs.** | **2026 Rs.** | **2025 Rs.** |
| Issued and Fully Paid | | | | |
| 182,400,000 Ordinary Shares | 333,200,000 | 333,200,000 | 333,200,000 | 333,200,000 |
| | **333,200,000** | **333,200,000** | **333,200,000** | **333,200,000** |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and only voting shareholders are entitled to one vote per individual present of meetings of the shareholders or one vote per share in the case of a poll.

### 22.1 Revaluation Reserve

Revaluation reserve reflects the amount by which the Group has revalued its Building, net of deferred tax. There are no restrictions on distributing these balances to shareholders.

## 23. INTEREST BEARING BORROWINGS

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **As At 31st March** | **2026 Rs.** | **2025 Rs.** | **2026 Rs.** | **2025 Rs.** |
| Payable within One Year (Note 23.1) | 1,646,945,433 | 1,369,101,046 | 1,557,097,129 | 1,289,606,502 |
| Payable after One Year (Note 23.2) | 514,966,667 | 663,966,667 | 85,000,000 | 145,000,000 |
| | **2,161,912,100** | **2,033,067,713** | **1,642,097,129** | **1,434,606,502** |

### 23.1 Payable within One Year

| | | | | |
|---|---|---|---|---|
| NDB Term Loan (Note 23.1.1) | 390,000,000 | 250,000,000 | 390,000,000 | 250,000,000 |
| Sampath Bank Term Loan(Note 23.1.2) | - | 140,000,000 | - | 140,000,000 |
| Seylan Bank Term Loan (Note 23.1.3) | 200,000,000 | 200,000,000 | 200,000,000 | 200,000,000 |
| HNB Term Loan (Note 23.1.5) | 150,000,000 | 300,000,000 | 150,000,000 | 300,000,000 |
| Standard Chartered Bank (Note 23.1.8) | 350,000,000 | 150,000,000 | 350,000,000 | 150,000,000 |
| DFCC Term Loan (Note 23.1.9) | 200,000,000 | 100,000,000 | 200,000,000 | 100,000,000 |
| BOC Term Loan (Note 23.1.10) | 200,000,000 | - | 200,000,000 | - |
| HNB Trustee Loan (Note 23.1.11) | - | 85,416,663 | - | 85,416,663 |
| DFCC Loan (Note 23.2.1) | 149,000,000 | 138,500,000 | 60,000,000 | 60,000,000 |
| Total Capital Outstanding as at 31st March | 1,639,000,000 | 1,363,916,663 | 1,550,000,000 | 1,285,416,663 |
| Accrued Interest Based on EIR | 7,945,433 | 5,184,383 | 7,097,129 | 4,189,839 |
| Interest Bearing Borrowings at Amortized Cost | **1,646,945,433** | **1,369,101,046** | **1,557,097,129** | **1,289,606,502** |

### 23.1.1 NDB Short Term Loan

| | | | | |
|---|---|---|---|---|
| Balance as at 1st April | 250,000,000 | 150,000,000 | 250,000,000 | 150,000,000 |
| Loan Obtained During the Year | 1,420,000,000 | 1,220,000,000 | 1,420,000,000 | 1,220,000,000 |
| Repayments made during the Year | (1,280,000,000) | (1,120,000,000) | (1,280,000,000) | (1,120,000,000) |
| Balance as at 31st March | **390,000,000** | **250,000,000** | **390,000,000** | **250,000,000** |

### 23.1.2 Sampath Bank Short Term Loan

| | | | | |
|---|---|---|---|---|
| Balance as at 1st April | 140,000,000 | 140,000,000 | 140,000,000 | 140,000,000 |
| Loan Obtained During the Year | 1,260,000,000 | 1,780,000,000 | 1,260,000,000 | 1,780,000,000 |
| Repayments made during the Year | (1,400,000,000) | (1,780,000,000) | (1,400,000,000) | (1,780,000,000) |
| Balance as at 31st March | - | **140,000,000** | - | **140,000,000** |

# Notes to the Consolidated Financial Statements

## 23. INTEREST BEARING BORROWINGS (Contd.)

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **As At 31st March** | **2026 Rs.** | **2025 Rs.** | **2026 Rs.** | **2025 Rs.** |
| **23.1.3 Seylan Bank Short Term Loan** | | | | |
| Balance as at 1st April | 200,000,000 | 70,000,000 | 200,000,000 | - |
| Loan Obtained During the Year | - | 1,340,000,000 | 1,300,000,000 | 1,200,000,000 |
| Repayments made during the Year | - | (1,210,000,000) | (1,300,000,000) | (1,000,000,000) |
| **Balance as at 31st March** | **200,000,000** | **200,000,000** | **200,000,000** | **200,000,000** |
| **23.1.4 Cargills Bank Short Term Loan** | | | | |
| Balance as at 1st April | - | 115,000,000 | - | 115,000,000 |
| Loan Obtained During the Year | 300,000,000 | 2,000,000,000 | 300,000,000 | 2,000,000,000 |
| Repayments made during the Year | (300,000,000) | (2,115,000,000) | (300,000,000) | (2,115,000,000) |
| **Balance as at 31st March** | - | - | - | - |
| **23.1.5 HNB Short Term Loan** | | | | |
| Balance as at 1st April | 300,000,000 | - | 300,000,000 | - |
| Loan Obtained During the Year | 5,500,000,000 | 2,350,000,000 | 5,500,000,000 | 2,350,000,000 |
| Repayments made during the Year | (5,650,000,000) | (2,050,000,000) | (5,650,000,000) | (2,050,000,000) |
| **Balance as at 31st March** | **150,000,000** | **300,000,000** | **150,000,000** | **300,000,000** |
| **23.1.6 Capital Alliance Holdings Ltd** | | | | |
| Balance as at 1st April | - | - | - | - |
| Loan Obtained During the Year | - | 80,000,000 | - | - |
| Repayments made during the Year | - | (80,000,000) | - | - |
| **Balance as at 31st March** | - | - | - | - |
| **23.1.7 Commercial Papers** | | | | |
| Balance as at 1st April | - | - | - | - |
| Obtained During the Year | - | 200,000,000 | - | 200,000,000 |
| Repayments made during the Year | - | (200,000,000) | - | (200,000,000) |
| **Balance as at 31st March** | - | - | - | - |

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **As At 31st March** | **2026 Rs.** | **2025 Rs.** | **2026 Rs.** | **2025 Rs.** |
| **23.1.8 Standard Chartered Bank** | | | | |
| Balance as at 1st April | 150,000,000 | - | 150,000,000 | - |
| Obtained During the Year | 4,500,000,000 | 1,950,000,000 | 4,500,000,000 | 1,950,000,000 |
| Repayments made during the Year | (4,300,000,000) | (1,800,000,000) | (4,300,000,000) | (1,800,000,000) |
| **Balance as at 31st March** | **350,000,000** | **150,000,000** | **350,000,000** | **150,000,000** |
| **23.1.9 DFCC Bank** | | | | |
| Balance as at 1st April | 100,000,000 | - | 100,000,000 | - |
| Obtained During the Year | 1,000,000,000 | 1,700,000,000 | 1,000,000,000 | 1,700,000,000 |
| Repayments made during the Year | (900,000,000) | (1,600,000,000) | (900,000,000) | (1,600,000,000) |
| **Balance as at 31st March** | **200,000,000** | **100,000,000** | **200,000,000** | **100,000,000** |
| **23.1.10 Bank of Ceylon** | | | | |
| Balance as at 1st April | - | - | - | - |
| Obtained During the Year | 2,200,000,000 | 1,800,000,000 | 2,200,000,000 | 1,800,000,000 |
| Repayments made during the Year | (2,000,000,000) | (1,800,000,000) | (2,000,000,000) | (1,800,000,000) |
| **Balance as at 31st March** | **200,000,000** | - | **200,000,000** | - |
| **23.1.11 HNB Trustee Loan** | | | | |
| Balance as at 1st April | 85,416,663 | 405,552,552 | 85,416,663 | 405,555,552 |
| Repayments made during the Year | (85,416,663) | (320,138,889) | (85,416,663) | (320,138,889) |
| **Balance as at 31st March** | - | **85,413,663** | - | **85,416,663** |
| Amount Payable within One Year | - | 85,416,663 | - | 85,416,663 |
| | - | **85,416,663** | - | **85,416,663** |

# Notes to the Consolidated Financial Statements

## 23. INTEREST BEARING BORROWINGS (Contd.)

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **As At 31st March** | **2026 Rs.** | **2025 Rs.** | **2026 Rs.** | **2025 Rs.** |
| **23.2 Payable After One Year** | | | | |
| DFCC Loan (Note 23.2.1) | 514,966,667 | 663,966,667 | 85,000,000 | 145,000,000 |
| | **514,966,667** | **663,966,667** | **85,000,000** | **145,000,000** |
| **23.2.1 DFCC Term Loan** | | | | |
| Balance as at 1st April | 802,466,667 | 821,800,000 | 205,000,000 | 265,000,000 |
| Loan Obtained During the Year | - | 100,000,000 | - | - |
| Repayments made during the Year | (138,500,000) | (119,333,333) | (60,000,000) | (60,000,000) |
| **Balance as at 31st March** | **663,966,667** | **802,466,667** | **145,000,000** | **205,000,000** |
| Amount Payable within One Year | 149,000,000 | 138,500,000 | 60,000,000 | 60,000,000 |
| Amount Payable after One Year | 514,966,667 | 663,966,667 | 85,000,000 | 145,000,000 |
| | **663,966,667** | **802,466,667** | **145,000,000** | **205,000,000** |
| **23.2.2 BOC Term Loan** | | | | |
| Balance as at 1st April | - | 12,111,852 | - | 6,051,276 |
| Repayments made during the Year | - | (12,111,852) | - | (6,051,276) |
| **Balance as at 31st March** | - | - | - | - |

### 23.3 Assets pledged as collateral by the Group / Company

| Name of the financial institution | Nature of the facility | Balance as at 31st March 2026 Rs. | Securities Pledged |
|---|---|---|---|
| **Group** | | | |
| DFCC Bank PLC | Term Loan<br>120 Months<br>Facility Amount Rs.600 Mn | 447,300,000 | 1. Corporate Guarantee of Ceylon Tea Brokers PLC for Rs.600 Mn |
| | Term Loan<br>60 Months<br>Facility Amount Rs.100 Mn | 71,666,667 | 2. Corporate Guarantee of Ceylon Tea Brokers PLC for Rs.150 Mn |
| | Permanent Overdraft<br>Facility Amount Rs.75 Mn | 71,851,907 | 4. Mortgage bond for Rs.600 Mn over commercial property (lease hold at Ela road Muthurajawela and everything standing thereon with all fixtures, fittings, services and such other rights attached or appertaining thereto.) |
| Seylan Bank PLC | Permanent Overdraft<br>Facility Amount Rs.30 Mn | 29,870,343 | Corporate Guarantee of Ceylon Tea Brokers PLC for Rs.30 Mn |

The Company does not have any other secured borrowing other than those disclosed above.

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# Notes to the Consolidated Financial Statements

## 24. LEASE PAYABLE

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **As At 31st March** | **2026 Rs.** | **2025 Rs.** | **2026 Rs.** | **2025 Rs.** |
| Lease Payable on ROU Assets (Note 24.1) | 150,271,392 | 164,702,829 | 150,271,392 | 154,831,422 |
| Lease Payable to HNB (Note 24.2) | - | - | - | - |
| | **150,271,392** | **164,702,829** | **150,271,392** | **154,831,422** |
| Amount Payable within One Year | 7,802,959 | 14,431,437 | 7,802,959 | 4,560,030 |
| Amount Payable after One Year | 142,468,433 | 150,271,392 | 142,468,433 | 150,271,392 |
| **Lease Payable** | **150,271,392** | **164,702,829** | **150,271,392** | **154,831,422** |

### 24.1 Lease Payable on ROU Assets

| | | | | |
|---|---|---|---|---|
| Balance as at 1st April | 164,702,829 | 35,713,961 | 154,831,422 | - |
| Additions & Remeasurement | - | 162,318,944 | - | 162,318,944 |
| Accretion of Interest | 19,794,963 | 20,035,224 | 19,607,970 | 16,680,478 |
| Payments to lease creditor | (34,226,400) | (53,365,300) | (24,168,000) | (24,168,000) |
| **Balance as at 31st March** | **150,271,392** | **164,702,829** | **150,271,392** | **154,831,422** |

Lease liability on ROU asset related to lease agreements entered in to by the group over Head Office, lands and warehouse premises as follows.

| Company/Group | Type of Asset | Balance Term |
|---|---|---|
| Browns & Company PLC | Head Office | 8 Years and 2 Months |
| Sri Lanka Land Reclamation and Development Corporation | Land | 29 Years |

### 24.2 Lease Payable to HNB

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **As At 31st March** | **2026 Rs.** | **2025 Rs.** | **2026 Rs.** | **2025 Rs.** |
| Balance as at 1st April | - | 1,149,521 | - | - |
| Payment during the Year | - | (1,273,706) | - | - |
| Interest for the year | - | 124,185 | - | - |
| **Balance as at 31st March** | - | - | - | - |

Lease payable to HNB relates to motor vehicle obtained on lease for a term of 5 years by Logicare (Private) Limited

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| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **As At 31st March** | **2026 Rs.** | **2025 Rs.** | **2026 Rs.** | **2025 Rs.** |
| **Amount Recognized in Statement of Profit & Loss** | | | | |
| **Leases Under SLFRS 16** | | | | |
| Amortization of Right of Use Assets | 30,851,140 | 47,187,022 | 16,954,612 | 14,128,843 |
| Interest Expense on Lease Liabilities | 19,794,963 | 20,159,409 | 19,607,970 | 16,680,478 |
| **Short Term Lease Rentals** | | | | |
| AECP Warehouse | 34,190,729 | 27,734,349 | 34,190,729 | 5,370,355 |
| Enderamulla Warehouse | 42,774,480 | 37,023,966 | 42,774,480 | 5,846,000 |
| Previous Head Office | - | 13,003,508 | - | 13,003,508 |
| | **76,965,209** | **77,761,823** | **76,965,209** | **24,219,863** |
| **Amount Recognized in Statement of Cash Flows** | | | | |
| Total cash outflow for leases | 14,431,437 | 34.479.598 | 4,560,030 | 7,487,522 |

## 24.3 Maturity Analysis - Contractual undiscounted cash flows

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **As At 31st March** | **2026 Rs.** | **2025 Rs.** | **2026 Rs.** | **2025 Rs.** |
| Less than one year | 26,584,800 | 34,226,400 | 26,584,800 | 24,168,000 |
| One to five year | 149,406,576 | 143,823,768 | 149,406,576 | 143,823,768 |
| More than five year | 70,768,736 | 102,936,344 | 70,768,736 | 102,936,344 |
| Total undiscounted lease liabilities as at 31st March | 246,760,112 | 280,986,512 | 246,760,112 | 270,928,112 |

# Notes to the Consolidated Financial Statements

## 25. RETIREMENT BENEFIT OBLIGATIONS

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **As At 31st March** | **2026 Rs.** | **2025 Rs.** | **2026 Rs.** | **2025 Rs.** |
| Balance as at 1st April | 78,487,037 | 63,092,215 | 73,761,801 | 42,803,582 |
| Provision made during the Year | 4,567,981 | 23,132,222 | 3,289,255 | 26,990,991 |
| Transfer In - Logicare (Pvt) Ltd | - | - | - | 5,492,228 |
| Payments Made During the Year | (1,529,000) | (7,737,400) | - | (1,525,000) |
| **Balance as at 31st March** | **81,526,018** | **78,487,037** | **77,051,056** | **73,761,801** |

### 25.1 Movement of Retirement Benefit Obligations

| | | | | |
|---|---|---|---|---|
| Balance as at 1st April | 78,487,037 | 63,092,215 | 73,761,801 | 42,803,582 |
| Current Service Cost | 8,488,895 | 7,715,133 | 7,482,754 | 6,503,983 |
| Interest Cost | 8,241,139 | 7,368,180 | 7,744,989 | 5,237,121 |
| Actuarial (Gain)/ Loss | (12,162,053) | 8,048,909 | (11,938,488) | 15,249,887 |
| Employee Transfer In - Logicare (Pvt) Ltd | - | - | - | 5,492,228 |
| Payments Made During the Year | (1,529,000) | (7,737,400) | - | (1,525,000) |
| **Balance as at 31st March** | **81,526,018** | **78,487,037** | **77,051,056** | **73,761,801** |

### 25.2 Amount Recognised in Profit or Loss

| | | | | |
|---|---|---|---|---|
| Current Service Cost | 8,488,895 | 7,715,133 | 7,482,754 | 6,503,983 |
| Interest Cost | 8,241,139 | 7,368,180 | 7,744,989 | 5,237,121 |
| | **16,730,034** | **15,083,313** | **15,227,743** | **11,741,104** |

### 25.3 Amount Recognised in Other Comprehensive Income

| | | | | |
|---|---|---|---|---|
| Actuarial (Gain)/Loss | (12,162,053) | 8,048,909 | (11,938,488) | 15,249,887 |
| | **(12,162,053)** | **8,048,909** | **(11,938,488)** | **15,249,887** |

**25.4** The actuarial valuations have been carried out by Actuarial and Management Consultants (Private) Limited for retiring gratuity for employees as at 31st March 2026. The valuation method used by the actuaries to value the benefits is the “Project Unit Credit (PUC)” method recommended by Sri Lanka Accounting Standard No. 19 (LKAS 19) - “Employee Benefits”.

### 25.5 The Key Assumptions used by the actuary include the following;

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **2026** | **2025** | **2026** | **2025** |
| - Discount Rate | 10.76% & 9.25% | 10.5% | 10.76% | 10.5% |
| - Expected Annual Average Salary Increment | 10% | 10% | 10% | 10% |
| - Retiring Age | 60 Years | 60 Years | 60 Years | 60 Years |
| - Staff Turnover Ratio | 7% & 25% | 9% & 25% | 7% | 9% |

At 31st March 2026, the weighted-average duration of the defined benefit obligation was 9 years (2025- 8 years)

A long - term treasury bond rate has been used to discount future liabilities taking into consideration remaining working life of eligible employees.

### 25.6 Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

| Discount Rate | Salary Escalation Rate | PV of Defined Benefit Obligation | |
|---|---|---|---|
| | | Group Rs. | Company Rs. |
| 1% Increase | As given in the report | (75,430,815) | (71,112,599) |
| 1% Decrease | As given in the report | 88,488,338 | 83,844,221 |
| As Given in the Report | 1% Increase | 88,829,165 | 84,167,832 |
| As Given in the Report | 1% Decrease | (75,032,109) | (70,732,949) |

### 25.7 Information of Maturity Profile of the Defined Benefit Obligation

| Future Working Life Time | COMPANY |
|---|---|
| | Defined Benefit Obligation (Rs) |
| | **2026** |
| Within the Next 12 Months | 7,371,284 |
| Between 1-2 Years | 10,063,080 |
| Between 2-5 Years | 13,133,525 |
| Between 5-10 Years | 22,035,585 |
| Beyond 10 Years | 24,447,583 |
| | 77,051,057 |

# Notes to the Consolidated Financial Statements

## 26. TRADE AND OTHER PAYABLES

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **As At 31st March** | **2026 Rs.** | **2025 Rs.** | **2026 Rs.** | **2025 Rs.** |
| Trade Payables | 986,514,662 | 545,690,028 | 948,609,700 | 508,306,176 |
| Accrued Expenses | 29,864,165 | 35,788,061 | 11,570,803 | 9,480,797 |
| VAT Collected on behalf of Sellers | 560,665,183 | 12,303,137 | 560,665,183 | 6,455,854 |
| SVAT Payable | 11,601,403 | 20,121,512 | 11,601,403 | 17,198,157 |
| Provisions for Expenses | 42,016,062 | 36,340,292 | 42,016,062 | 36,340,292 |
| Other Payables | 36,793,690 | 13,530,979 | 28,653,418 | 12,451,539 |
| | **1,667,455,165** | **663,774,009** | **1,603,116,569** | **590,232,815** |

## 27. AMOUNT DUE TO/ (FROM) RELATED PARTY

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | **Relationship** | **2026 Rs.** | **2025 Rs.** | **2026 Rs.** | **2025 Rs.** |
| Logicare (Private) Limited | 100% Owned Subsidiary | - | - | (31,570,039) | (24,553,707) |
| Less - Provision for Impairment of Amount Due From Related Party (Note 27.1) | | - | - | 1,334,946 | 1,254,540 |
| Ashthi Holdings (Pvt) Ltd | Ultimate Holding Company | 18,643,472 | - | - | - |
| | | **18,643,472** | **-** | **(30,235,093)** | **(23,299,167)** |

### 27.1 Movement for Impairment on Amount Due From Related Party

| | | |
|---|---|---|
| Balance as at 01st April | 1,254,540 | - |
| Provision made during the year | 80,406 | 1,254,540 |
| **Balance as at 31st March** | **1,334,946** | **1,254,540** |

## 28. FINANCIAL INSTRUMENTS

### 28.1 Financial Instruments - Statement of Financial Position

The Financial Instruments recognized in the Statement of Financial Position is as follows;

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **As At 31st March** | **2026 Rs.** | **2025 Rs.** | **2026 Rs.** | **2025 Rs.** |
| Financial Assets | | | | |
| *Non Current Assets* | | | | |
| Loans & Advances given to Tea Suppliers | 12,066,270 | 11,087,842 | 12,066,270 | 11,087,842 |
| Refundable Deposit | 2,212,499 | 1,956,405 | 2,212,499 | 1,956,405 |
| | 14,278,769 | 13,044,247 | 14,278,769 | 13,044,247 |
| *Current Assets* | | | | |
| Trade and Other Receivables | 1,549,484,788 | 798,051,193 | 1,448,835,334 | 690,289,167 |
| Amount Due From Related Party | - | - | 30,235,093 | 23,299,167 |
| Refundable Deposit | 11,156,930 | 30,332,362 | 11,156,930 | 16,036,952 |
| Loans & Advances given to Tea suppliers | 1,510,594,561 | 1,399,139,880 | 1,510,594,561 | 1,399,139,880 |
| | 3,071,236,279 | 2,227,523,435 | 3,000,821,918 | 2,128,765,166 |
| Cash and Cash Equivalents | 559,101,273 | 149,363,937 | 558,758,827 | 148,383,398 |
| Short Term Investments | 25,158,818 | 23,567,980 | 25,158,818 | 23,567,980 |
| | 584,260,091 | 172,931,917 | 583,917,645 | 171,951,378 |
| | **3,669,775,139** | **2,413,499,599** | **3,599,018,332** | **2,313,760,791** |
| Financial Liabilities | | | | |
| *Non Current Liabilities* | | | | |
| Interest Bearing Borrowings | 514,966,667 | 663,966,667 | 85,000,000 | 145,000,000 |
| Lease Payable | 142,468,433 | 150,271,392 | 142,468,433 | 150,271,392 |
| | 657,435,100 | 814,238,059 | 227,468,433 | 295,271,392 |
| *Current Liabilities* | | | | |
| Interest Bearing Borrowings | 1,646,945,433 | 1,369,101,046 | 1,557,097,129 | 1,289,606,502 |
| Lease Payable | 7,802,959 | 14,431,437 | 7,802,959 | 4,560,030 |
| Amount due to related party | 18,643,472 | - | - | - |
| Bank Overdrafts | 102,773,421 | 108,843,273 | 1,051,171 | 4,287,820 |
| Trade and Other Payable | 1,095,188,579 | 631,349,360 | 1,030,849,983 | 566,578,804 |
| | 2,871,353,864 | 2,123,725,116 | 2,596,801,242 | 1,865,033,156 |
| | **3,528,788,964** | **2,937,963,175** | **2,824,269,675** | **2,164,592,368** |

# Notes to the Consolidated Financial Statements

## 28. FINANCIAL INSTRUMENTS (Contd.)

### 28.2 Financial Risk Management

**Overview**

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risks

This note presents qualitative and quantitative information about the Group's exposure to each of the above risks. The Group's objectives, policies and measuring and managing risk.

### 28.2.1 Risk Management Framework

The Board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risk faced by the Group to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

#### 28.2.1.1 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet it's contractual obligation, and arises principally from the Group's receivables from customers, investments and forward contracts.

Group's credit exposure is closely monitored. Credit given is reviewed with the pre-determined approval procedures and contractual agreements made for every high value transaction.

The gross carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at 31st March 2026:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | Gross Carrying Amounts | | Gross Carrying Amounts | |
| | 2026<br>Rs. | 2025<br>Rs. | 2026<br>Rs. | 2025<br>Rs. |
| Trade and Other Receivables | 1,557,480,828 | 805,085,467 | 1,451,937,368 | 692,876,525 |
| Loans & Advances to Tea Suppliers | 1,697,443,199 | 1,576,394,048 | 1,697,443,199 | 1,576,394,048 |
| Refundable Deposit on Lease Premises | 13,369,429 | 32,288,767 | 13,369,429 | 17,993,357 |
| Amount Due From Related Party | - | - | 31,570,039 | 24,553,707 |
| Cash at Bank | 558,949,273 | 149,181,937 | 558,646,827 | 148,271,398 |
| Short Term Investments | 25,158,818 | 23,567,980 | 25,158,818 | 23,567,980 |
| | **3,852,401,547** | **2,586,518,199** | **3,778,125,680** | **2,483,657,015** |

The aging of Trade and Other Receivables and Loans to Tea Suppliers at the reporting date was;

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | Gross Rs. | Impairment Rs. | Gross Rs. | Impairment Rs. |
| GROUP | | | | |
| Past due 0-365 days | 3,131,563,311 | 71,483,962 | 2,240,097,227 | 42,906,154 |
| More than one year | 123,360,716 | 111,294,446 | 141,382,288 | 130,294,446 |
| | **3,254,924,027** | **182,778,408** | **2,381,479,515** | **173,200,600** |
| COMPANY | | | | |
| Past due 0-365 days | 3,026,019,851 | 66,589,956 | 2,127,888,285 | 38,459,238 |
| More than one year | 123,360,716 | 111,294,446 | 141,382,288 | 130,294,446 |
| | **3,149,380,567** | **177,884,402** | **2,269,270,573** | **168,753,684** |

**Expected credit assessment for customers**

The Group has estimated provision for impairment based on the expected credit losses to be incurred, which is estimated by taking in to account the aging of overdue balances, the repayment history of the individual customers, current and future customer- specific conditions, all of which involves a significant degree of management judgment.

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 2026 Rs. | 2025 Rs. | 2026 Rs. | 2025 Rs. |
| Balance at 1st April | 173,200,600 | 170,072,357 | 168,753,684 | 162,430,315 |
| Provision made during the year | 9,638,331 | 8,853,124 | 9,130,718 | 9,273,252 |
| Write off during the year | (60,523) | (5,724,881) | - | (2,949,883) |
| **Balance as at 31st March** | **182,778,408** | **173,200,600** | **177,884,402** | **168,753,684** |

**Cash and Cash Equivalents**

The Group had cash and cash equivalents of Rs. 559,101,273 as at 31st March 2026. (31st March 2025 - 149,363,937) which represents its maximum credit exposure on these assets.

The cash and cash equivalents are held at banks. Which are related “A (lka)” based on Fitch Rating Sri Lanka.

# Notes to the Consolidated Financial Statements

## 28. FINANCIAL INSTRUMENTS (Contd.)

### 28.2.1.2 Liquidity Risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with it's financial liabilities that are settled by delivering cash or another financial asset.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

| Non Derivative Financial Liabilities | Carrying amount Rs. | Contractual cash flows Rs. | One Year or less Rs. | More than One Year Rs. |
|---|---|---|---|---|
| GROUP | | | | |
| **As at 31st March 2026** | | | | |
| Trade and Other Payables | 1,095,188,579 | 1,095,188,579 | 1,095,188,579 | - |
| Interest Bearing Borrowings | 2,161,912,100 | 2,310,517,456 | 1,701,671,585 | 608,845,871 |
| Bank Overdrafts | 102,773,421 | 102,773,421 | 102,773,421 | - |
| Lease Payable | 150,271,392 | 246,760,112 | 26,584,800 | 220,175,312 |
| | **3,510,145,492** | **3,755,239,568** | **2,926,218,385** | **829,021,183** |
| **As at 31st March 2025** | | | | |
| Trade and Other Payables | 631,349,360 | 631,349,360 | 631,349,360 | - |
| Interest Bearing Borrowings | 2,033,067,713 | 2,246,004,651 | 1,437,826,530 | 808,178,121 |
| Bank Overdrafts | 108,843,273 | 108,843,273 | 108,843,273 | - |
| Lease Payable | 164,702,829 | 280,986,512 | 34,226,400 | 246,760,112 |
| | **2,937,963,175** | **3,267,183,796** | **2,212,245,563** | **1,054,938,233** |
| COMPANY | | | | |
| **As at 31st March 2026** | | | | |
| Trade and Other Payables | 1,030,849,983 | 1,030,849,983 | 1,030,849,983 | - |
| Interest Bearing Borrowings | 1,642,097,129 | 1,664,358,711 | 1,572,735,086 | 91,623,625 |
| Bank Overdrafts | 1,051,171 | 1,051,171 | 1,051,171 | - |
| Lease Payable | 150,271,392 | 246,760,112 | 26,584,800 | 220,175,312 |
| | **2,824,269,675** | **2,943,019,977** | **2,631,221,040** | **311,798,937** |
| **As at 31st March 2025** | | | | |
| Trade and Other Payables | 566,578,804 | 566,578,804 | 566,578,804 | - |
| Interest Bearing Borrowings | 1,434,606,502 | 1,474,274,406 | 1,312,255,031 | 162,019,375 |
| Bank Overdrafts | 4,287,820 | 4,287,820 | 4,287,820 | - |
| Lease Payable | 154,831,422 | 270,928,112 | 24,168,000 | 246,760,112 |
| | **2,160,304,548** | **2,316,069,142** | **1,907,289,655** | **408,779,487** |

### 28.2.1.3 Market Risk

Market Risk is the risk that changes in market prices, such as foreign exchange rates, interest rates etc. will affect the Company's income or the value of it's holding of Financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the returns.

#### 28.2.1.3.1 Currency Risk

At the reporting date the Company has not exposed to currency risk

#### 28.2.1.3.2 Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument fluctuates because of changes in market interest rates. The exposure to the risk of changes in market interest rate relates primarily to the Company's long term debt obligations and investments with floating interest rates.

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **2026** | **2025** | **2026** | **2025** |
| | **Rs.** | **Rs.** | **Rs.** | **Rs.** |
| Financial Liabilities | | | | |
| Bank Overdraft | 102,773,421 | 108,843,273 | 1,051,171 | 4,287,820 |
| Interest Bearing Borrowings | 2,161,912,100 | 2,033,067,713 | 1,642,097,129 | 1,434,606,502 |
| | **2,264,685,521** | **2,141,910,986** | **1,643,148,300** | **1,438,894,322** |
| Financial Assets | | | | |
| Loans and Advances to Tea Suppliers | 1,522,660,831 | 1,410,227,722 | 1,522,660,831 | 1,410,227,722 |
| | **1,522,660,831** | **1,410,227,722** | **1,522,660,831** | **1,410,227,722** |

Following details demonstrate the sensitivity to a reasonably possible change in interest rates on that portion of the long term and short-term borrowings at floating rate with all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings as follows

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **2026** | **2025** | **2026** | **2025** |
| | **Rs.** | **Rs.** | **Rs.** | **Rs.** |
| Sensitivity Analysis | | | | |
| Total Borrowing under variable rates | 1,635,000,000 | 1,434,606,502 | 1,635,000,000 | 1,434,606,502 |
| Change if 100 basis point increases | (16,350,000) | (14,346,065) | (16,350,000) | (14,346,065) |
| Change if 100 basis point decreases | 16,350,000 | 14,346,065 | 16,350,000 | 14,346,065 |

The sensitivity analysis as at the reporting date may not be representative for the changes during the year. The level of utilization of available financial facilities will affect to the above sensitivity analysis.

# Notes to the Consolidated Financial Statements

## 29. CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain shareholder, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and level of dividends to ordinary shareholders.

The Group's debt to adjusted capital ratio at the end of the reporting period was as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 2026<br>Rs. | 2025<br>Rs. | 2026<br>Rs. | 2025<br>Rs. |
| Total Liabilities | 4,401,993,794 | 3,220,469,444 | 3,533,302,409 | 2,295,441,629 |
| Less: Cash and Cash Equivalents | (559,101,273) | (149,363,937) | (558,758,827) | (148,383,398) |
| **Net Debt** | **3,842,892,521** | **3,071,105,507** | **2,974,543,582** | **2,147,058,231** |
| Total Equity | 632,966,393 | 550,105,377 | 933,980,982 | 896,274,637 |
| Net Debt to Equity Ratio | 6.07 | 5.58 | 3.18 | 2.40 |

## 30. FAIR VALUE MEASUREMENT

**Fair values versus the Carrying amounts**

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follows;

| | GROUP | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| | Carrying Value<br>Rs. | Fair Value<br>Rs. | Carrying Value<br>Rs. | Fair Value<br>Rs. |
| **Assets carried at amortised cost** | | | | |
| Loans & Advances to Tea Suppliers | 1,522,660,831 | 1,522,660,831 | 1,410,227,722 | 1,410,227,722 |
| Trade and other receivables | 1,557,480,828 | 1,557,480,828 | 805,085,467 | 805,085,467 |
| Refundable Deposit | 13,369,429 | 13,369,429 | 32,288,767 | 32,288,767 |
| Short Term Investments | 25,158,818 | 25,158,818 | 23,567,980 | 23,567,980 |
| Cash and cash equivalents | 559,101,273 | 559,101,273 | 149,363,937 | 149,363,937 |
| | **3,677,771,178** | **3,677,771,178** | **2,420,533,873** | **2,420,533,873** |
| **Liabilities carried at amortised cost** | | | | |
| Interest Bearing Borrowings | 2,161,912,100 | 2,161,912,100 | 2,033,067,713 | 2,033,067,713 |
| Lease Payables | 150,271,392 | 150,271,392 | 164,702,829 | 164,702,829 |
| Trade and other payables | 1,095,188,579 | 1,095,188,579 | 631,349,360 | 631,349,360 |
| Bank overdrafts | 102,773,421 | 102,773,421 | 108,843,273 | 108,843,273 |
| | **3,510,145,492** | **3,510,145,492** | **2,937,963,175** | **2,937,963,175** |

| | COMPANY | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| | Carrying Value Rs. | Fair Value Rs. | Carrying Value Rs. | Fair Value Rs. |
| **Assets carried at amortised cost** | | | | |
| Loans & Advances to Tea Suppliers | 1,522,660,831 | 1,522,660,831 | 1,410,227,722 | 1,410,227,722 |
| Trade and other receivables | 1,451,937,368 | 1,451,937,368 | 692,876,525 | 692,876,525 |
| Refundable Deposit | 13,369,429 | 13,369,429 | 17,993,357 | 17,993,357 |
| Amount Due From Related Party | 30,235,093 | 30,235,093 | 23,299,167 | 23,299,167 |
| Short Term Investments | 25,158,818 | 25,158,818 | 23,567,980 | 23,567,980 |
| Cash and cash equivalents | 558,758,827 | 558,758,827 | 148,383,398 | 148,383,398 |
| | **3,602,120,366** | **3,602,120,366** | **2,316,348,149** | **2,316,348,149** |
| **Liabilities carried at amortised cost** | | | | |
| Interest Bearing Borrowings | 1,642,097,129 | 1,642,097,129 | 1,434,606,502 | 1,434,606,502 |
| Lease Payables | 150,271,392 | 150,271,392 | 154,831,422 | 154,831,422 |
| Trade and other payables | 1,030,849,983 | 1,030,849,983 | 566,578,804 | 566,578,804 |
| Bank overdrafts | 1,051,171 | 1,051,171 | 4,287,820 | 4,287,820 |
| | **2,824,269,675** | **2,824,269,675** | **2,160,304,548** | **2,160,304,548** |

# Notes to the Consolidated Financial Statements

## 30. FAIR VALUE MEASUREMENT (Contd.)

**Financial instruments not carried at fair value and valuation bases**

The table below analyse financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

| GROUP | Level I Rs. | Level II Rs. | Level III Rs. | Total Rs. |
|---|---|---|---|---|
| As at 31st March 2026 | | | | |
| *Assets carried at amortised cost* | | | | |
| Loans & Advances to Tea Suppliers | - | - | 1,522,660,831 | 1,522,660,831 |
| Trade and other receivables | - | - | 1,557,480,828 | 1,557,480,828 |
| Refundable Deposit | - | - | 13,369,429 | 13,369,429 |
| Short Term Investments | - | 25,158,818 | - | 25,158,818 |
| Cash & cash Equivalents | - | 559,101,273 | - | 559,101,273 |
| | - | **584,260,091** | **3,093,511,088** | **3,677,771,179** |
| *Liabilities carried at amortised cost* | | | | |
| Interest Bearing Borrowing | - | - | 2,161,912,100 | 2,161,912,100 |
| Lease Payables | - | - | 150,271,392 | 150,271,392 |
| Trade and other payables | - | - | 1,095,188,579 | 1,095,188,579 |
| Bank overdrafts | - | 102,773,421 | - | 102,773,421 |
| | - | **102,773,421** | **3,407,372,071** | **3,510,145,492** |
| As at 31st March 2025 | | | | |
| *Assets carried at amortised cost* | | | | |
| Loans & Advances to Tea Suppliers | - | - | 1,410,227,722 | 1,410,227,722 |
| Trade and other receivables | - | - | 805,085,467 | 805,085,467 |
| Refundable Deposit | - | - | 32,288,767 | 32,288,767 |
| Short Term Investments | - | 23,567,980 | - | 23,567,980 |
| Cash & cash Equivalents | - | 149,363,937 | - | 149,363,937 |
| | - | **172,931,917** | **2,247,601,956** | **2,420,533,873** |
| *Liabilities carried at amortised cost* | | | | |
| Interest Bearing Borrowing | - | - | 2,033,067,713 | 2,033,067,713 |
| Lease Payables | - | - | 164,702,829 | 164,702,829 |
| Trade and other payables | - | - | 631,349,360 | 631,349,360 |
| Bank overdraft | - | 108,843,273 | - | 108,843,273 |
| | - | **108,843,273** | **2,829,119,902** | **2,937,963,175** |

**Financial instruments not carried at fair value and valuation bases**

The table below analyse financial instruments measured at fairvalue at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised.

| COMPANY | Level I Rs. | Level II Rs. | Level III Rs. | Total Rs. |
|---|---|---|---|---|
| As at 31st March 2026 | | | | |
| *Assets carried at amortised cost* | | | | |
| Loans & Advances to Tea Suppliers | - | - | 1,522,660,831 | 1,522,660,831 |
| Trade and other receivables | - | - | 1,451,937,368 | 1,451,937,368 |
| Refundable Deposit | - | - | 13,369,429 | 13,369,429 |
| Amount Due From Related Party | - | - | 30,235,093 | 30,235,093 |
| Short Term Investments | - | 25,158,818 | - | 25,158,818 |
| Cash and cash equivalents | - | 558,758,827 | - | 558,758,827 |
| | - | **583,917,645** | **3,018,202,721** | **3,602,120,366** |
| *Liabilities carried at amortised cost* | | | | |
| Interest Bearing Borrowing | - | - | 1,642,097,129 | 1,642,097,129 |
| Lease Payables | - | - | 150,271,392 | 150,271,392 |
| Trade and other payables | - | - | 1,030,849,983 | 1,030,849,983 |
| Bank Overdraft | - | 1,051,171 | - | 1,051,171 |
| | - | **1,051,171** | **2,823,218,505** | **2,824,269,675** |
| As at 31st March 2025 | | | | |
| *Assets carried at amortised cost* | | | | |
| Loans & Advances to Tea Suppliers | - | - | 1,410,227,722 | 1,410,227,722 |
| Trade and other receivables | - | - | 692,876,525 | 692,876,525 |
| Refundable Deposit | - | - | 17,993,357 | 17,993,357 |
| Amount Due From Related Party | - | - | 23,299,167 | 23,299,167 |
| Short Term Investments | - | 23,567,980 | - | 23,567,980 |
| Cash & cash Equivalents | - | 148,383,398 | - | 148,383,398 |
| | - | **171,951,378** | **2,144,396,771** | **2,316,348,149** |
| *Liabilities carried at amortised cost* | | | | |
| Interest Bearing Borrowing | - | - | 1,434,606,502 | 1,434,606,502 |
| Lease Payables | - | - | 154,831,422 | 154,831,422 |
| Trade and other payables | - | - | 566,578,804 | 566,578,804 |
| Bank overdraft | - | 4,287,820 | - | 4,287,820 |
| | - | **4,287,820** | **2,156,016,728** | **2,160,304,548** |

# Notes to the Consolidated Financial Statements

## 30. FAIR VALUE MEASUREMENT (Contd.)

**Cash and cash equivalents / Bank overdrafts**

The carrying amount of the cash and cash equivalents balances and bank overdrafts approximate the fair value as they are short term in nature.

**Trade and other receivables / Amount due from related companies**

Trade and other receivables / Amount due from related companies are expected to be settled within one year from the reporting date, hence the discounting impact would be immaterial. Therefore, carrying amount approximates the fair value as at the reporting date.

**Trade and other payable**

Trade and other payables are expected to be settled within one year from the reporting date, hence the discounting impact would be immaterial. Therefore, carrying amount approximate the fair value as at the reporting date.

Categorization of financial assets and liabilities as at the reporting date as per SLFRS 9 - Financial instruments

| As at 31st March 2026 | GROUP | |
|---|---|---|
| | Financial Asset at Amortised cost Rs. | Other Financial Liabilities Rs. |
| Financial assets | | |
| Loans & Advances to Tea Suppliers | 1,522,660,831 | - |
| Trade and other receivables | 1,557,480,828 | - |
| Refundable Deposit | 13,369,429 | - |
| Short Term Investments | 25,158,818 | - |
| Cash and cash equivalents | 559,101,273 | - |
| | **3,677,771,179** | - |
| Financial liabilities | | |
| Interest Bearing Borrowing | - | 2,161,912,100 |
| Lease Payables | - | 150,271,392 |
| Trade and other payables | - | 1,095,188,579 |
| Bank overdrafts | - | 102,773,421 |
| | - | **3,510,145,492** |

| As at 31st March 2026 | COMPANY | |
|---|---|---|
| | Financial Asset at Amortised cost Rs. | Other Financial Liabilities Rs. |
| **Financial assets** | | |
| Loans & Advances to Tea Suppliers | 1,522,660,831 | - |
| Trade and other receivables | 1,451,937,368 | - |
| Refundable Deposit | 13,369,429 | - |
| Amount Due From Related Party | 30,235,093 | - |
| Short Term Investments | 25,158,818 | - |
| Cash and cash equivalents | 558,758,827 | - |
| | **3,602,120,366** | - |
| **Financial liabilities** | | |
| Interest Bearing Borrowing | - | 1,642,097,129 |
| Lease Payables | - | 150,271,392 |
| Trade and other payables | - | 1,030,849,983 |
| Bank overdrafts | - | 1,051,171 |
| | - | 2,824,269,675 |

# Notes to the Consolidated Financial Statements

## 30. FAIR VALUE MEASUREMENT (Contd.)

Classification of financial assets and liabilities as at the reporting date as per SLFRS 09 - Financial instruments

| As at 31st March 2025 | GROUP | |
|---|---|---|
| | Financial Asset at Amortised cost | Other Financial Liabilities |
| | Rs. | Rs. |
| **Financial assets** | | |
| Loans & Advances to Tea Suppliers | 1,410,227,722 | - |
| Trade and other receivables | 805,085,467 | - |
| Refundable Deposit | 32,288,767 | - |
| Short Term Investments | 23,567,980 | - |
| Cash and cash equivalents | 149,363,937 | - |
| | **2,420,533,873** | - |
| **Financial liabilities** | | |
| Interest Bearing Borrowing | - | 2,033,067,713 |
| Lease Payables | - | 164,702,829 |
| Trade and other payables | - | 631,349,360 |
| Bank overdrafts | - | 108,843,273 |
| | - | **2,937,963,175** |

| As at 31st March 2025 | COMPANY | |
|---|---|---|
| | Financial Asset at Amortised cost | Other Financial Liabilities |
| | Rs. | Rs. |
| **Financial assets** | | |
| Loans & Advances to Tea Suppliers | 1,410,227,722 | - |
| Trade and other receivables | 692,876,525 | - |
| Refundable Deposit | 17,993,357 | - |
| Amount Due From Related Party | 23,299,167 | - |
| Short Term Investments | 23,567,980 | - |
| Cash and cash equivalents | 148,383,398 | - |
| | **2,316,348,149** | - |
| **Financial liabilities** | | |
| Interest Bearing Borrowing | - | 1,434,606,502 |
| Lease Payables | - | 154,831,422 |
| Trade and other payables | - | 566,578,804 |
| Bank overdrafts | - | 4,287,820 |
| | - | **2,160,304,548** |

# Notes to the Consolidated Financial Statements

## 31. RELATED PARTY TRANSACTIONS

### 31.1 Related Party Transactions - Recurrent

| | | | | GROUP | |
|---|---|---|---|---|---|
| Name of the Related Party | Names of Directors | Nature of Interest | Nature of Transaction | Aggregate value of Related Party Transactions entered into during the financial year 2026 | Aggregate value of Related Party Transactions as a % of Net Revenue |
| | | | | Rs. | |
| Insite Factories (Private) Limited | Mr. Chrisantha Perera | Chairman | Brokerage Income | 3,076,762 | 0.20% |
| | | | Handling Charges | 116,914 | 0.01% |
| | | | Interest Income | - | - |
| Capital Alliance Fixed Income Opportunity Fund | Ms. M.De.Zoysa | Director | Investment in Unit Trusts | 620,000,000 | 40.12% |
| | Ms. H. M. S. Perera | Director | Interest Received | 21,842,221 | 1.41% |
| | | | Investment Redeemed | (641,842,221) | -41.54% |
| Capital Alliance Investment Grade Fund | Ms. H. M. S. Perera | Director | Investment in Unit Trusts | 800,000,000 | 51.77% |
| | Ms. M.De.Zoysa | Director | Interest Received | 189,404 | 0.01% |
| | | | Investment Redeemed | (800,189,404) | -51.78% |
| Logicare (Private) Limited | Mr. W.A.T.Fernando<br>Mr. Chrisantha Perera<br>Ms. M.De.Zoysa<br>Mr. W.De.Silva<br>Ms. H.M.S Perera | Subsidiary Company | Loan Granted | 6,600,000 | 0.43% |
| | | | Loan Settled | - | - |
| | | | Asset & Liability Transfer | - | - |
| | | | Tea Storage Invoices | (3,033,657) | -0.20% |
| | | | Reimbursement of Expenses | 176,287 | 0.01% |
| | | | Settlements made | - | - |
| | | | Interest charged | 3,273,703 | 0.21% |

**Terms and Conditions of the Related Party Transactions**

Transactions with related parties are carried out in the ordinary course of the business at commercial rates.

| | | COMPANY | | | |
|---|---|---|---|---|---|
| Aggregate value of Related Party Transactions entered into during the financial year 2025 | Aggregate value of Related Party Transactions as a % of Net Revenue | Aggregate value of Related Party Transactions entered into during the financial year 2026 | Aggregate value of Related Party Transactions as a % of Net Revenue | Aggregate value of Related Party Transactions entered into during the financial year 2025 | Aggregate value of Related Party Transactions as a % of Net Revenue |
| Rs. | | Rs. | | Rs. | |
| 2,755,345 | 0.20% | 3,076,762 | 0.27% | 2,755,345 | 0.28% |
| 163,413 | 0.01% | 116,914 | 0.01% | 163,413 | 0.02% |
| 38,774 | 0.00% | - | - | 38,774 | 0.00% |
| 1,070,000,000 | 77.99% | 620,000,000 | 55% | 1,070,000,000 | 107.00% |
| 32,259,727 | 2.35% | 21,842,221 | 2% | 32,259,727 | 3.00% |
| (1,102,259,727) | -80.35% | (641,842,221) | -57% | (1,102,259,727) | -110.00% |
| 450,000,000 | 32.80% | 800,000,000 | 70.90% | 450,000,000 | 44.93% |
| 34,405,659 | 2.51% | 189,404 | 0.02% | 34,405,659 | 3.44% |
| (484,405,659) | -35.31% | (800,189,404) | -70.92% | (484,405,659) | -48.37% |
| 160,000,000 | 11.66% | 6,600,000 | 0.58% | 160,000,000 | 15.98% |
| (125,000,000) | -9.11% | - | - | (125,000,000) | -12.48% |
| (3,216,453) | -0.23% | - | - | (3,216,453) | -0.32% |
| (145,660,226) | -10.62% | (3,033,657) | -0.27% | (145,660,226) | -14.54% |
| 4,610,324 | 0.34% | 176,287 | 0.02% | 4,610,324 | 0.46% |
| 135,869,236 | 9.90% | - | - | 135,869,236 | 13.57% |
| 5,508,255 | 0.40% | 3,273,703 | 0.29% | 5,508,255 | 0.55% |

# Notes to the Consolidated Financial Statements

## 31. RELATED PARTY TRANSACTIONS (Contd.)

### 31.2 Related Party Transactions - Non Recurrent

| | | | | GROUP | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Name of the Related Party | Names of Directors | Nature of Interest | Nature of Transaction | Aggregate value of Related Party Transactions entered into during the financial year 2026 Rs. | Value of Related Party Transactions as a % of Equity | Value of Related Party Transactions as a % of Total Assets | Aggregate value of Related Party Transactions entered into during the financial year 2025 Rs. | Value of Related Party Transactions as a % of Equity | Value of Related Party Transactions as a % of Total Assets |
| Logicare (Pvt) Ltd | Mr. W.A.T.Fernando | Subsidiary Company | Corporate Guarantee | - | - | - | (150,000,000) | -27% | -4% |
| | Mr. Chrisantha Perera | | | - | - | - | - | - | - |
| | Ms M.De.Zoysa | | | | | | | | |
| | Mr. W.De.Silva | | | | | | | | |
| | Ms. H.M.S Perera | | | | | | | | |

Company made an announcement to the Colombo Stock Exchange on 16th October 2024 regarding the above mentioned Corporate Guarantee given to DFCC Bank PLC on behalf of Logicare (Pvt) Ltd.

**Terms and Conditions of the Related Party Transactions**

Transactions with related parties are carried out in the ordinary course of the business at commercial rates.

**The rationale for entering into the transaction**

Non-recurrent transactions are entered with Related Parties to meet short term working capital requirements

### 31.3 Related Party Transactions - Non Recurrent

| | | | | COMPANY | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Name of the Related Party | Names of Directors | Nature of Interest | Nature of Transaction | Aggregate value of Related Party Transactions entered into during the financial year 2026 | Value of Related Party Transactions as a % of Equity | Value of Related Party Transactions as a % of Total Assets | Aggregate value of Related Party Transactions entered into during the financial year 2025 | Value of Related Party Transactions as a % of Equity | Value of Related Party Transactions as a % of Total Assets |
| Logicare (Pvt) Ltd | Mr. W.A.T.Fernando | Subsidiary Company | Corporate Guarantee | - | - | - | (150,000,000) | -27% | -4% |
| | Mr. Chrisantha Perera | | | - | - | - | - | - | - |
| | Mr. K.H.S.Deshapriya | | | | | | | | |
| | Mr. W.De.Silva | | | | | | | | |
| | Ms. H.M.S Perera | | | | | | | | |

**Terms and Conditions of the Related Party Transactions**

Transactions with related parties are carried out in the ordinary course of the business at commercial rates.

**The rationale for entering into the transaction**

Non-recurrent transactions are entered with Related Parties to meet short term working capital requirements

### 31.4 Transactions with Key Management Personnel (KMP)

According to Sri Lanka Accounting Standard 24 (LKAS 24) "Related Party Disclosure", Key Management Personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Company has identified Directors as KMP and following have been paid to KMP's of the Company.

| | Group | | Company | |
|---|---|---|---|---|
| | **2026 Rs.** | **2025 Rs.** | **2026 Rs.** | **2025 Rs.** |
| Director Fees & Consultancy Fees Paid | 19,482,900 | 17,866,667 | 18,435,000 | 16,611,667 |
| Salaries, Bonus, Allowances Paid | 106,636,367 | 124,973,305 | 94,113,767 | 98,396,185 |
| | **126,119,267** | **142,839,972** | **112,548,767** | **115,007,852** |

## 32. CAPITAL COMMITMENTS

There are no material commitments as at the reporting date.

## 33. CONTINGENT LIABILITIES

The Company has provided corporate guarantee worth Rs. 750 Mn and Rs. 100 Mn to DFCC Bank PLC and Seylan Bank PLC respectively on behalf of the Logicare (Private) Limiited to obtain Loan Facilities.

There are no material contingent liabilities as at the reporting date that require adjustment or disclosure in the financial statements other than disclosed above.

## 34. EVENTS OCCURRING AFTER THE REPORTING DATE

There have been no material events occurring after the Balance Sheet date except for the following that would require adjustments to or disclosure in the Financial Statements.

**34.1** The Board of Directors of the Company approved the payment of the first and final dividend of Rs.0.50 (50 cents) per share on 31st August 2026 for the year ended 31st March 2026.

# Notes to the Consolidated Financial Statements

## 35. SEGMENTAL INFORMATION

The Group has identified two operatin segments under business segment reporting as follows,

Tea Brokering - Ceylon Tea Brokers PLC
Warehousing - Logicare (Private) Limited

Information related to each reportable segment is set out below

| | SEGMENTS | | | | | |
|---|---|---|---|---|---|---|
| | Tea Brokering | | Warehousing | | Total | |
| | 2026<br>Rs. | 2025<br>Rs. | 2026<br>Rs. | 2025<br>Rs. | 2026<br>Rs. | 2025<br>Rs. |
| Total Segment Revenue | 1,128,295,101 | 1,001,493,729 | 417,000,535 | 502,972,543 | 1,545,295,636 | 1,504,466,272 |
| Inter Segment Revenue | - | - | - | (134,030,382) | - | (134,030,382) |
| **Total External Sales** | **1,128,295,101** | **1,001,493,729** | **417,000,535** | **368,942,161** | **1,545,295,636** | **1,370,435,890** |
| Segment Profit/ (Loss) Before Tax | 218,572,413 | 191,510,653 | (8,061,132) | (104,632,721) | 218,705,963 | 109,528,002 |
| Depreciation and Amortization | 36,999,629 | 24,303,118 | 68,268,284 | 95,922,250 | 105,267,913 | 120,225,368 |
| Finance Income | 45,858,137 | 90,650,742 | 995,291 | 2,974,414 | 46,853,428 | 93,625,156 |
| Finance Cost | 215,739,812 | 215,674,962 | 63,085,941 | 71,235,238 | 278,825,753 | 286,910,200 |
| Impairment Expense on Financial Assets | 9,130,718 | 9,273,252 | 447,090 | (420,128) | 9,577,808 | 8,853,124 |
| Impairment of Investment in Subsidiary | 8,114,276 | 21,395,530 | - | - | 8,114,276 | 21,395,530 |
| Impairment of Related Party Receivable | 80,406 | 1,254,540 | - | - | 80,406 | 1,254,540 |
| Segmental Assets | 3,806,964,948 | 2,528,461,250 | 1,184,461,885 | 1,198,580,216 | 4,991,426,833 | 3,727,041,466 |
| Goodwill | | | | | 43,533,355 | 43,533,355 |
| | | | | | **5,034,960,188** | **3,770,574,821** |
| Segmental Liabilities | 3,533,302,410 | 2,295,441,629 | 843,486,309 | 925,027,815 | 4,376,788,719 | 3,220,469,444 |

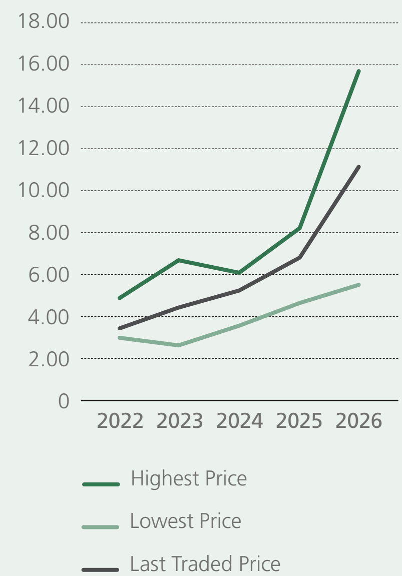
# Supplementary Information

# Investor Relations

## Share Price Trend Over the Last Five Years

| Share price Rs. | 2026 | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Highest Price | 15.9 | 8.00 | 6.00 | 6.30 | 4.81 |
| Lowest Price | 5.7 | 4.30 | 3.90 | 2.80 | 3.00 |
| Last traded Price | 11.2 | 6.40 | 5.00 | 4.10 | 3.20 |

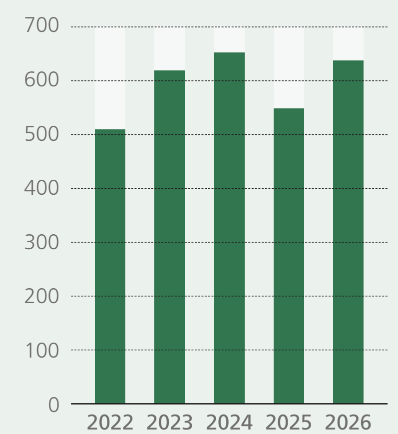
**Share Price Trend Over the Last Five Years (Rs.)**




## Equity Information

| | 2026 | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Shareholder funds (Rs. Mn) | 632.97 | 550.11 | 654.29 | 620.11 | 511.8 |
| Net Asset Value per share (Rs) | 3.47 | 3.02 | 3.6 | 3.4 | 2.81 |
| Earnings per share (Rs) | 0.74 | (0.10) | 0.38 | 1.01 | 0.11 |

**Shareholder's Funds (Rs. Mn)**




## Directors' and CEO's Shareholding as at 31st March 2026

Individual Ordinary voting shareholdings of persons who are Directors of the Company at 31st March 2026 are given below with last years' comparatives.

| Name of the Director | 2026 | 2025 |
|---|---|---|
| Mr R J N De Mel (Chairman) | 90000 | 80,000 |
| Mr D G W De Silva (Managing Director) | Nil | Nil |
| Mr K A D Fernando (Chief Executive Officer) | Nil | Nil |
| Mr H T D Nonis | 10,000 | 10,000 |
| Mr Z Mohamed | Nil | Nil |
| Mr W A T Fernando | 48,837,837 | 48,837,837 |
| Mr C P R Perera | 2,000,000 | 3,500,000 |
| Ms N T M S Cooray | 10,908,751 | 10,908,751 |
| Ms H M S Perera | 1,190,392 | 1,390,492 |
| Mrs M.De Zoysa | Nil | Nil |
| Mr. K B G B R Kulapala | Nil | Nil |
| Mrs. Amrah Akbar | Nil | Nil |

## Shareholding as at 31st March 2026

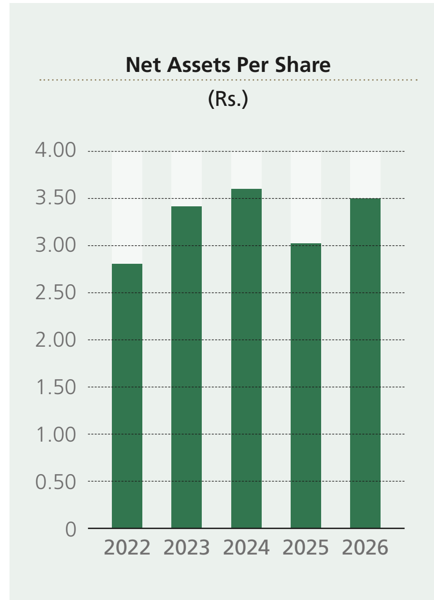
As at 31st March 2026, the Company had 3,531 shareholders of ordinary shares. Their shareholdings are analysed and categorised based on the number of shares held as at 31st March 2026 which is set out below.

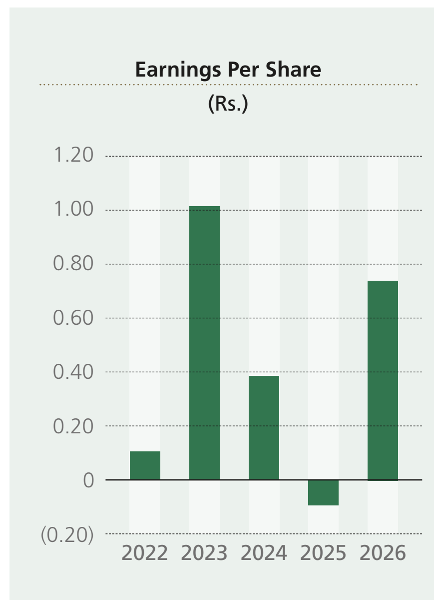
| From | To | No of Holders | No of Shares | % |
|---|---|---|---|---|
| 1 | 1,000 | 2,221 | 670,768 | 0.37 |
| 1,001 | 10,000 | 962 | 3,490,244 | 1.91 |
| 10,001 | 100,000 | 297 | 10,046,102 | 5.51 |
| 100,001 | 1,000,000 | 41 | 9,110,732 | 4.99 |
| Over 1,000,000 | | 10 | 159,082,154 | 87.22 |
| | | **3,531** | **182,400,000** | **100** |

## Categories of Shareholders

Majority of the shares are held by local individuals and institutions, and only a 0.21% out of the total shares issued are held by foreign individuals and institutions.

| | No of Holders | No of Shares | % |
|---|---|---|---|
| Local Individuals | 3,431 | 36,765,724 | 20.16 |
| Local Institutions | 85 | 145,242,602 | 79.63 |
| Foreign Individuals | 14 | 391,575 | 0.21 |
| Foreign Institutions | 1 | 99 | 0.00 |
| | **3,531** | **182,400,000** | **100.00** |



# Investor Relations

## Twenty Major Shareholders List and Public Holding

| | Name | 31st March 2026 | | 31st March 2025 | |
|---|---|---|---|---|---|
| | | No. Of Shares | % | No. Of Shares | % |
| 1 | ASHTHI HOLDINGS (PRIVATE) LIMITED | 54,562,456 | 29.914 | 55,434,267 | 30.392 |
| 2 | SEYLAN BANK PLC/W.A.T.FERNANDO | 48,837,837 | 26.775 | - | - |
| 3 | JETWING TRAVELS (PVT) LTD | 34,080,571 | 18.685 | 34,080,571 | 18.685 |
| 4 | MISS N.T.M.S. COORAY | 10,908,751 | 5.981 | 10,908,751 | 5.981 |
| 5 | MR. A.D. EDUSSURIYA | 2,788,500 | 1.529 | 2,788,500 | 1.529 |
| 6 | MR. C.P.R. PERERA & MRS. D.PERERA | 2,000,000 | 1.096 | 3,500,000 | 1.919 |
| 7 | MR. S. YUSOOF | 2,000,000 | 1.096 | 3,560,000 | 1.952 |
| 8 | HATTON NATIONAL BANK PLC/KANDAIAH KANAPATHIPILLAI SHUJEEVAN | 1,560,166 | 0.855 | 1,560,166 | 0.855 |
| 9 | MRS. H.M.S. PERERA | 1,190,392 | 0.653 | - | - |
| 10 | PEOPLE S LEASING AND FINANCE PLC/L.P.HAPANGAMA | 1,153,481 | 0.632 | - | - |
| 11 | MERCHANT BANK OF SRI LANKA & FINANCE PLC/W.T.U.PERERA | 991,481 | 0.544 | - | - |
| 12 | PEOPLE'S LEASING & FINANCE PLC/L.H.L.M.P.HARADASA | 650,887 | 0.357 | - | |
| 13 | PEOPLE'S LEASING & FINANCE PLC/DR.H.S.D.SOYSA & MRS.G.SOYSA | 498,559 | 0.273 | 210,400 | 0.115 |
| 14 | DR. S. PAMATHY | 402,500 | 0.221 | 30,000 | 0.016 |
| 15 | MR. L.H.L.T.D. HARADASA | 399,209 | 0.219 | - | - |
| 16 | PEOPLE'S LEASING & FINANCE PLC/L.H.L.NORIS DE SILVA & SON (PVT)LTD | 343,700 | 0.188 | - | - |
| 17 | MR. W.A.S CHATHUMADHURA | 328,838 | 0.180 | 327,634 | 0.180 |
| 18 | MR. M.H.A. KAMIL | 302,062 | 0.166 | 322,062 | 0.177 |
| 19 | DIALOG FINANCE PLC/A.S.M.SHIYAM | 300,000 | 0.164 | 300,000 | 0.164 |
| 20 | MR. A.M.A.B. ATAPATTU | 262,500 | 0.144 | | |
| | | 163,561,890 | 89.672 | **113,022,351** | **61.965** |
| | OTHERS | 18,838,110 | 10.328 | 69,377,649 | 38.035 |
| | | 182,400,000 | 100.000 | **182,400,000** | **100.000** |

As at 31st March 2026, the public holding percentage stands at 16.842%, with a total of 3,531 shareholders. The float adjusted market capitalization as at 31st March 2026 is Rs. 344,062,801.60 The float adjusted market capitalization of the company falls under option 2 of Rule 7.14.1 (b) of the Listing rules of the Colombo Stock Exchange and the company has complied with the minimum public holding requirement applicable under the said option.

## Dividend

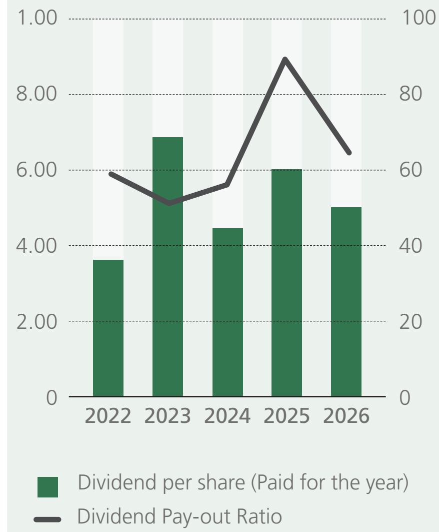
During the year under review, the Company paid a dividend to its shareholders. A dividend of Rs. 0.50 per share was paid out of the profits from the year ended 31st March 2026. Details of the dividend paid by Company for each financial year is given below.

| | 2026 | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Dividend per share (Paid for the year) | 0.50 | 0.60 | 0.44 | 0.68 | 0.36 |
| Dividend Pay-out Ratio (%) | 65.71 | 90.30 | 56.55 | 51.75 | 59.80 |

The Company maintained its policy on distributing dividends of transferring 50% out of profits after tax as dividend. The Company directors distributed Rs. 91.2 million as Dividends to shareholders, which is around 65.71 percent of 2025/26 annual profit after tax.

**Dividend Per Share Vs. Dividend Payout Ratio**

**(Rs.)/(%)**



# GRI Content Index

| | |
|---|---|
| Statement of use | Ceylon Tea Brokers PLC has reported in accordance with the GRI Standards for the period 1st April 2025 to 31st March 2026 |
| GRI 1 used | GRI 1: Foundation 2021 |

| GRI Standard/ Other Source | Disclosure | Location (Page No.) | Omission | | |
|---|---|---|---|---|---|
| | | | Requirement(s) Omitted | Reason | Explanation |
| **General disclosures** | | | | | |
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | 6 | | | |
| | 2-2 Entities included in the organization's sustainability reporting | 4 | | | |
| | 2-3 Reporting period, frequency and contact point | 4-5 | | | |
| | 2-4 Restatements of information | 5 | | | |
| | 2-5 External assurance | 174-177 | | | |
| | 2-6 Activities, value chain and other business relationships | 6, 62-63 | | | |
| | 2-7 Employees | 82-89 | | | |
| | 2-8 Workers who are not employees | - | 2-8 | Information unavailable/ incomplete | Data to be collected for future reporting periods |
| | 2-9 Governance structure and composition | 119-125 | | | |
| | 2-10 Nomination and selection of the highest governance body | 134 | | | |
| | 2-11 Chair of the highest governance body | 120,123 | | | |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | 120,123 | | | |
| | 2-13 Delegation of responsibility for managing impacts | 123 | | | |
| | 2-14 Role of the highest governance body in sustainability reporting | 69 | | | |
| | 2-15 Conflicts of interest | 122,123 | | | |
| | 2-16 Communication of critical concerns | 85 | | | |
| | 2-17 Collective knowledge of the highest governance body | 120 | | | |
| | 2-18 Evaluation of the performance of the highest governance body | 134 | | | |

| GRI Standard/ Other Source | Disclosure | Location (Page No.) | Omission | | |
|---|---|---|---|---|---|
| | | | Requirement(s) Omitted | Reason | Explanation |
| GRI 2: General Disclosures 2021 (Contd.) | 2-19 Remuneration policies | 132,133 | | | |
| | 2-20 Process to determine remuneration | 132,133 | | | |
| | 2-21 Annual total compensation ratio | - | 2-21 | Confidentiality constraints | Group does not disclose this information due to confidentialty reasons |
| | 2-22 Statement on sustainable development strategy | 111,112 | | | |
| | 2-23 Policy commitments | 140-155 | | | |
| | 2-24 Embedding policy commitments | 120,123, 140-155 | | | |
| | 2-25 Processes to remediate negative impacts | 85,122 | | | |
| | 2-26 Mechanisms for seeking advice and raising concerns | 85 | | | |
| | 2-27 Compliance with laws and regulations | 108,122 140-155 | | | |
| | 2-28 Membership associations | 102,108 | | | |
| | 2-29 Approach to stakeholder engagement | 64-68 | | | |
| | 2-30 Collective bargaining agreements | 89 | | | |
| **Material topics** | | | | | |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | 66-68 | | | |
| | 3-2 List of material topics | 69 | | | |
| Biodiversity | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 163-169 | | | |
| GRI 304: Biodiversity 2016 | 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | N/A | 304-1 | Not applicable | The group does not own, lease, manage, or operate any sites located within, adjacent to, or in close proximity to protected areas or regions of high biodiversity value outside protected areas. |

# GRI Content Index

| GRI Standard/ Other Source | Disclosure | Location (Page No.) | Omission | | |
|---|---|---|---|---|---|
| | | | Requirement(s) Omitted | Reason | Explanation |
| GRI 304: Biodiversity 2016 (Contd.) | 304-2 Significant impacts of activities, products and services on biodiversity | 97-101 | | | |
| | 304-3 Habitats protected or restored | N/A | 304-3 | Not applicable | The group has not engaged in activities to protect or restore habitats. |
| | 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations | N/A | 304-4 | | The group does not operate in areas which affect any habitats of species listed on the IUCN Red List or national conservation lists. |
| Economic performance | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 163-169 | | | |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed | 76 | | | |
| | 201-2 Financial implications and other risks and opportunities due to climate change | 97-101 | | | |
| | 201-3 Defined benefit plan obligations and other retirement plans | 224,225 | | | |
| | 201-4 Financial assistance received from government | N/A | 201-4 | Not applicable | The Group does not receive any financial benefit from the Government |
| Market presence | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 163-169 | | | |
| GRI 202: Market Presence 2016 | 202-1 Ratios of standard entry level wage by gender compared to local minimum wage | - | 202-1 | Confidentiality constraints | Group does not disclose these ratios due to confidentialty reasons |
| | 202-2 Proportion of senior management hired from the local community | 89 | | | |
| Indirect economic impacts | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 163-169 | | | |
| GRI 203: Indirect Economic Impacts 2016 | 203-1 Infrastructure investments and services supported | 76,77,108 | | | |
| | 203-2 Significant indirect economic impacts | 76,77 | | | |

| GRI Standard/ Other Source | Disclosure | Location (Page No.) | Omission | | |
|---|---|---|---|---|---|
| | | | Requirement(s) Omitted | Reason | Explanation |
| Anti-corruption | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 163-169 | | | |
| GRI 205: Anti-corruption 2016 | 205-1 Operations assessed for risks related to corruption | 89 | | | |
| | 205-2 Communication and training about anti-corruption policies and procedures | 89 | | | |
| | 205-3 Confirmed incidents of corruption and actions taken | 89 | | | |
| Anti-competitive behavior | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 163-169 | | | |
| GRI 206: Anti-competitive Behavior 2016 | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | 108 | | | |
| Tax | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 163-169 | | | |
| GRI 207: Tax 2019 | 207-1 Approach to tax | 201,203, 216,217 | | | |
| | 207-2 Tax governance, control, and risk management | 201,203, 216,217 | | | |
| | 207-3 Stakeholder engagement and management of concerns related to tax | 201,203 216,217 | | | |
| | 207-4 Country-by-country reporting | N/A | 207-4 | Not applicable | The group conducts its operations only in Sri Lanka |
| Energy | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 163-169 | | | |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | 96-101 | | | |

# GRI Content Index

| GRI Standard/ Other Source | Disclosure | Location (Page No.) | Omission | | |
|---|---|---|---|---|---|
| | | | Requirement(s) Omitted | Reason | Explanation |
| GRI 302: Energy 2016 (contd.) | 302-2 Energy consumption outside of the organization | - | 302-2 | Information unavailable/ incomplete | This information is unavailable for disclosure as the energy consumption is measured to cover all operations within the Company, and does not cover any upstream or downstream activities that are outside the Organisation's scope of operations. |
| | 302-3 Energy intensity | - | 302-3 | | The Group currently does not monitor Energy intensity |
| | 302-4 Reduction of energy consumption | 96-101 | | | |
| | 302-5 Reductions in energy requirements of products and services | - | 302-5 | Information unavailable/ incomplete | There are no reductions in energy requirements of products and services to be disclosed |
| Waste | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 163-169 | | | |
| GRI 306: Waste 2020 | 306-1 Waste generation and significant waste-related impacts | - | 306-1 | Information unavailable/ incomplete | Data to be collected for future reporting periods |
| | 306-2 Management of significant waste-related impacts | 97-101 | | | |
| | 306-3 Waste generated | - | 306-3 | Information unavailable/ incomplete | Data to be collected for future reporting periods |
| | 306-4 Waste diverted from disposal | - | 306-4 | | |
| | 306-5 Waste directed to disposal | - | 306-5 | | |
| Employment | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 163-169 | | | |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | 85 | | | |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | - | 401-2 | Confidentiality constraints | Group does not disclose this information due to confidentialty reasons |
| | 401-3 Parental leave | 89 | | | |

| GRI Standard/ Other Source | Disclosure | Location (Page No.) | Omission | | |
|---|---|---|---|---|---|
| | | | Requirement(s) Omitted | Reason | Explanation |
| **Labor/management relations** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 163-169 | | | |
| GRI 402: Labor/ Management Relations 2016 | 402-1 Minimum notice periods regarding operational changes | 89 | | | |
| **Occupational health and safety** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 163-169 | | | |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | 89 | | | |
| | 403-2 Hazard identification, risk assessment, and incident investigation | - | 403-2 | Information unavailable/ incomplete | Data to be collected for future reporting periods |
| | 403-3 Occupational health services | - | 403-3 | | |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | 89 | | | |
| | 403-5 Worker training on occupational health and safety | 89 | | | |
| | 403-6 Promotion of worker health | 89 | | | |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 89 | | | |
| | 403-8 Workers covered by an occupational health and safety management system | - | 403-8 | Information unavailable/ incomplete | Data to be collected for future reporting periods |
| | 403-9 Work-related injuries | 89 | | | |
| | 403-10 Work-related ill health | 89 | | | |
| **Training and education** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 163-169 | | | |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | 87 | | | |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | 86,87 | | | |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | - | 404-3 | Information unavailable/ incomplete | Data to be collected for future reporting periods |

# GRI Content Index

| GRI Standard/ Other Source | Disclosure | Location (Page No.) | Omission | | |
|---|---|---|---|---|---|
| | | | Requirement(s) Omitted | Reason | Explanation |
| Diversity and equal opportunity | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 163-169 | | | |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | 36-37, 82-87, 89,120 | | | |
| | 405-2 Ratio of basic salary and remuneration of women to men | - | 405-2 | Confidentiality constraints | Group does not disclose this information due to confidentialty reasons |
| Non-discrimination | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 163-169 | | | |
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | 108 | | | |
| Freedom of association and collective bargaining | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 163-169 | | | |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | 89,107 | | | |
| Child labor | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 163-169 | | | |
| GRI 408: Child Labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labor | 107,112 | | | |
| Forced or compulsory labor | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 163-169 | | | |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | 107,112 | | | |
| Security practices | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 163-169 | | | |
| GRI 410: Security Practices 2016 | 410-1 Security personnel trained in human rights policies or procedures | 108 | | | |

| GRI Standard/ Other Source | Disclosure | Location (Page No.) | Omission | | |
|---|---|---|---|---|---|
| | | | Requirement(s) Omitted | Reason | Explanation |
| Local communities | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 163-169 | | | |
| GRI 413: Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | 108 | | | |
| | 413-2 Operations with significant actual and potential negative impacts on local communities | N/A | 413-2 | Not applicable | There is no data to disclose on significant negative impacts since our operations aim to minimise significant negative impacts on local communities. |
| Public policy | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 163-169 | | | |
| GRI 415: Public Policy 2016 | 415-1 Political contributions | N/A | 415-1 | Not applicable | The Group does not receive any financial benefit from political contributions |
| Customer health and safety | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 163-169 | | | |
| GRI 416: Customer Health and Safety 2016 | 416-1 Assessment of the health and safety impacts of product and service categories | 169 | | | |
| | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | 107 | | | |
| Customer privacy | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 163-169 | | | |
| GRI 418: Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | 107 | | | |

Ceylon Tea Brokers PLC is currently part of the value chain as a brokerage firm, on review of the requirements under GRI 13 Sector Standard: Agriculture, Aquaculture and Fishing Sectors 2022. However, the Group believes that all matters highlighted in the said standard would not be material for the current financial year.

# Notice of the Annual General Meeting

NOTICE IS HEREBY GIVEN that the Seventeenth (17th) Annual General Meeting of Ceylon Tea Brokers PLC will be held by way of electronic means on 30th September 2026 at 12.00 noon centered at the Boardroom of the Company, No 481, T B Jayah Mawatha, Colombo 10 for the following purposes:

1. To receive and consider the Annual Report of the Board of Directors on the affairs of the Company and its subsidiary and the Statement of Accounts for the year ended 31st March 2026 with the Report of the Auditors thereon.

2. To re-elect Ms. Habaragamuralalage Mary Sharmali Perera who retires by rotation in terms of Articles 87 and 88 of the Articles of Association, as a Director of the Company.

3. To pass the ordinary resolution set out below to re-appoint Mr. Chrisantha Priyange Richard Perera who is 82 years of age as a Director of the Company:

   "IT IS HEREBY RESOLVED THAT the age limit stipulated in Section 210 of the Companies Act No.07 of 2007 shall not apply to Mr. Chrisantha Priyange Richard Perera who is 82 years of age and that he be and is hereby re-appointed a Director of the Company."

4. To re-appoint Messrs KPMG, Chartered Accountants, as the Auditors of the Company and to authorize the Directors to determine their remuneration.

5. To authorize the Directors to determine donations for the year ending 31st March 2027 and up to the date of the next Annual General Meeting.

By Order of the Board
**CEYLON TEA BROKERS PLC**

**P W Corporate Secretarial (Pvt) Ltd**
*Secretaries*

31st August 2026
Colombo

Notes:
- A shareholder entitled to participate and vote at the above virtual meeting is entitled to appoint a proxy to participate and vote in his/her place by completing the Form of Proxy enclosed herewith.
- A proxy need not be a shareholder of the Company.
- Shareholders who are unable to participate in the above virtual meeting are also encouraged to submit a duly completed Form of Proxy appointing the Chairman or any other Member of the Board to participate and vote on their behalf.
- For more information on how to participate by virtual means in the above virtual meeting, please refer Guidelines and Registration Process enclosed herewith.

# Notes

# Notes

# Form of Proxy

I/We* ……………………………………………………………………………………………………………………………………………..

(NIC/Passport/Co. Reg. No. ………………………………………………) of ………………………………… ………………………………………… being a

shareholder / shareholders of CEYLON TEA BROKERS PLC hereby appoint ………………………………………………………………………………...

(NIC/Passport No. ………………………………………………………… ) of ……………………………………………………………… or failing him/her,*

| | |
|---|---|
| Mr. R J N de Mel | or failing him* |
| Mr. D G W De Silva | or failing him* |
| Mr. K A D Fernando | or failing him* |
| Mr. W A T Fernando | or failing him* |
| Mr. H T D Nonis | or failing him* |
| Mr. Z Mohamed | or failing him* |
| Ms. N T M S Cooray | or failing her* |
| Ms. H M S Perera | or failing her* |
| Mr. C P R Perera | or failing him* |
| Dr. K B G B R Kulapala | or failing him* |
| Ms. A Akbar | or failing her* |
| Dr.(Mrs.) M De Zoysa | or failing her* |

as my/our* proxy to represent and speak and vote as indicated hereunder for me/us* and on my/our* behalf at the Seventeenth (17th) Annual General Meeting of the Company to be held by electronic means on 30th September 2026 and at every poll which may be taken in consequence of the aforesaid Meeting and at any adjournment thereof.

| | | For | Against |
|---|---|---|---|
| 1. | To re-elect Ms. Habaragamuralalage Mary Sharmali Perera who retires by rotation in terms of Articles 87 and 88 of the Articles of Association, as a Director of the Company. | | |
| 2. | To pass the ordinary resolution set out under item 2 of the Notice of Meeting for the re-appointment of Mr. Chrisantha Priyange Richard Perera as a Director. | | |
| 3. | To re-appoint Messrs KPMG, Chartered Accountants, as the Auditors of the Company and to authorize the Directors to determine their remuneration. | | |
| 4. | To authorize the Directors to determine donations for the year ending 31st March 2027 and up to the date of the next Annual General Meeting. | | |

In witness my/our* hands this ……………… day of ……………………… Two Thousand and Twenty Six.

………………………………………………
Signature of Shareholder/s

*Please delete what is inapplicable.

Notes: 1. A proxy need not be a shareholder of the Company
2. Instructions as to completion appear overleaf.

## Instructions for completion

1. The full name, National Identity Card number and the registered address of the shareholder appointing the Proxy and the relevant details of the Proxy should be legibly entered in the Form of Proxy which should be duly signed and dated.

2. The completed Proxy should be deposited at the Registered Office of the Company, No.481, T.B Jayah Mawatha, Colombo 10 by 1.00 p.m. on 28th September 2026.

   In forwarding the completed and duly signed Proxy to the Company, please follow the Guidelines and Registration Process for the Annual General Meeting attached to the Notice of Annual General Meeting.

3. The Proxy shall –
   (a) In the case of an individual be signed by the shareholder or by his attorney, and if signed by an attorney, a notarially certified copy of the Power of Attorney should be attached to the completed Proxy if it has not already been registered with the Company.

   (b) In the case of a company or corporate / statutory body either be under its Common Seal or signed by its Attorney or by an Officer on behalf of the Company or corporate / statutory body in accordance with its Articles of Association or the Constitution or the Statute. (as applicable)
4. If you wish to appoint a person other than the Chairman or a Director of the Company as your Proxy, please insert the relevant details in the space provided.

5. Please indicate with a 'X' in the space provided how your Proxy is to vote on each resolution. If no indication is given, the Proxy in his discretion will vote as he thinks fit.

# Corporate Information

### Name of the Company
Ceylon Tea Brokers PLC

### Legal Form
The Company incorporated in Sri Lanka under the Companies Act No. 07 of 1982 which was re-registered under the provisions of the Companies Act No. 7 of 2007 on 20th January 2010 and quoted on the Diri Savi Board of the Colombo Stock Exchange on 16th March 2010.

### Date of Incorporation
15th June 1999

### Company Registration Number
PB 1280 PQ

### Board of Directors
Mr. R. J. N. De Mel (Chairman)
Mr. D. G. W. De Silva (Managing Director)
Mr. K A D Fernando (Director/ Chief Executive Officer)
Mr. H. T. D. Nonis
Mr. Z. Mohamed
Mr. W. A. T. Fernando
Mr. C. P. R. Perera
Ms. N. T. M. S. Cooray
Ms. H. M. S. Perera
Ms. A Akbar
Dr. K B K B R Kulapala
Dr. M. De Zoysa

### Registered Office/Head Office
No. 481, T.B Jayah Mawatha,
Colombo 10.

### VAT Registration No.
114238546 7000

### Telephone
(+94) 11-4607777

### Facsimile
(+94) 11-4607788

### Website
www.ceylonteabrokers.com

### Credit Ratings
The Company has been assigned an Issuer rating of [SL] BBB with stable outlook by Lanka Rating Agency Limited.

### Secretaries
P W Corporate Secretarial (Pvt) Ltd
No. 3/17, Kynsey Road, Colombo 08.
Telephone: (+94) 11-4640360-3
Fax: (+94) 11-4740588
Email: pwcs@pwcs.lk

### Registrars
Central Depository Systems (Pvt) Ltd
Ground Floor, M & M Center
341/5, Kotte Road, Rajagiriya
Telephone: (+94) 11-2356497

### Lawyers
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216, De Saram Place, Colombo 10.
Telephone: (+94) 11-4718200
Fax: (+94) 11-4718220
Email: fjgdesaram@fjgdesaram.com

D.L. & F. De Saram
Attorneys-at-Law
47, C.W.W. Kannangara Mawatha,
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Telephone: (+94) 11-2695782
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Email: info@desaram.com

Mr. K. Wasantha S. Fernando
Attorney - at - Law
No. 4/145,1/1, Thalakotuwa Gardens,
Polhengoda, Colombo 05.
Telephone: (+94) 11-5238868
Email: k.w.s.fernando@gmail.com

### Auditors
Messrs KPMG,
32A, Sir Mohomad Macan Markar Mawatha, Colombo 03.
Telephone: (+94) 11-2426426
Fax: (+94) 11-2445872
Email: frt@kpmg.lk

### Subsidiary Company
Logicare (Pvt) Ltd – Fully Owned

### Bankers
Bank of Ceylon
Metropolitan Branch, Bank of Ceylon building, York Street, Colombo 01.

Commercial Bank of Ceylon PLC
Foreign Branch, Commercial House,
No. 21, Sir Razik Fareed Mawatha, Colombo 01.

DFCC Bank PLC
Head office Branch, W. A. D. Ramanayake Mawatha, Colombo 02.

Hatton National Bank PLC
No. 10, Sri Uttarananda Mawatha, Colombo 03.

National Development Bank PLC
No. 42, DHPL Building, Nawam Mawatha, Colombo 02.

Nations Trust Bank PLC
Corporate Branch, No. 242, Union Place, Colombo 02.

People's Bank
First City Branch, York Street, Colombo 01.

Sampath Bank PLC
No. 46/38, Nawam Mawatha, Colombo 02.

Seylan Bank PLC
Millennium Branch, Seylan Tower,
No. 90, Galle Road, Colombo 03.

Union Bank of Colombo PLC
Head Office Branch, No. 64, Galle Road, Colombo 03.

Standard Chartered Bank
No. 37, York Street, Colombo 01.

Cargills Bank Limited
No. 696, Galle Road, Colombo 03.

Pan Asia Banking Corporation PLC
450, Galle Road, Colombo 03

Concept & Designed by
Copyline
a great equation


www.ceylonteabrokers.com