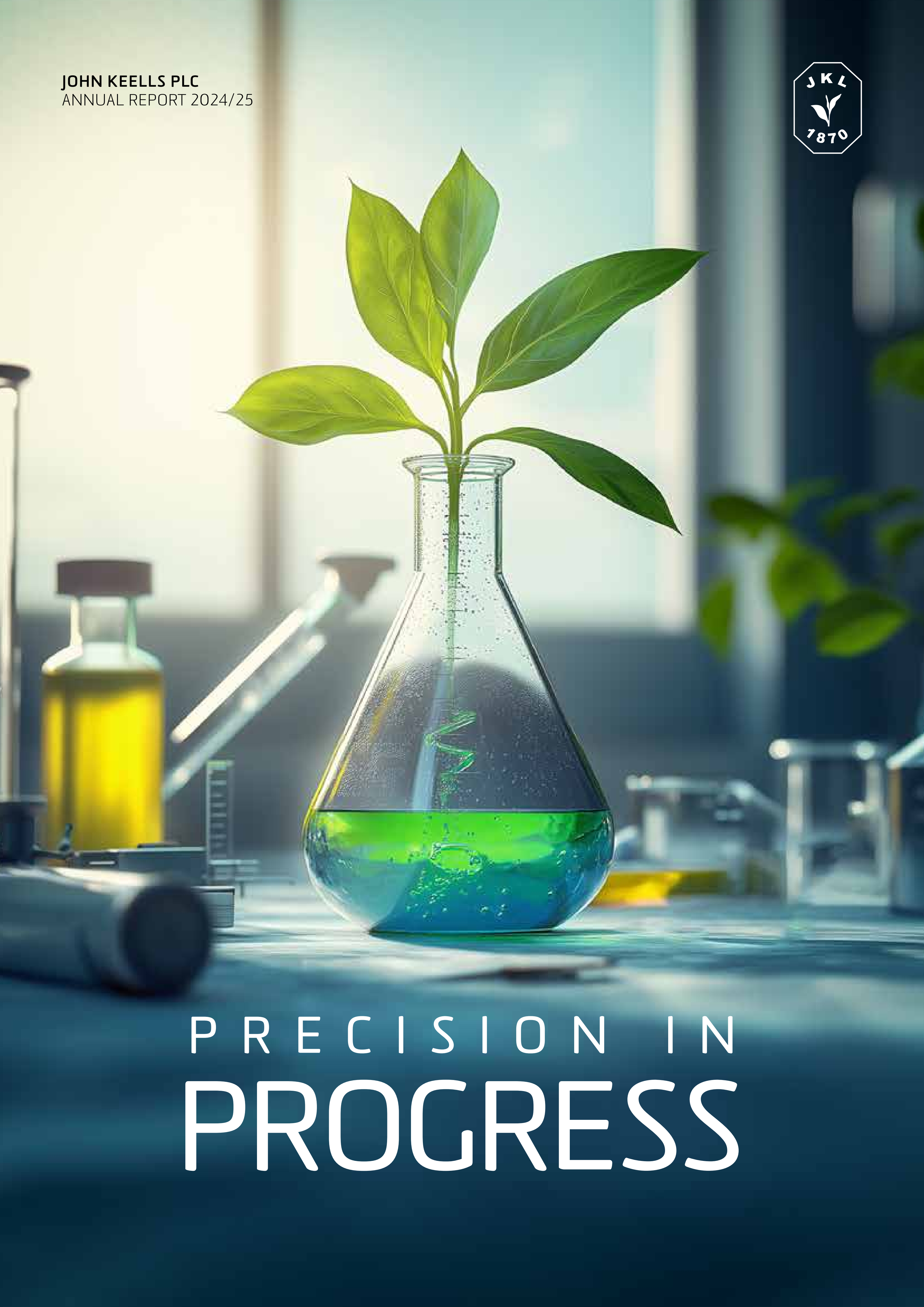
JOHN KEELLS PLC
ANNUAL REPORT 2024/25



PRECISION IN PROGRESS

PRECISION IN
PROGRESS

At John Keells PLC, precision has been the driving force behind exceptional growth and resilience. Through data-driven decisions, we have navigated global uncertainties with confidence, ensuring every move is purposeful and impactful.

Despite external challenges, we have always maintained stability and seized opportunities to accelerate growth and streamline operations. This year, precision in decision-making not only helped overcome obstacles, but also positioned the Company for long-term success—laying a solid foundation for continued growth.

As we look ahead, our unwavering commitment to precision will continue to unlock new opportunities, propelling us toward even greater achievements.

JKL

1870

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PRECISION IN PURPOSE

ABOUT US

At JK PLC, every action is rooted in a clear purpose, guided by a deep commitment to quality and sustainability. Our journey is defined by the precision with which we craft products that stand the test of time, bringing excellence to every step we take.

Introduction to the Report

We are pleased to present the Integrated Annual Report of John Keells PLC for the financial year ended 31st March 2025. This report is presented to provide a concise and balanced overview of our strategy, governance structure and performance considering emerging opportunities and risks. The report gives our stakeholder groups pertinent information and demonstrates the effective allocation of resources to create sustained value for stakeholders in the short, medium and long term.

Reporting Entity

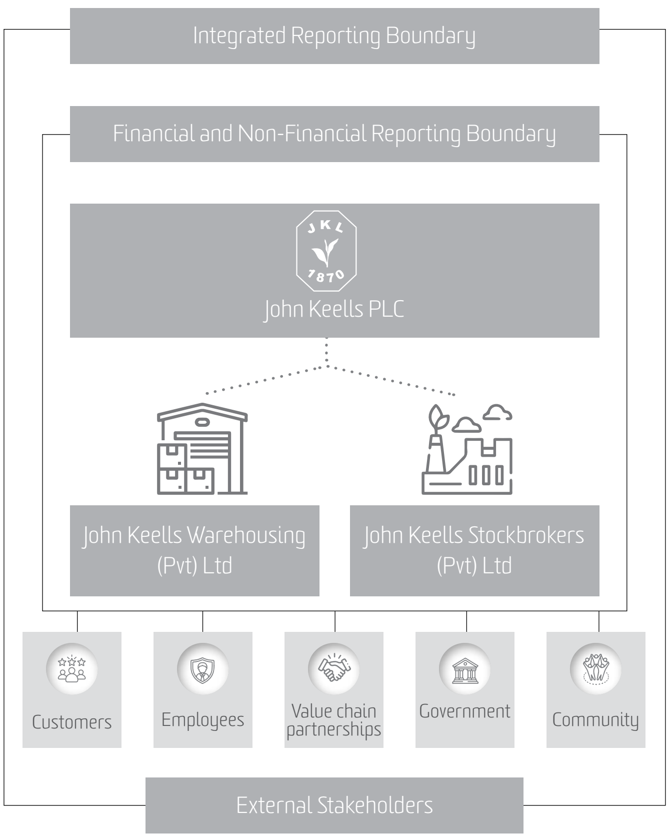
This Report covers the operations of John Keells PLC (JKPLC) and its subsidiaries John Keells Warehousing (Pvt) Ltd (JKW), John Keells Stockbrokers (Pvt) Ltd (JKSB) collectively referred to as "Group".

Reporting Scope and Boundary

This report covers the operations of the Company and the Group for the financial year from 1st April 2024 to 31st March 2025. Material events occurring after the reporting period, up to the date of approval by the Board of Directors on 26th May 2025, have been disclosed in Note 37 of the Financial Statements to ensure accuracy and relevance in reporting.

Details pertaining to the Group's financial performance are presented in the Consolidated Financial Statements on pages 114 to 120, while a comprehensive Management Discussion and Analysis of Group operations is provided on pages 07. The report outlines the key risks, opportunities, and outcomes that could materially influence the Group's ability to create value over time.

There were no significant changes during the year under review in the Group's supply chain, ownership structure, size, or organisational structure. Additionally, no major revisions were made to data disclosed in the prior reporting period.



Corporate Governance

Maintaining strong and constructive relationships in our business operations depends greatly on the effective application of sound governance practices. As such, corporate governance is a core focus and is actively reinforced across all levels of the Group.

The Corporate Governance section of this report on, pages 58 to 98 outlines the systems, structures, and practices adopted by the Company and its affiliated entities. It details both mandatory and voluntary compliance with the principles set out in the Code of Best Practice on Corporate Governance, jointly issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka (SEC).

Standards, principles and frameworks

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

Forward-Looking Statement

This Annual Report contains forward-looking statements regarding the potential future financial position, performance, and operations of the Group. These statements are based on current expectations, assumptions, and projections about future events.

However, such statements inherently involve risks and uncertainties that could cause actual results to differ materially from those anticipated. The Group does not undertake any obligation to publicly update or revise these forward-looking statements in response to future developments or changing circumstances.

Information Verification and Quality Assurance

The Board affirms that this Annual Report addresses the key challenges and opportunities that may influence the Group's ability to generate sustainable value in the short, medium, and long term. The Board also accepts overall responsibility for maintaining the integrity and accuracy of the Report.

To ensure the reliability and completeness of the information presented, the contents of this Report have been reviewed and verified by the following parties:

- The Board of Directors
- The Audit Committee
- The Management Committee
- An independent auditor, who has validated the accuracy of the annual financial statements

The Six Capitals

In order to guide our strategy and create value, we rely on a mix of resources and connections. The following navigation symbols are used in the Report to display what are known as the six capitals

Icon Guide

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

Feedback

We understand Integrated Reporting is an evolving principle and a continuous journey of improvement. We welcome your comments, suggestions and queries on this Report; please direct your feedback to,

Ravi Wijewantha
Chief Financial Officer,
John Keells PLC,
No. 186, Vauxhall Street,
Colombo 02.
E-mail: ravi.jkp@keells.com

About us

For over 150 years, John Keells PLC has stood as a benchmark of quality, brand leadership, and ethical governance. Our legacy, built on strong values, continues to guide us as we evolve in an increasingly complex business environment. Under the theme Precision in Progress, this Annual Report offers a transparent analysis of the strategies driving our triple bottom line performance. It reflects our commitment to continuous self-assessment, strategic clarity, and operational excellence.

The achievements outlined in the following pages demonstrate how measured progress driven by discipline, adaptability, and foresight has fortified our resilience. Even in the face of challenges, we have pursued precision in every decision, aligning our long-term vision with sustainable growth.

Our Vision

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

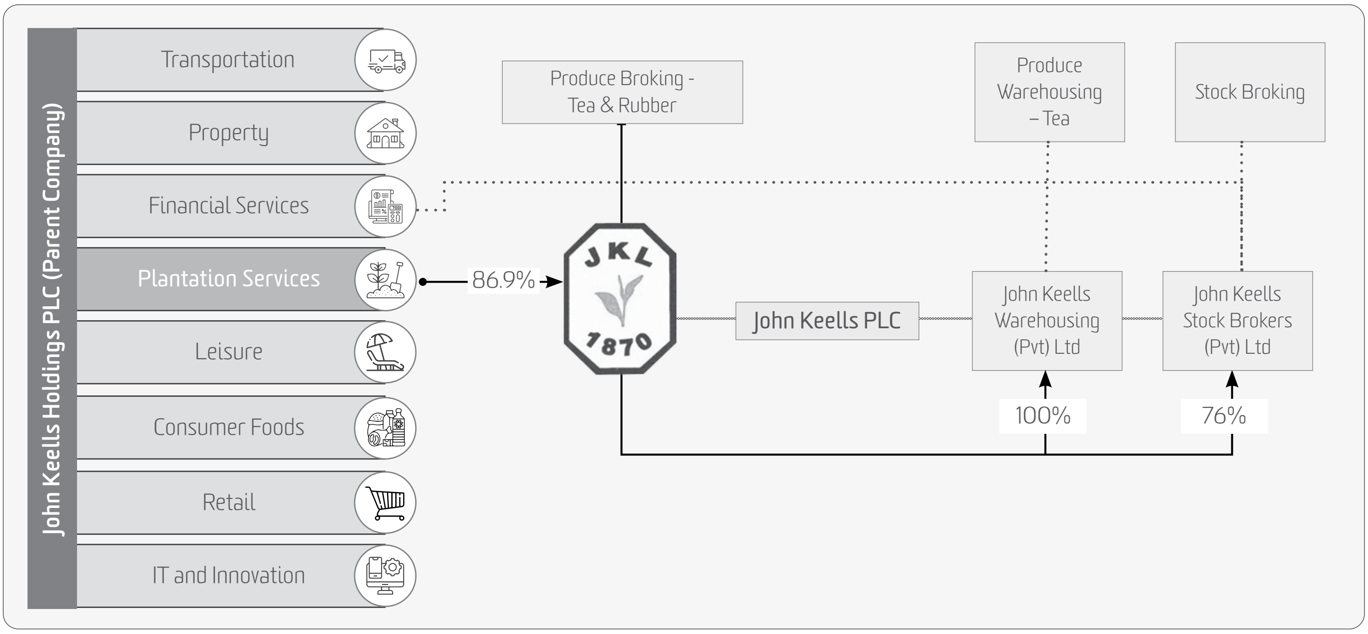
Our Mission

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

Our Values

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

Group Structure



Senior Management Team

JOHN KEELLS PLC

- Hishantha De Mel – Chief Executive Officer / Vice President John Keells Holdings PLC
- Ravin Vannitamby – Head of Operations / Senior Assistant Vice President John Keells Holdings PLC
- Riza Ahamed – Sector Financial Controller / Assistant Vice President John Keells Holdings PLC
- Rochelle Perera – Senior Manager Human Resources
- Janith De Silva – Senior Manager Tea
- Duran De Alwis – Manager Tea
- Rajnesh Ramanathan – Manager Tea
- Nishika Thadhani – Manager Finance
- Rajkumar Nagaratnam – Head of Business Processes & Solutions / Senior Assistant Vice President John Keells Holdings PLC

JOHN KEELLS WAREHOUSING (PVT) LTD

- Suranga Edirisinghe – Manager Warehousing

JOHN KEELLS STOCK BROKERS (PVT) LTD

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

Milestone

1870

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

1876

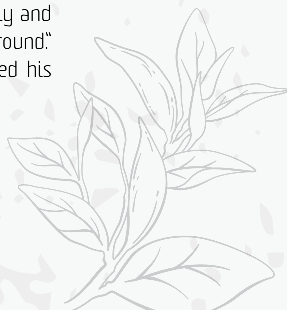
A partnership styled "John Brothers and Company" was formed with offices situated in Colombo and Kandy.

1878

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

1890

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



1895

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

1948

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

1960

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

1962

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

1966

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

1970

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

1971

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

1976

John Keells Limited became a People's Company.

1986

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

1990

K. Balendra took over as Chairperson, the first Sri Lankan to hold this position. John Keells Limited acquired controlling interests in John Keells Stock brokers (Pvt) Ltd.

1993

Financial Statements of the associates Keells Realtors Ltd and International Tourists and Hoteliers Ltd. were incorporated to the Consolidated Accounts.

2000

K. Balendra retired as Chairperson on 31st December 2000.

2001

V. Lintotawela took over as Chairperson on 1st January 2001. John Keells Limited incorporated John Keells Warehousing (Pvt) Ltd a fully owned subsidiary with B.O.I status.

2003

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

2005

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

2007

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

2010

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

2011

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

2013

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

2015

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

2016

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

2018

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

2019

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

2020

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

2021

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

Performance Highlight

Year ended 31st March		2024/25	2023/24	2022/23
RESULTS OF THE YEAR				
Group revenue	Rs. 000's	1,009,382	941,974	1,024,588
Group profit before interest and tax (EBIT)	Rs. 000's	274,724	249,235	533,379
Group profit before tax	Rs. 000's	256,644	220,875	495,392
Group profit after tax	Rs. 000's	173,488	144,001	309,497
Group profit attributable to shareholders	Rs. 000's	170,510	151,063	305,850
Earnings per share	Rs.	2.80	2.48	5.03
Interest cover	No. of times	15.2	8.79	14.04
Return on equity	%	3.62	3.48	7.29
Return on capital employed	%	5.81	5.78	12.55
FINANCIAL POSITION AT THE YEAR END				
Total assets	Rs. 000's	6,537,394	6,021,094	5,965,630
Total debt	Rs. 000's	69,115	201,520	84,123
Number of shares in issue	000's	60,800	60,800	60,800
Total shareholder funds	Rs. 000's	4,723,845	4,056,924	4,164,830
Net assets per share	Rs.	77.69	66.73	68.50
Net debt	Rs. 000's	(681,871)	(238,999)	(509,895)
Debt/Equity	%	1.45	4.90	2.02
Debt/Total assets	%	1.05	3.35	1.41
MARKET / SHAREHOLDER INFORMATION				
Market price per share as at 31st March	Rs.	74.00	64.80	68.80
Market capitalisation	Rs. 000's	4,499,200	3,939,840	4,183,040
Enterprise value	Rs. 000's	5,213,871	4,178,838	4,692,936
Price earning ratio	No. of times	26.42	26.13	13.68
Dividend paid	Rs. 000's	60,800	176,320	179,360
Dividend per share	Rs.	1.00	2.90	2.95
Dividend pay-out ratio	%	35.71	116.94	58.64
Dividend yield	%	1.35	4.48	4.29

Year ended 31st March		2024/25	2023/24	2022/23
FINANCIAL CAPITAL				
Economic Value added	Rs. 000's	1,122,164	1,046,632	1,197,694
Proportion of purchases from local suppliers within Sri Lanka	%	100	100	100
MANUFACTURED CAPITAL				
Total Property Plant and Equipment	Rs. 000's	890,517	871,016	594,406
NATURAL CAPITAL				
Total carbon foot print	MT	121	95	100
Water withdrawal	(m3)	6,587	5,714	5,287
Water withdrawal (m3) per Rs. million revenue	No. of times	1.29	1.01	5.16
Significant environment fines*	Rs.	Nil	Nil	Nil
HUMAN CAPITAL				
Turnover per employee	Rs. 000's	7,108	6,541	7,017
Total employees	Number	142	144	146
Number of injuries during the work	Number	Nil	Nil	Nil
Number of lost days	Number	Nil	Nil	Nil
Number of employees receiving performance review	%	100	100	100
SOCIAL AND RELATIONSHIP CAPITAL				
Proportion of business analysed for risk of corruption	%	100	100	100
Significant fines for violation of laws/regulations*	Rs.	Nil	Nil	Nil
Significant fines for product/service issues*	Rs.	Nil	Nil	Nil
INTELLECTUAL CAPITAL				
Software Development - work in progress	Rs. 000's	1,630	4,887	Nil
Intangible assets	Rs. 000's	1,020	Nil	Nil

Chairperson's Message

On behalf of the Board of Directors of John Keells PLC (JKPLC), it is with pleasure that I present our Integrated Annual Report and Audited Financial Statements for the financial year ended 31 March 2025.

Operating Environment

The year under review marked a period of steady recovery and resilience for Sri Lanka. The country continued to witness a stable macroeconomic environment in CY2024, building on the momentum witnessed in the second half of CY2023, with all key indicators supporting a sustained growth trajectory. The mandate secured by the Government at both the Presidential and General elections, paved the way towards restoring political stability. Macroeconomic resilience was supported by notable progress on post crisis reforms, policy continuity and favourable headwinds coupled with the release of the third tranche of the Extended Fund Facility by the International Monetary Fund and restructuring of the international sovereign bonds. The much-anticipated upgrade in the country's sovereign rating from its previous default status also marked an important milestone for the country as it signalled Sri Lanka's official exit from default status since CY2022. Accordingly, the economy recorded GDP growth of 5 percent in CY2024, marking its strongest performance since CY2017, though off a low base.

Inflation continued its downward trajectory with the country experiencing a period of deflation since September 2024, partially due to the base effect. Inflation reached a low of negative 4 percent in February 2025, before easing to a negative 3 percent by March 2025. Interest rates remained below 10 percent, whilst recording a marginal decline, on the back of targeted monetary policy interventions. The external sector remained resilient during the year with the country's gross official reserves increasing, buoyed by strong growth in earnings from exports, tourism and worker remittances. The collective impact of improved foreign exchange inflows and reserves supported the stabilisation of the Rupee, which appreciated by 10 percent in CY2024, although a marginal depreciation was recorded in the fourth quarter of 2024/25 due to short-term market volatility. Given the improved external sector performance during CY2024, coupled with other favourable developments on the macroeconomic front, the Government also phased out the remaining restrictions on imports during the year. These factors have contributed to resumption of business and consumer confidence.

> The produce broking segments remained the primary revenue contributors, accounting for 51 percent of the Group's consolidated revenue.

Amidst this landscape, JKPLC remained focused on operational agility and long-term value creation. The Company leveraged its strategic strengths to navigate external headwinds, including global economic disruptions in key tea exporting markets , while staying true to our values of integrity, stakeholder stewardship, and sustainable growth. The year under review represents not only a continuation of our recovery, but also a reaffirmation of our purpose and resilience as a trusted market leader.

Tea Segment Performance

The Sri Lankan tea industry encountered numerous challenges during the year under review mainly on account of lacklustre growth in major export destinations. This shortfall was largely due to geopolitical tensions in the Middle East and Russia, which negatively impacted trade activity. Against this backdrop, the financial year 2024/25 presented a complex landscape for JKPLC's Tea Segment. Total Ceylon Tea production increased by 2 percent to 262.15 million kilograms compared to 256.08 million kilograms recorded in the previous year., This marginal growth was driven by a 13 percent and 2 percent increase in the mid-grown and low grown elevation teas respectively, however there was a decline in the production of high grown elevation teas by 5 percent due to adverse weather conditions, particularly record rainfall and an increased number of wet days. Sri Lankan tea exports recorded a 2 percent growth during the financial year under review, compared to the previous financial year. Tea prices remained flat throughout the year with no seasonal peaks as observed in the previous year's trends. Additionally, the appreciation of the Rupee placed downward pressure on tea prices and export margins.

Since 2023/24, the business took a strategic decision to reduce exposure on lending to tea producers ensuring financial stability and minimise exposure to credit risks. Given this planned strategy, volumes sold by JKPLC recorded a 3 percent decline to 33.39 million kilograms for the year under review, compared to 34.38 million kilograms recorded in the previous financial year. Consequently, the market share of the segment noted a decline, alongside a decrease in segmental revenue mainly stemming from the decline in interest income from lending. Total segmental revenue decreased by 10 percent to Rs. 502.79 million, compared to Rs. 555.97 million recorded in the previous financial year. Income from brokerage services improved by 4 percent due to an increase in average price, while the income from sellers' interest dropped by 47 percent, reflecting reduced Ceylon Brokers Association lending rates and volumes of advances extended. As a result, the segment's profit before tax (PBT) contracted by 28 percent, amounting to Rs. 156.95 million, compared to Rs. 218.62 million recorded in 2023/24.

Rubber Segment Performance

Sri Lanka's rubber industry witnessed a certain degree of price increase in comparison to 2023/24. However, industry wide production volumes remained low. This trend was also reflected in the Company's Rubber Segment, which recorded a decline in sales volume by 18 percent. Total volumes declined to 1.06 million kilograms for the year ended 31 March 2025, compared to 1.30 million kilograms in the previous year. Despite this, the segment recorded a marginal increase in revenue compared to previous financial year as the average price per kilogram commanded by the segment improved by 35 percent to Rs. 654.16 compared to Rs. 484.12 per kilogram recorded in the previous year.

Accordingly, the segmental revenue in 2024/25 amounted to Rs. 7.85 million compared to Rs. 7.49 million recorded in the previous year, an increase of 5 percent. Resultantly, the segment recorded a PBT growth of 39 percent to Rs. 3.42 million [2023/24: Rs. 2.46 million].

Warehousing Segment Performance

The performance of the Warehousing Segment was marked by higher operational throughput, despite the average space utilisation reducing by 6 percent compared to 2023/2024. The total quantity stored increased to 43.08 million kilograms compared to 42.52 million kilograms resulting in the increase in segmental revenue by 5 percent to Rs. 161.43 million [2023/24: Rs. 154.34 million]. During the year there was a 5 percent increase in handling fee which was implemented in the fourth quarter.

Furthermore, a noteworthy achievement for the Segment was the commencement of the solar energy power project under a rental model, with a planned capacity of two megawatts. The project is scheduled for completion in the ensuing financial year.

Stock Broking Segment Performance

Sri Lanka's All Share Price Index (ASPI) delivered strong returns for a second consecutive year, delivering a return of 50 percent in CY2024 [CY2023: 26 percent], ranking it as one of the best-performing equity indices in the region. The strong performance was underpinned by the ongoing stabilisation of the macro economy including a stronger domestic appreciation, conducive interest rates, strengthening in investor sentiment and confidence and a recovery in corporate earnings across multiple sectors.

For 2024/25, the Colombo Stock Exchange (CSE) posted a 38 percent rise in ASPI. The CSE recorded an average daily turnover of Rs. 2,917 million, with market capitalization reaching Rs. 5,606 billion, up from Rs. 4,543 billion the prior year. John Keells Stock Brokers recorded a commendable year driven by the strong performance of the CSE in tandem with Sri Lanka's stable macroeconomic recovery, and recorded Rs. 344.79 million in revenue. The Segment continued to focus on research driven acquisition and maintenance of high-net-worth investors to create and enhance value to the customer base, while enhancing its systems and processes.

Financial Performance Overview

For 2024/25, the Group recorded an increase of 7 percent in consolidated revenue to Rs. 1,009.38 million, compared to Rs. 941.97 million recorded in the previous financial year on account of the factors discussed previously.

From a segmental perspective, the produce broking segments remained the primary revenue contributors, accounting for 51 percent of the Group's consolidated revenue. The Stockbroking Segment contributed 34 percent and the Warehousing Segment contributed 16 percent to the Group's consolidated revenue during the year under review.

Group EBITDA stood at Rs. 321.06 million [2023/24: Rs. 203 million]. Profit after tax recorded a growth of 20 percent to Rs. 173.49 million, compared to Rs. 144.00 million recorded in the previous financial year. This growth was primarily attributable to improved segmental profitability from the tea and rubber.

Championing a People-First Culture

At JKPLC, we recognise that our people are pivotal for long-term success. We foster an environment where respect, inclusion, and opportunity are deeply embedded, empowering employees to pursue their career aspirations. To sustain a motivated and supported workforce, the Company invests in employee training and development, competitive remuneration and comprehensive benefits. These initiatives reflect our belief that valuing our employees is both a moral imperative and a strategic catalyst for engagement, productivity, and organisational excellence.

Advancing Our ESG Commitment

The Company remained firmly committed to ESG principles, embedding sustainability into operations and governance in alignment with the John Keells Group's framework. During the year, we advanced our ESG agenda through actionable measures, continuous performance evaluation against both internal metrics and external benchmarks, and a strong focus on stakeholder trust and long-term resilience

Upholding Ethical Leadership and Governance

Sound governance and ethical leadership remain cornerstones of our corporate philosophy. I am pleased to state that there were no reported violations of the Code of Conduct of the John Keells Group and the Code of Business Conduct and Ethics which is aligned with the principles of the Code of Best Practice of Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka.

JKPLC complies with the broader policies and codes of the John Keells Group. In alignment with the Group's governance framework and the revised CSE Listing Rules, the Company established dedicated Board sub-committees to enhance oversight and governance effectiveness. This transition from a centralised to an entity-specific governance model ensures more focused subsidiary-level oversight while maintaining alignment with the Group's principles of transparency, accountability, and sound corporate governance. The Parent Company's Board Committees will continue to play an oversight role to ensure consistency with Group-wide standards.

The Company maintains zero tolerance for misconduct, ensuring integrity and accountability across all operations.

Under the overall strategic direction of the John Keells Group, the Company undertook various governance initiatives during the year. These included aligning with the Group's data governance practices under the Personal Data Protection Act No. 09 of 2022. For financial governance, a

Chairperson's Message

forensic data analytics platform was deployed for automated transaction outlier detection, alongside a comprehensive assessment of the business's financial processes to identify opportunities to optimise workflows and simplify the transactional aspects of financial reporting, as detailed further in the Corporate Governance Commentary of this Report.

Commitment to Transparent and Integrated Reporting

The Board of Directors takes full responsibility for the accuracy, completeness, and integrity of this Annual Report, which has been prepared in line with the Integrated Reporting Framework (2021), governed by the IFRS Foundation. The Company remains committed to transparent disclosure, providing stakeholders with a holistic view of the Company's performance, strategy, and long-term value creation. We confirm, to the best of our knowledge, the credibility, reliability and integrity of the information presented, and, in this regard, this report has also been subject to independent assurance, reinforcing our pledge to reliability and accountability in corporate reporting.

Outlook for 2025/26 and Beyond

As the Company commences the financial year 2025/26, we remain cautiously optimistic, underpinned by strengthening macroeconomic fundamentals and a credible foundation for sustained growth. The current deflationary trend is expected to align with medium-term inflation targets, supported by the Central Bank's disciplined monetary policy, while continued fiscal consolidation reflects adherence to the IMF-EFF programme. The recent budget underscores the Government's commitment to reform and policy continuity, with the completion of the election cycle enabling a concentrated focus on economic advancement.

Externally, the outlook remains stable, with rising foreign exchange inflows, manageable trade deficits, and resilient services exports. While challenges such as adverse weather, geopolitical tensions, and global competition persist, the Company is strategically positioned to leverage opportunities across core segments.

The Tea Segment is poised for growth, aided by Government-backed fertilizer support, though geopolitical and tariff-related headwinds may impact key export markets. The Rubber Segment is expected to benefit from global recovery, albeit constrained by local structural challenges and international competition. Strategic focus remains on diversification, innovation, and value addition.

The Warehousing Segment will continue to be influenced by the performance of the Tea segment, with ongoing operational improvements supporting capacity utilization. The Stockbroking Segment will continue to strengthen foreign institutional engagement and expand its domestic footprint amid improving market sentiment.

Dividends

The board has recommended a payment of final dividend of Rs. 1.60 per share in addition to the interim dividend of Rs. 1.00 per share paid in February 2025 resulting in a total dividend per share of Rs. 2.6 for the financial year 2024/25.

Retirements and Appointments of Directors

Ms. Devika Weerasinghe, Non-Independent Non-Executive Director, retired from the Board of Directors of the Company with effect from 30 June 2024, consequent to her retirement from the John Keells Group. Similarly, Ms. Arundhathi Gunawardhana, Ms. Aruni Rajakarier and Mr. Charitha Wijewardane, all Independent Non-Executive Directors of the Company will be retiring from the Board of Directors of the Company, having completed nine years on the Board, effective from and upon conclusion of the Annual General Meeting on 25 June 2025. I wish to place on record our deep appreciation for the invaluable contribution made by these Directors during their respective tenures on the Board.

As announced to the Colombo Stock Exchange, we are pleased to welcome Mr. Ravi Wijewantha, who was appointed to the Board as Non-Independent Non-Executive Director effective 1 July 2024. We also extend a warm welcome to Mr. Pravir Dhanoush Samarasinghe, appointed as an Independent Non-Executive Director effective 1 January 2025, and Mr. Pasan Wanigasekera who will be appointed as an Independent Non-Executive Directors effective 1 July 2025. We look forward to their contributions as the Company continues to advance its strategic priorities.

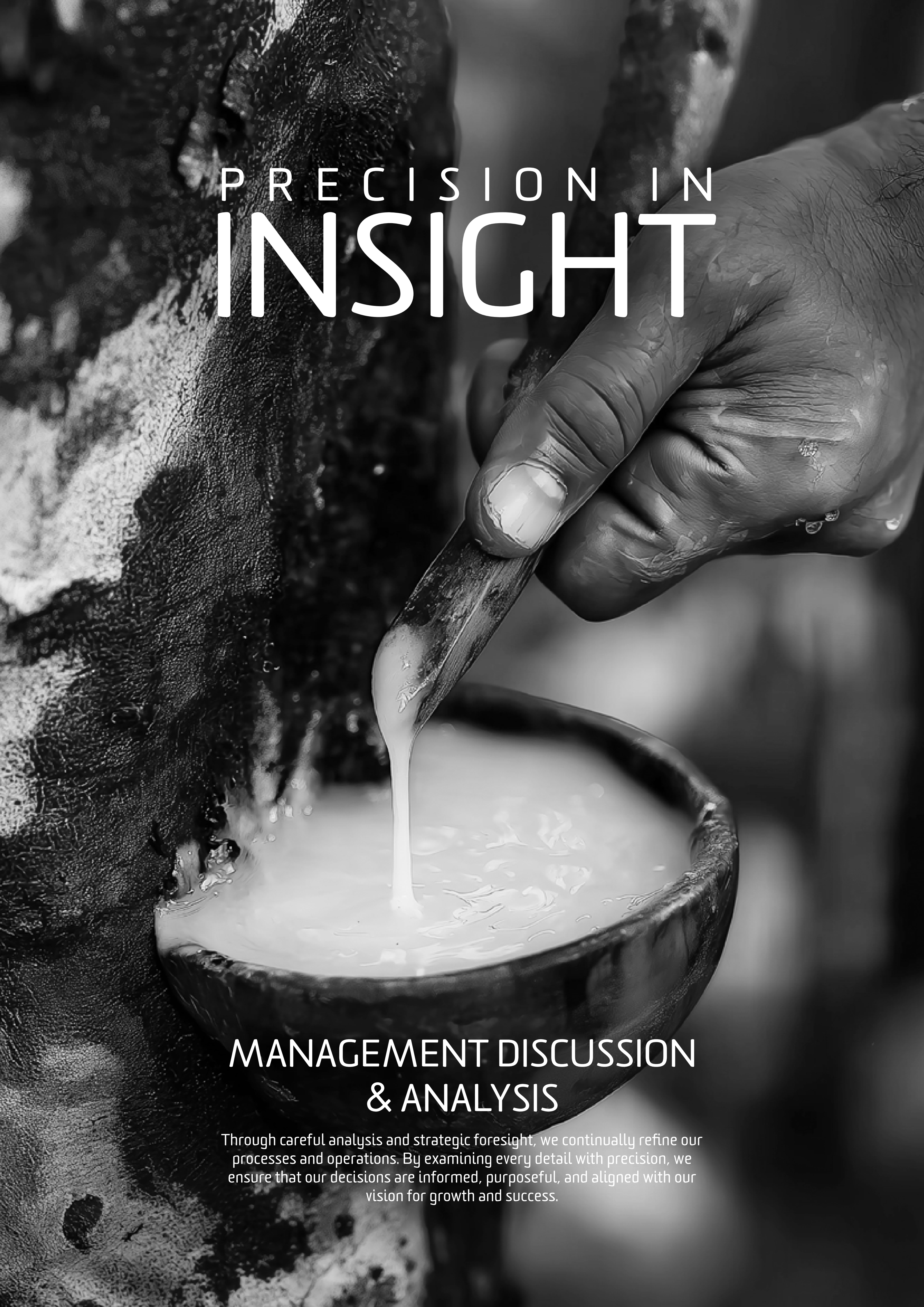
Acknowledgements and Appreciation

I take this opportunity to express my sincere gratitude to the Board of Directors for their steadfast support and strategic guidance throughout the year under review. I also extend my heartfelt appreciation to the management and all employees, whose commitment, resilience, and hard work have been pivotal in driving our progress and delivering value in a challenging operating environment. Finally, I am deeply thankful to all our stakeholders, including shareholders, business partners, and regulators for their continued trust, collaboration, and loyalty, which remain fundamental to the Group's ongoing success.

Krishan Balendra

K N J Balendra
Chairperson

26th May 2025



PRECISION IN

INSIGHT

MANAGEMENT DISCUSSION & ANALYSIS

Through careful analysis and strategic foresight, we continually refine our processes and operations. By examining every detail with precision, we ensure that our decisions are informed, purposeful, and aligned with our vision for growth and success.

Our Value Creation Model

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

VALUE TRANSFORMATION PROCESS

CAPITAL INPUTS

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

Natural Capital
- Energy
- Water
- Other natural resources

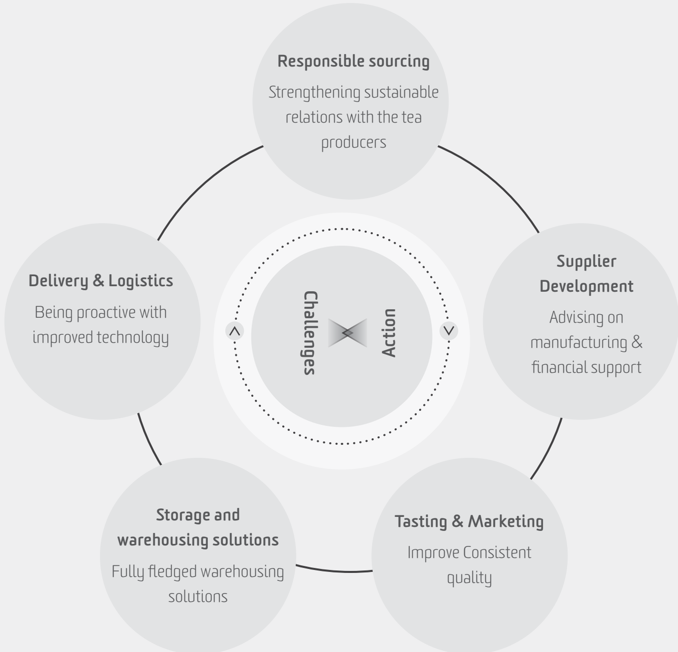
Human Capital
- Recruitment of a diversified workforce
- Experienced and efficient workforce
- Skills and competencies
- Training and development

Social & Relationship Capital
- Dedicated CSR team
- Community development
- Stakeholder engagement
- Health and safety initiatives

Intellectual Capital
- Brand development
- Technological expertise

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

Produce Broking and Warehousing



Stock Brokering

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

STRATEGIC PRIORITIES

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

Corporate Governance | Risk Management Framework | ESG Focus

Operating Environment » Macroeconomic Developments » Supply Chain Implications »

AND ENGAGEMENT

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

Changing Customer Preferences

Climate Related Risks

Government Regulations

Stakeholder Relationship

Stakeholder Engagement

At JKPLC, stakeholders are integral to our organisational identity. Their diverse contributions underpin our operations, resilience, and sustained growth. Over the past year, we have focused to understand better and respond to stakeholder expectations, reaffirming our commitment to create sustainable long-term value.

	How we engage	Stakeholder expectation	Strategic response
 Customer	• Face to face meetings, client visits • Two-way Communication	• Service quality • Value for money • Product responsibility • Providing timely information on market performance and trends	• Linking the sellers' capabilities and export market conditions • Estate/factory visits
 Employees	• Staff engagement activities such as Avurudu celebrations, sports events etc. • Performance Management System • Open door policy	• Health & safety considerations • Job security • Competitive compensation and benefits • Opportunities for skill development and career progression • Diversity and equal opportunity	• Ongoing training and development opportunities • Promote diversity, equity, and inclusion • Review of salary and organisation structures • Rewarding on outstanding performance
 Shareholders	• Annual General Meeting • Annual report and Quarterly Financial Statements • Website (Ongoing)	• Sustainable Growth and business continuity • Good risk and crisis management • Compliance Corporate Governance and Ethics • Transparency and credibility of disclosures	• Implementing strategies to support market share price increases • Accomplishing corporate goals and objectives • Sustaining consistent financial growth over time • Sustaining exemplary governance standards • Growth in shareholder funds • Dividend payments
 Supplier	• On-site visits to and from suppliers • One-on-one discussion on issues such as product quality and improvements • Information reports on product quality and improvements	• Continued business opportunities • Knowledge sharing • Fair pricing • Long term business relationships	• Timely payments • Fostering transparent communications • Welcoming feedback and suggestions • Building long term relationships

Stakeholder Engagement

At JKPLC, stakeholder engagement is a cornerstone of how we create and enhance value across economic, social, and environmental dimensions.

Stakeholder engagement is a decentralised responsibility embedded across the organisation. Rather than operating through a centralised stakeholder management function, each team that interacts with stakeholders are accountable for building and maintaining effective, transparent, and responsive relationships.

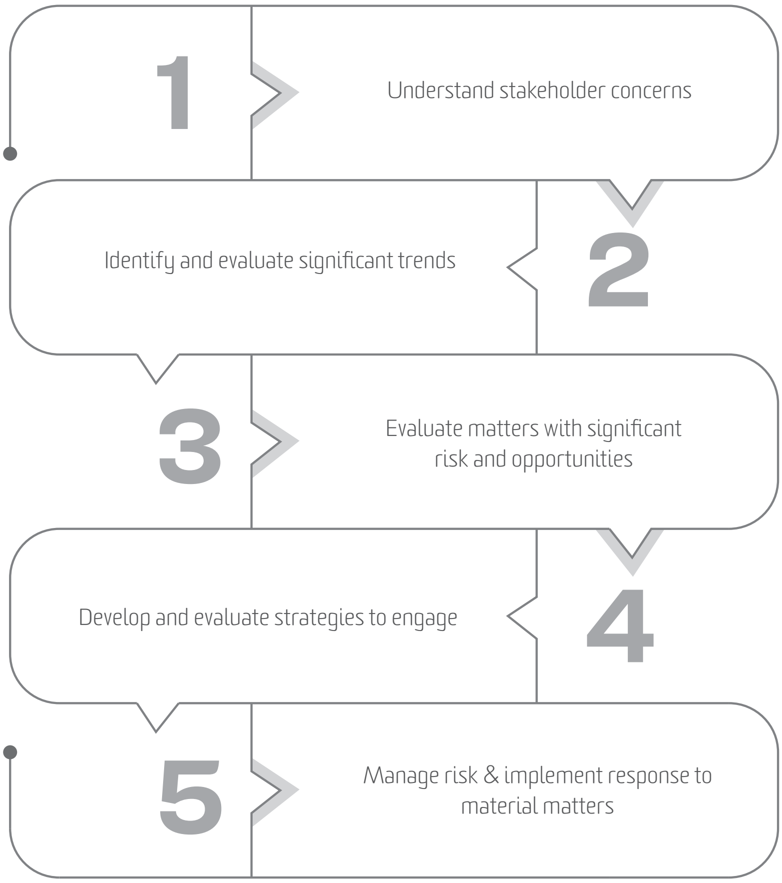
All business units and divisions are expected to foster inclusive and mutually beneficial partnerships with their respective stakeholder groups. In doing so, they are required to document engagement processes and procedures while aligning with the overarching stakeholder engagement framework established by the Company. This ensures a proactive and consistent approach to stakeholder communication and collaboration across all levels of the organisation.

Stakeholder Involvement

JKPLC's sustained engagement with its stakeholders reflects our commitment to a holistic approach to sustainability and long term business resilience. Our engagement goes beyond routine interactions focusing on cultivating strong, value driven partnerships that embody our core principles and foster collaborative growth and shared success.

Stakeholder Engagement Process

The JKPLC stakeholder engagement process is built on these five ideologies

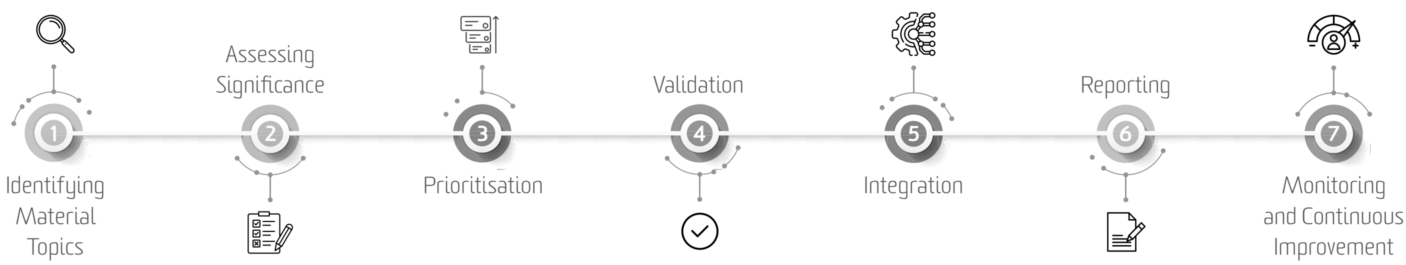


Materiality

Determining Material Aspects Through Stakeholder Engagement Insights gathered from the stakeholder engagement process play a key role in identifying Material Aspects. A dual-lens approach is adopted, assessing each aspect based on its relevance to stakeholders and its impact on the Company. These aspects are then plotted on a materiality matrix, which assigns them a rank of high, medium, or low priority. Aspects rated "High" are considered critical, reflecting significant importance to both stakeholders and the Company. Those ranked "Medium" represent a moderate level of influence, while "Low" ranked issues are seen as having a minimal impact. This structured materiality mapping process serves as a foundational input for JKPLC's strategic planning and decision-making.

Materiality Analysis

JKPLC conducts a comprehensive materiality analysis to identify and prioritise the environmental, social, governance, and economic issues that are most relevant to both our stakeholders and our long-term business success. This process ensures that our strategic focus aligns with the expectations of our stakeholders while addressing key business risks and opportunities.



Stakeholder Relationship

Materiality Mapping

Each identified issue is plotted on a materiality matrix, comparing its significance to stakeholders with its relevance to JKPLC's strategic objectives. This results in a clear prioritization of issues.

The outcomes of the materiality analysis directly influence JKPLC's sustainability strategy, risk management framework, and performance monitoring. By focusing on high-priority areas, we ensure that our resources are allocated efficiently, and our initiatives create long-term value for both the Company and its stakeholders

Low Medium High

GRI Standard No	Material topic	Boundary	Impact to Company	Impact to Community	Overall Impact
ECONOMIC					
201	Economic Performance	Internal	High	High	High
204	Procurement Practices	Internal	Low	Low	Low
205	Anti-corruption	Internal	Low	Low	Low
206	Anti-competitive Behaviour	Internal	Low	Low	Low
ENVIRONMENTAL					
302	Energy	Internal	Medium	Medium	Medium
303	Water	Internal	Medium	Medium	Medium
305	Emissions	Internal	Medium	Medium	Medium
306	Effluents and Waste	Environment	Medium	Medium	Medium
307	Environmental Compliance	Environment	Medium	Medium	Medium
308	Supplier Environmental Assessment	Suppliers	Low	Low	Low
SOCIAL					
401	Employment	Internal	High	High	High
402	Labour/Management Relations	Internal	High	High	High
403	Occupational Health and Safety	Internal	High	Low	Low
404	Training and Education	Internal	High	High	High
406	Non-discrimination	Internal	High	Low	Low
408	Child Labour	Internal	Low	Low	Low
409	Forced or Compulsory Labour	Internal	Low	Low	Low
412	Human Rights Assessment	Internal	Low	Low	Low
414	Supplier Social Assessment	Suppliers	Low	Medium	Medium
415	Public Policy	Internal/ Government	High	High	High
419	Socio economic Compliance	Community	Medium	High	High

Segmental Analysis

Tea Brokering Segment

At the heart of our tea brokering business lies the art of connection where tradition meets opportunity, and every leaf finds its way from plantation to consumer. JKPLC serves as the trusted bridge between Sri Lanka's finest Ceylon teas and the global market, delivering exceptional value through expert auction representation, insightful market intelligence, and a steadfast commitment to quality, transparency, and ethical sourcing.

MARKET SHARE

12.94 %

REVENUE

Rs.502.79 Mn

AVERAGE PRICE

Rs.1,171.80 per kg

Global Tea Industry

The global tea industry was estimated to be worth between USD 45 billion and USD 58 billion in 2024, with a compound annual growth rate ranging from 5 percent to 7 percent over the next five to ten years, indicating consistent market expansion driven by increasing consumption and evolving consumer preferences. The global tea industry remained a significant sector within the broader beverage market, marked by steady production, evolving consumer preferences, and persistent challenges.

Global tea production in 2024 increased to 7,053 million kilograms, compared to 6,604 million kilograms recorded in 2023. As reported by the International Tea Committee (ITC) in its 2024 report, this represents a 7 percent increase compared to the 2 percent increase recorded in the previous calendar year. This figure is consistent with the general upward trend observed in the last decade, reflecting sustained demand for tea worldwide. The increase in overall production is supported by the increased production observed in Asia and Africa during the same period. The production increase is also attributed to the expansion of green tea and other tea varieties, which are gaining popularity with tea consumers. Projections for 2025 anticipated a 4 percent annual increase in world black tea production, reaching 4.29 million tonnes, and an even faster growth rate of 9 percent for green tea, reaching 3.74 million tonnes.

Segmental Analysis

Asia remains the most significant global tea producer, with a few key Asian countries dominating the production landscape. China is the largest producer, accounting for a substantial 3,740 million kilograms in 2024. This dominance is further underscored by China's production of nearly half of the world's tea in 2024. India is the second largest producer, with 1,284.78 million kilograms produced in 2024, although this represents a decrease from the 1,367.70 million kilograms produced in 2023. Sri Lanka is the third-largest tea producer in Asia, although the country ranks fifth globally, with a tea production of 262.15 million kilograms in 2024. Africa's largest tea-producing nation, Kenya, is the third largest global tea producer, producing 598,47 million kilograms in 2024. Turkey ranked fourth in 2024, producing 272.85 million kilograms of tea. Other notable tea-producing nations worldwide include Indonesia, Vietnam, Japan, Iran, and Argentina, although their production volumes are significantly lower than those of the top five global tea producers.

Production by tea type in 2024 indicates a significant output of both black and green tea. Projections suggest that black tea production will be slightly higher at 4.29 million tonnes, while green tea production is expected to reach 3.74 million tonnes reflecting a steady demand for both major categories. However, it is important to note that green tea production has been experiencing a faster growth rate, particularly driven by China's substantial contribution. Fluctuations in black tea production, as observed in the last few years due to a shortfall in Sri Lanka, underscore the potential for regional factors to impact global supply dynamics.

CROP FIGURES OF MAJOR TEA PRODUCING & EXPORTING COUNTRIES (MILLION KG)					
Country	2024	2023	2022	2021	2020
China	3,740	3,250	3,181	3,063	2,986
India	1,285	1,368	1,340	1,343	1,256
Kenya	598	570	533	538	570
Turkey	273	265	245	282	280
Sri Lanka	262	256	251	299	279

The total Sri Lankan tea export volume in 2024 was 245.78 million kilograms. This represents approximately a quarter of the total global production, indicating that a significant portion of tea is consumed within the countries where it is produced. Kenya maintained its position as the largest tea exporter by volume in 2024, shipping 594.50 million kilograms. China was placed second as the world's largest tea exporter, exporting 374.10 million kilograms in 2024. India emerged as the third-largest exporter, surpassing Sri Lanka, with an export volume of 254.67 million kilograms.

EXPORTS OF MAJOR PRODUCING COUNTRIES (MILLION KG)					
Country	2024	2023	2022	2021	2020
Kenya	595	523	450	559	519
China	374	367	375	369	349
India	255	228	228	191	207
Sri Lanka	246	242	250	286	266
Vietnam	134	121	140	145	142

Key import markets for tea are geographically diverse. By value, the major importing countries include Pakistan, the United States, Russia, the United Arab Emirates, and the United Kingdom. The European Union and Japan are also consistently among the largest importers. Specific markets show preferences for tea from particular origins. For instance, the UAE, Iraq, Iran, Russia, the USA, and the United Kingdom are major destinations for Indian tea. At the same time, Pakistan, Egypt, and the UK are key markets for Kenyan tea , and Iraq and Russia are primary importers of Sri Lankan tea , while Morocco is a significant export partner for Chinese tea.

Key Trends in the Global Tea Industry in 2024

Wellness and Functional Teas: Rising consumer demand for teas with health benefits, including blends featuring herbs, botanicals, and adaptogens.

Sustainability and Ethical Sourcing: Increased focus on organic and fair-trade teas, sustainable farming practices, and eco-friendly packaging.

Innovation in Tea Mixology: Growth in tea based beverages such as nitro tea and kombucha, catering to evolving taste preferences.

Interest in Exotic and Rare Teas: Growing demand for unique teas from regions like Nepal, Malawi, and Taiwan.

Cold Brew Popularity: Increased consumption of cold brew teas, especially ready-to-drink varieties, among younger demographics and in warmer regions.

Plant Based Tea Pairings: Greater use of plant based milks as additions to tea, aligning with plant based dietary trends.

Tea Tourism: Growth in experiential travel to tea-growing regions, offering immersive learning and tasting experiences.

Ready-to-Drink (RTD) Expansion: Continued growth in RTD tea consumption driven by convenience and on-the-go lifestyles.

Premiumisation Trend: Consumers are increasingly willing to pay more for high-quality, speciality, and organic teas.

E-Commerce Growth: Online platforms are expanding consumer access to a wide variety of global tea products.

Challenges Facing the Global Tea Industry in 2024

Climate Change Impacts	• Erratic weather patterns (unpredictable rainfall, droughts, temperature shifts) disrupt cultivation, reducing yields, lowering quality, and increasing pest/disease vulnerability.
Labour Challenges	• Tea production remains highly labour-intensive. • Ongoing issues with low wages and poor working conditions in some regions.
Market and Price Volatility	• Fluctuating prices for tea leaves. • Low bulk commodity tea prices squeeze producer profitability.
Rising Production Costs	• Increased costs for fertilisers, energy, and labour further strain margins.
Beverage Market Competition	• Growing competition from coffee and alternative beverages reduces market share
Trade Barriers and Tariffs	• Trade disruptions new tariffs and sanctions raise costs and create uncertainty.
Broader Sustainability Issues	• Emerging challenges include deforestation, biodiversity loss, and environmental impact from processing and packaging. • Requires substantial supply chain investment and reform.

The future of the global tea industry appears promising, driven by rising demand and improved yields, as industry players proactively adapt to evolving consumer preferences, sustainability expectations, and market dynamics across all facets of their operations.

Despite the impacts of climate change, rising production costs, and market competition, the industry is showing strong signs of resilience and adaptability. Innovations in product development are aligning with evolving consumer demands for healthier, convenient, and more personalised beverage experiences. Meanwhile, digital transformation and the expansion of e-commerce platforms continue to open up new markets, providing global access to niche and premium teas.

Equally important is the industry's growing commitment to sustainability and ethical sourcing, which is not just a consumer expectation but a strategic imperative for long-term viability. With increased investment in regenerative agriculture, climate-smart practices, and traceable supply chains, the tea sector is redefining the concept of responsible production. As producers, brokers, and brands adapt to these shifts, the global tea industry is poised to enter a new era, where quality, purpose, and innovation are intertwined, setting the stage for steady and inclusive growth in the years to come

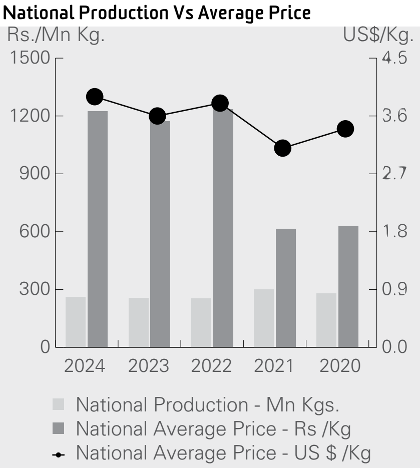
Sri Lankan Tea Industry

The Sri Lankan tea industry in 2024 navigated a complex yet ultimately rewarding year, demonstrating resilience in the face of global headwinds. A moderate production recovery resulted in a 2 percent increase in the calendar year reaching a three-year high of 262.15 million kilograms during the calendar year. This rebound was primarily supported by the strong performance of low- and medium-grown teas, which effectively offset a decline in high-grown tea production attributed to adverse weather conditions.

Beyond production, 2024 marked a renewed focus on industry engagement. The revival of the Ex-estate outcry auction after the pandemic signalled a welcome return to traditional trading practices. Furthermore, the Colombo International Tea Convention successfully reconvened after a seven-year pause, fostering crucial dialogue and exploring sustainable solutions for the global tea sector.

Despite these positive strides, the industry continued to contend with significant external pressures. The Russia-Ukraine war posed a considerable threat to a key export market. Logistical challenges stemming from the red sea issue, including potential delays and increased shipping costs, also demanded careful navigation. Additionally, the industry remained aware of possible impacts from currency fluctuations linked to local and international political events.

National Production Vs Average Price



Segmental Analysis

Factors Influencing the Sri Lankan Tea Industry in 2024

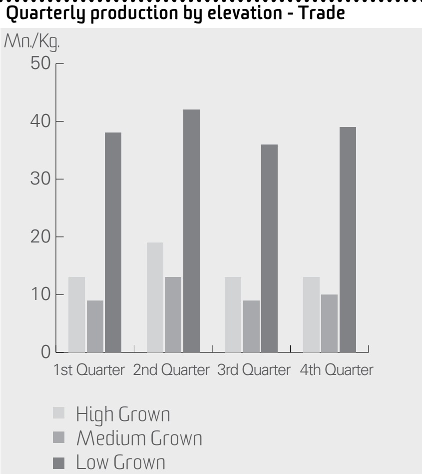
Global Factors	Local Factors
Geopolitical Factors: Instability in key markets, such as Russia and the Middle East, presented trade challenges; however, the "tea-for-oil" barter with Iran proved beneficial.	**Regulated Wage Increase:** A significant industry development was the wage revision from LKR 1,000 to LKR 1,350, with an added productivity-linked incentive of LKR 50 per extra kilo of green leaf. Though this raised production costs, it also encouraged higher productivity and was largely well-received. A proposed increase to LKR 1,700, announced in the new budget, introduces future cost uncertainty but reflects a move toward better compensation frameworks.
Shipping Cost Increases: Rising fuel costs and increased port fees exacerbated shipping expenses.	**Weather Patterns:** Excessive rainfall in the second quarter led to a decline in high-grown tea production, underscoring regional vulnerability to climate change. However, the Uva Season in July-August 2024 and the Dimbulla Season in February - March 2025 benefited from favourable weather conditions, leading to robust demand.
Labour Strikes: Potential disruptions in international ports along the red sea posed threats to timely shipments.	**Fertiliser Usage:** The modest fertiliser application by smallholders, who contribute 75 percent of the national crop, likely influenced yields and quality.
Global Demand: Strong international demand for quality Ceylon Tea, particularly low-grown varieties, supported favourable pricing.	**Currency Fluctuations:** The appreciation of the Sri Lankan Rupee in the latter half of the year impacted local Rupee earnings, despite record USD export revenue.
	Policy and Regulations: Anticipated stricter taxation in manufacturing presents a future challenge, while the expected IMF bailout offers a degree of confidence.
	Price Trends : While volume fluctuations were minimal, price stability was a key feature this year, allowing producers to maintain margins and avoid significant trading losses.
	Industry Collaboration & Global Presence: The Colombo International Tea Convention was a landmark event after a Seven-year hiatus. Attended by over 600 delegates, including 200 from overseas. This event fostered rich dialogue on innovation, value addition, sustainability, and competitive strategies, positioning Sri Lanka at the forefront of the global tea industry.

Sri Lanka Tea Production

Sri Lanka's tea production marginally recovered during the calendar year 2024, reaching 262.15 million kilograms, a 2 percent increase compared to 2023, and the highest volume recorded in the past three years. The performances across different tea elevations drove this overall growth. Low-grown tea recorded a healthy 2 percent increase, reaching 158.81 million kilograms. Medium-grown tea also contributed positively to the overall production, with a 13 percent increase to 47.62 million kilograms compared to the calendar year 2023. However, high-grown tea production experienced a 5 percent decline, recording 55.70 million kilograms.

From a tea category perspective, black tea remained the primary type produced, totalling 259.90 million kilograms, showing a significant increase compared to the calendar year 2023. Within the black tea category, Orthodox and CTC (Cut, Tear, Curl) varieties both registered production gains. However, green tea production experienced a contraction of 1 percent, recording 2.26 million kilograms.

Quarterly production by elevation - Trade

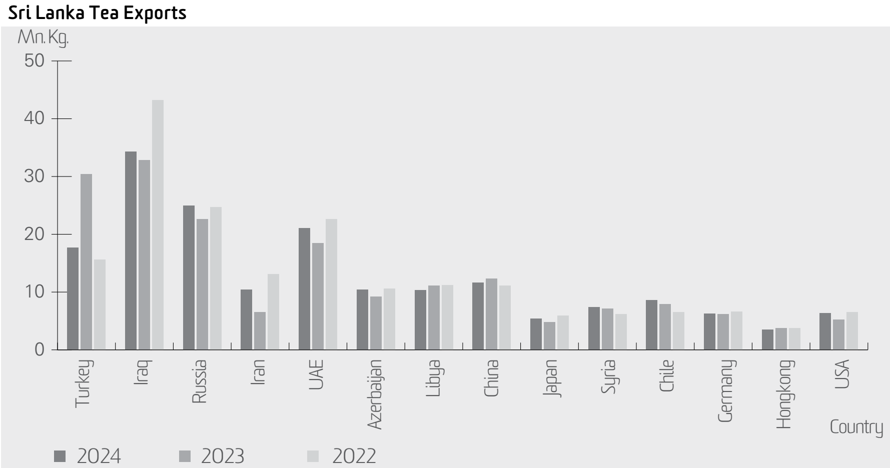


Sri Lanka Tea Exports

The export sector in 2024 was a significant driver of success for the Sri Lankan tea industry. The nation achieved record-high export earnings of USD 1.43 billion, despite a marginal overall increase in export volume to 245.78 million kilograms. This impressive financial performance was underpinned by an all time high average FOB (Free on Board) price of USD 5.83 per kilogram, highlighting the premium value of Ceylon Tea in the global market.

Key export destinations experienced mixed trends. Iraq emerged as the top importer with 34.26 million kilograms, a 5 percent gain compared to 2023, followed by a resurgent Russia at 24.98 million kilograms, showcasing a 10 percent increase in export volumes. Exports to the UAE was 21.13 million kilograms, a 14 percent increase. Notably, Turkey's imports witnessed a sharp decline of 42 percent, totalling 17.73 million kilograms. In contrast, direct exports to Iran substantially increased by 60 percent, reaching 10.43 million kilograms. Further analysis of tea export categories reveals shifting consumer preferences, with packaged black tea exports decreasing by 6 percent to 101.82 million kilograms. In comparison, black tea bag exports rose by 10 percent to 25.58 million kilograms, and green tea exports also showed positive growth of 4 percent, reaching 4.69 million kilograms.

Sri Lanka Tea Exports



Colombo Tea Auction

The Colombo Tea Auction continued its strong performance during 2024, achieving an average price of USD 4.08, equivalent to Rs. 1,225.17 per kilogram. This auction price was the second-highest recorded in its history. The total quantity sold at auction reached 245.78 million kilograms, a marginal increase from the 237.18 million kilograms sold in 2023.

Future of the Sri Lanka Tea Industry

The outlook for the Sri Lankan tea industry in 2025 is cautiously optimistic, with expectations of increased production and exports. Export performance will remain sensitive to global dynamics, with hopes for improved geopolitical stability in key markets. The stability of the Sri Lankan Rupee is crucial for tea prices and farmer earnings. Maintaining a reputation for high-quality, clean tea and adopting sustainable practices are essential for remaining competitive in the global market. Increased adoption of technology and AI are expected to enhance yields and address labour shortages. Strategic marketing and exploring specialised product segments are key to strengthening export earnings. This expectation of modest growth builds upon the recovery observed in 2024. It leverages the established strength of the "Ceylon Tea" brand, even amidst ongoing challenges such as climate change and global economic uncertainties.

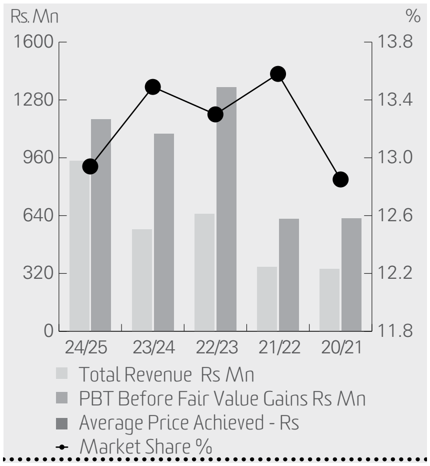
Segmental Performance

The financial year was marked by stability, strategic adaptability, and a steady resurgence in market engagement for JKPLC's tea brokering segment. Despite challenging macroeconomic conditions, the segment demonstrated resilience, maintaining a consistent performance. However, overall market conditions impacted segmental performance, resulting in JKPLC's tea brokering segment recording a slight decline in sales volumes by 3 percent during the financial year ending 31st March 2025. Total volumes sold amounted to 33.39 million kilograms for the financial year under review compared to 34.38 million kilograms in the previous year. This decline is attributed to loss of marks during the year. Consequently, the Segment's market share also suffered, declining to 12.94 percent as of 31st March 2025 compared to 13.49 percent recorded at the end of the previous financial year.

Segmental Analysis

Auction prices remained stable despite the fluctuating value of the Sri Lankan rupee against the US dollar, which stabilised towards the last six months of the financial year. Prices ranged between Rs. 1,135.82 and Rs. 1,230.00 per kilogram during the financial year under review.

Performance Analysis - Company



The average price recorded by the Segment was Rs. 1,171.80per kilogram compared to Rs. 1,092.53 per kilogram recorded in the previous financial year.

Segmental revenue for the Company declined to Rs. 502.79 million during the year under review, down from Rs. 555.97 achived million in the previous financial year, due to drop in interest earned from sellers. This decline was reflected in segmental profits, which fell by 28 percent, amounting to Rs. 156.95 million as of 31st March 2025, compared to Rs. 218.62 million in the previous year. This downturn was primarily driven by reduced revenue generation and increased operating expenses. Mainly due to bad debt provision of 36.9 million and a recovery of Rs. 11.17 million during the year.

Accordingly, brokerage income improved by 4 percent to Rs. 392.18 million, compared to Rs. 377.37million earned in the financial year. Similarly, total sellers' earned from advance to sellers income dropped by 47 percent, falling to Rs. 69.96 million from Rs. 133.11 million in the previous year.

Despite these, the segment remained focused on delivering stakeholder value and enhancing the global competitiveness of the Sri Lankan tea industry. To this end, the team continued to collaborate closely with the Sri Lanka Tea Board, supporting tea producers in navigating rising input costs, cash flow constraints, and the growing impact of climate variability.

Against this backdrop, JKPLC is optimistic about the Segment's future trajectory. The Company's renewed strategic focus on strengthening producer relationships, expanding market access, and leveraging digital platforms will enable us to capitalise on emerging opportunities. Economic stability, declining interest rates, and enhanced policy clarity provide a conducive operational expansion and investment environment.

As the tea industry continues to evolve, JKPLC is committed to leading with insight, integrity, and impact, offering value-driven solutions that support the resilience of Sri Lankan tea and ensure sustainable returns for stakeholders.

Future Outlook

While JKPLC experienced a marginal decline in market share during the year under review, the Company remains well-positioned to navigate the shifting dynamics of both the global and Sri Lankan tea industries. The global tea market is poised for growth due to increasing consumer interest in wellness teas, sustainable sourcing, and premium blends. Meanwhile, Sri Lanka's tea sector benefits from improved weather conditions, supportive fiscal policies, greater price stability, and the renowned brand of Ceylon Tea, which are expected to support production and exports.

Rubber Brokering Segment

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

REVENUE

Rs.**7.85** Mn

TOTAL QUANTITY SOLD

1.06 Mn kgs

AVERAGE PRICE

Rs.**654.16**per kg

Global Rubber Industry

The global rubber industry in 2024 presented a complex landscape characterised by increasing demand, production challenges in key regions, and a growing focus on sustainability.

The natural rubber market was valued at approximately USD 56 billion in 2024 and is projected to continue growing steadily in the years to come. The Asia-Pacific region remains the largest market for natural rubber, driven by the significant growth of its automotive and construction industries. The automotive tire segment holds the largest share of the natural rubber market, and sustainability and technological advancements are key factors driving the growth of the natural rubber market.

The global rubber market in 2024 was estimated to be around USD 47 to 59 billion, with projections of significant growth in the coming years. Various research reports estimate a Compound Annual Growth Rate ranging from 4.4 percent to 8 percent over the next 10 years. The growth is expected to be driven by the expanding automotive industry, resulting in increased demand for tires and other automotive components, as well as growth in the construction, industrial, healthcare, and consumer goods sectors, which require rubber-based products and parts. Furthermore, the faster pace of infrastructure development and the growing global population are also expected to contribute to increased demand for rubber-based products in the future.

Segmental Analysis

In 2024, the global natural rubber production recorded a modest increase. Data from the Association of Natural Rubber Producing Countries (ANRPC) indicated a year-on-year increase of 2.4 percent in the first eleven months of 2024. The increased production from the Ivory Coast in West Africa contributed to this rise in production. However, several major producing countries, including Thailand, Indonesia, and Vietnam, faced production challenges due to various factors, including unfavourable weather conditions. These shifts in production led to intensified price competition in an oversupplied market, particularly with the increasing supply from Africa being offered at discounted rates compared to Asian rubber grades.

Several significant and evolving trends continued to reshape the rubber industry's operations in 2024, prompting rubber-producing nations to carefully consider key factors in order to navigate their future market position within the global landscape.

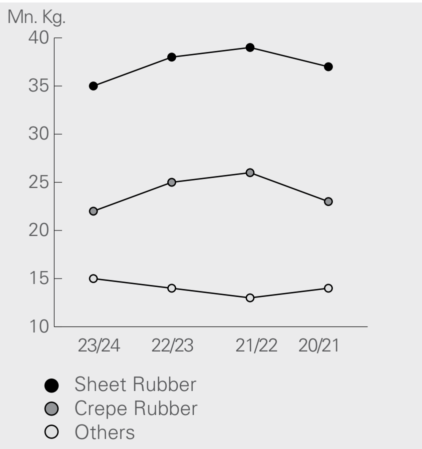
- A significant trend in the rubber market is the growing emphasis on sustainable and eco-friendly products. This includes the development of bio-based rubber, advanced recycling methods, and a focus on reducing the carbon footprint of rubber production.
- The European Union Deforestation Regulation (EUDR), with its implementation scheduled for December 2025, is introducing additional costs related to traceability and is influencing pricing strategies in the market.
- Fluctuating raw material prices remain a key challenge for the rubber market, impacting production planning and cost management.
- Technological advancements in synthetic rubber production are leading to improved properties and expanding applications.
- Asia-Pacific continues to dominate the rubber market in terms of both production and consumption, driven by the strong automotive and industrial growth in countries like China and India.

Sri Lankan Rubber Industry

Sri Lanka has a long and significant history in the global rubber industry, as it was the first Asian nation to commercially cultivate rubber. The sector contributes to the national economy through cultivation, processing, and the manufacture of value-added products, providing substantial employment, particularly in rural areas. Sri Lanka is globally recognised for its high-quality natural rubber, especially latex crepe, of which it is the largest exporter. While once a leading global producer, the Sri Lankan rubber industry's position has since declined, but it remains a key player, particularly in niche markets and value-added exports.

In the year 2024, Sri Lanka's rubber industry demonstrated resilience despite evolving global market dynamics and local industry challenges. The sector achieved a notable milestone with export earnings for both rubber and rubber finished products surpassing USD 1 billion, recording a 8 percent increase compared to 2023. This growth was driven mainly by the increased demand and exports of industrial and surgical gloves, which experienced a substantial 23 percent year-on-year increase, reaffirming Sri Lanka's strong global standing in the medical and industrial safety product markets. The export of pneumatic and retreated rubber tires and tubes also saw a modest growth of 1.39 percent. However, earnings from rubber exports decreased to USD 26 million, down from USD 28 million in 2023.

Sri Lankan Rubber Production



The local rubber industry is significantly influenced by global developments, as evidenced by the challenges faced in 2024. The impending European Union (EU) Deforestation Regulation (Deforestation-Free Products (EUDR)) will necessitate substantial investments in compliance requirements, particularly for smallholders. To maintain access to the European Union market, Sri Lankan rubber exporters must adhere to this regulation, with a compliance deadline of December 30, 2025, for large and medium-sized operators, and June 30, 2026, for micro and small operators. Meanwhile, the imposition of a significant stated tariff of 44 percent on all Sri Lankan imports by the United States will impact future export volumes and prices as well as the competitiveness of the industry in the global market. The impact could further cascade to local economic concerns, with reduced exports leading to job losses for rubber tappers and economic hardship within rural communities.

Despite ongoing concerns surrounding the rubber industry, stakeholders across Sri Lanka's rubber industry actively pursued various avenues for improvement and future growth. This included efforts to address the spread of Circular Leaf Spot Disease, with the Rubber Research Institute (RRI) testing new chemical combinations to fight the spread of the disease and ultimately curb or eradicate it. The government also outlined plans for a USD 1.5 billion allocation in 2025 to establish an industrial estate focused on value-added automobile components and rubber products , signalling a strategic move towards enhancing the industry's long-term competitiveness.

However, the sector remains troubled by persistent issues, including inconsistent policy frameworks and the ongoing need for more effective and targeted market development strategies to ensure sustained growth and global competitiveness.

Segmental Performance

JKPLC's rubber broking segment experienced a challenging year, characterised by declining sales volumes however, this was offset by an increase in average prices resulting in an overall revenue growth. Total volumes sold declined by 19 percent to 1.06 million compared to the 1.31 million kilograms sold in the previous financial year. This reduction is primarily attributable to lower volumes sold through auctions and forward contracts compared to the previous financial year.

However, supported by price stability, the average price for the year under review has improved to Rs. 654.16 per kilogram compared to Rs. 484.12 per kilogram recorded in the previous financial year. Segmental revenue improved by 5 percent to Rs. 7.85 million during the year ended 31st March 2025, compared to Rs. 7.49 million earned in the previous financial year. Profit before tax also improved by 39 percent to 3.42 million compared to the Rs. 2.46 million experienced in the previous financial year.

Despite the subdued performance, the Company remains firmly committed to strengthening its rubber broking business by enhancing stakeholder engagement, diversifying sales channels through direct importer linkages, stabilising auction supply volumes, and implementing targeted strategies to improve operational efficiency and market competitiveness.

Future Outlook

Looking ahead, the Company is focused on revitalising the rubber broking segment through a series of targeted strategic initiatives. Key among these is enhancing stakeholder engagement to encourage greater participation at auctions, thereby driving higher transaction volumes. The Company is also identifying measures to stabilise the flow of rubber directed to auctions, aiming to ensure a more consistent and predictable supply.

Segmental Analysis

Warehousing Segment

The warehousing division remains integral to the Company's supply chain, facilitating the secure, timely, and efficient movement of tea from producers to buyers. This function is underpinned by advanced systems and a strong commitment to maintaining the highest standards of quality and operational excellence

REVENUE

Rs.161.43 Mn

QUANTITY OF TEA STORED

43.08 Mn Kg

PROFIT BEFORE TAX

Rs.39.59 Mn

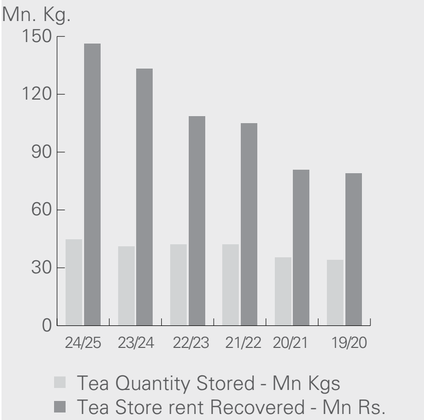
Segmental Performance

The warehousing segment continued to demonstrate resilience amidst evolving market dynamics and changing production patterns during the financial year. The year on year increase in national tea production resulted an increase in the quantity of tea stored by 1.3 percent to 43.08 million kg compared to 42.52 million kilograms stored in the previous year. However, despite the increase in volumes stored, the average store space utilisation reduced to 83 percent from 88 percent mainly due to advancing the collection of tea .

The warehouse maintained its strong emphasis on high quality service delivery. Stringent environmental controls were upheld to preserve tea quality, while operational processes were streamlined to efficiently manage peak period volumes without compromising service standards. The segment's ability to respond to the growing storage demands of the tea industry underscores its operational resilience and strategic significance within the business value chain.

The handling fee charged on teas stored was increased by 5 percent in January 2025. Accordingly, as a result of the increased quantity stored and increased handling fee, the warehousing segment recorded a revenue growth of 5 percent, to Rs. 161.43 million from Rs. 154.34 million achieved in the previous year.

Warehousing Operations - Quantity Handled and Value



Cost Pressures and Operational Demands

Given the challenging market conditions, managing cost pressures remained a key focus for the warehousing segment. The Company took proactive measures to optimize operational efficiencies, streamline processes, and mitigate rising costs. However, the segment continued to face significant challenges in terms of escalating operational expenses. Machinery maintenance costs and labour wages contributed to an 11 percent increase in total operational costs, which rose to Rs. 109.29 million from Rs. 98.61 million reached in the previous year.

Despite the rising cost pressures, the segment demonstrated resilience in profitability. Profit before tax saw a modest increase of 1.20 percent, rising to Rs. 39.59 million from Rs. 39.12 million achieved in the previous financial year. This improvement in profitability highlights the Company's ability to effectively manage rising costs while maintaining operational efficiency. As the segment continues to navigate these challenges, efforts will remain focused on further optimizing costs and enhancing operational performance to sustain profitability in the coming periods.

Operational Transformation

We have successfully transitioned to electronic document transfers across the entire warehousing value chain. This digital transformation has eliminated paper usage, reduced environmental impact, improved workflow efficiency, and resulted in substantial cost savings.

Other Income – Rooftop Solar System Project

A key development in our warehousing segment is the implementation of a revenue-sharing rooftop solar power project. This initiative involves the installation of a 2-megawatt solar panel system on warehouse rooftop, with the investment fully undertaken by a third-party solar developer.

This project is strategically structured on a revenue share model, where the company provides rooftop space and, in return, receives a share of the income generated through solar energy production. The arrangement enables us to generate additional income without capital expenditure, while also supporting our broader sustainability goals.

This rooftop solar project is expected to become a consistent source of other income in the upcoming financial year, reinforcing our focus on energy efficiency and environmentally responsible operation.

Future Outlook

With tea production expected to rise in the coming year, the Company remains optimistic that the anticipated increase in tea production will lead to higher utilisation of the segment's facilities, accompanied by heightened demand for storage services. Accordingly, the management will maintain a strong focus on enhancing operational efficiency to better address emerging customer needs and identify new market opportunities.

Effective cost and expenditure management will remain essential to sustaining growth and profitability, and will continue to be a priority for improvement. This involves not only monitoring and controlling expenses but also identifying areas where costs can be reduced without compromising the quality of services. Additionally, continuous evaluation and optimisation of operational processes will remain essential in maintaining a competitive edge in the market. As the Company strives for excellence, prioritising cost management will be key to achieving long-term success and stability.

To drive these improvements, warehousing will leverage advancements in automation and smart technologies to streamline processes and enhance efficiency

The Company will continue to strategically invest in infrastructure development and the implementation of proactive operational enhancements, placing the Segment in a strong position to meet rising demand while upholding high service delivery standards.

Segmental Analysis

Stock Brokering Segment

During the financial year 2024/25, the All Share Price Index (ASPI) of the Colombo Stock Exchange (CSE) surged by 38 percent propelled by significant economic and political developments, particularly in the latter half of the year.

Revenue

Rs. 344.79 Mn

Investment income

Rs. 42.77 Mn

EBITDA

Rs. 26.10 Mn

By September 2024, a draft deal to restructure USD 12.5 billion in international bonds was secured, finalized by year-end. This milestone aligned with the presidential election, which brought political stability. The subsequent general election in November further bolstered investor confidence, as the president's party gained a parliamentary majority, ensuring smoother policy implementation. The banking sector initially drew strong investor interest due to speculation about the impending completion of Sri Lanka's international sovereign bond (ISB) restructuring and potential impairment reversals for banks. These developments drove a robust rally in the ASPI. The CSE recorded an average daily turnover of Rs. 2,917 million for financial year 2024/25 , while market capitalization of the CSE rose to Rs. 5,606 billion from Rs. 4,543 billion the previous year. John Keells Stock Brokers (JKSB) reported revenue of Rs. 344.79 million for the financial year.

Capital Management

Financial Capital

Through proactive risk strategies and disciplined governance, we remain resilient against volatile macroeconomic conditions, ensuring our financial frameworks stay strong and reliable.

Effective strategic planning and thoughtful allocation of resources are essential for managing financial capital. This supports the smooth operation of other capitals and strengthens our ability to deliver economic value. Below is an overview of key financial metrics and their year-on-year progression.

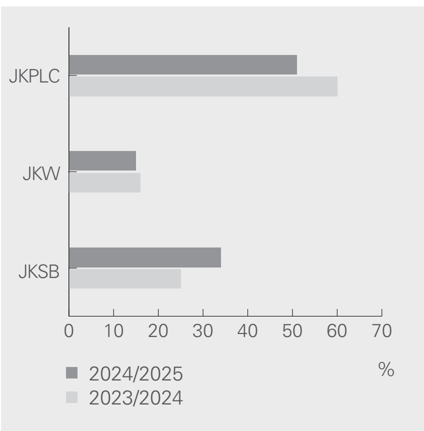
Revenue

The Group concluded the financial year with a consolidated revenue of Rs. 1,009.38 million, reflecting a 7 percent increase from Rs. 941.97 million in the previous year. This growth was primarily driven by a strong performance at John Keells Stock Brokers (Pvt) Ltd (JKSB) and John Keells Warehousing (Pvt) Ltd (JKW) which recorded a 49 percent and 5 percent revenue growth respectively. However, a 9 percent decline in revenue at John Keells PLC (JKPLC) partially offset these gains, moderating the overall Group performance.

Composition of Revenue

The Group's revenue structure remained consistent, with established segments maintaining their dominant contributions, though there were slight changes in individual segment contributions. Produce Broking share declined to 51 percent from 60 percent, Share Broking improved to 34 percent from 25 percent, and Warehousing remained at 16 percent.

Composition of Revenue



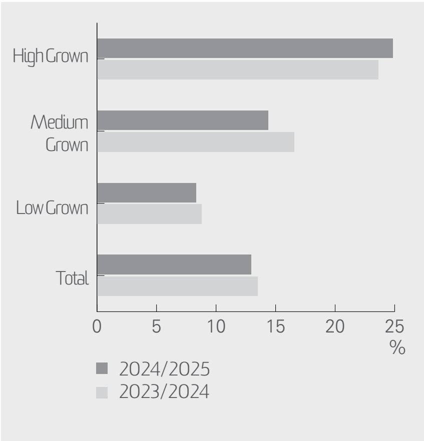
Tea Brokering Revenue

Revenue from tea broking totalled to Rs. 502.79 million for the year under review, reflecting a 10 percent decline from Rs. 555.97 million in the previous year. Interest income from loans and advances provided to producers declined significantly by 47 percent due to lower interest rates and drop in advances given. The tea broking income increased by 4 percent, to Rs. 392.18 million compared to Rs. 377.37 million achieved in the prior year.

JKPLC sold 33.39 million kilograms of tea during the year, a 3 percent drop from 34.38 million kilograms in the previous year.

Capital Management

John Keells PLC - Market Share



During the financial year under review, the Company's market share declined to 12.94 percent compared to 13.51 percent achieved in the previous year. The 0.56 percentage point decline was due to drop in quantity sold of 0.99 million compared to 2023.

The total volume sold by JKPLC comprised of 12.98 million kilograms of low-grown, 13.51 million kilograms of high-grown, and 6.90 million kilograms of medium-grown tea. Compared to the previous year, low-grown tea sales declined by 0.49 million kilograms, medium-grown by 0.60 million, while high-grown tea sales increased by 0.16 million kilograms.

JKPLC recorded an overall average price of Rs 1,171.80 for the financial year, an increase from Rs 1,090.53 in the previous year. This comprised an average price of Rs 1,245.59 for low-grown teas, Rs 1,141.61 for high-grown teas, and Rs 1,092.08 for medium-grown teas. These reflect year-on-year increases of Rs 46.56 for low-grown, Rs 106.06 for high-grown, and Rs 98.60 for medium-grown teas.

Rubber Broking Revenue

During the year under review, JKPLC's rubber broking revenue increased by 5 percent to Rs 7.85 million, compared to Rs 7.49 million achieved in the previous year.

This growth was supported by a significant increase in the average selling price per kilogram, Although rubber selling prices increased by 170.04 per kilogram to Rs 654.16 from Rs 484.12 recorded in the previous year. sales volumes declined by 19 percent to 1.06million kilograms, indicating the impact of softer demand or constrained supply conditions.

Warehousing Revenue

The warehouse segment recorded a revenue growth of 5 percent, amounting to Rs 161.43 million, compared to Rs 154.34 million achieved in the previous year. This was primarily driven by an increase in volumes stored along with a 5 percent increase in handling fee from January 2025.

During the year, the warehouse achieved an average space utilisation rate of 83 percent, representing a slight drop from 88 percent in the preceding year due to faster stock turnaround.. Furthermore, the total volume of tea stored amounted to 43.08million kilograms, which was marginally higher than the 42.52 million kilograms stored in the previous financial year.

Share Brokering Revenue

During the financial year 2024/2025, the Colombo Stock Exchange (CSE) recorded a notable growth of 37.8 percent. This upward trajectory was driven by several key factors, including a substantial reduction in interest rates and improvements in macroeconomic indicators, which collectively fostered renewed investor confidence and increased participation in the equity market. The average daily turnover for the year amounted to Rs. 2,917 million. Moreover, the market capitalisation of the CSE at the close of the financial year stood at Rs. 5,606 billion, in comparison to Rs. 4,535 billion at the end of the previous year. In addition, JKSB reported revenue of Rs. 344.7 million for the same period.

Cost of Sales and Gross Profits

The Group recorded a 6 percent increase in cost of sales compared to the previous year, primarily driven by a 23 percent increase in JKSB and an 11 percent increase in JKW. However, this impact was partially offset by a 6 percent reduction in cost of sales recorded at JKPLC due to drop in finance VAT and direct administration expenses. The surge in cost of sales of JKSB and JKW was largely attributable to the increase in direct staff cost.

Despite a 6 percent increase in cost of sales, gross profit increased by 8 percent, driven by a 7 percent revenue growth.

Administrative Expenses

Administrative expenses across the Group grew by 7 percent, totalling Rs. 363.5 million, compared to Rs. 338.2 million recorded in the preceding year. The increase stemmed primarily from increased staff costs. Segmental contributions included 39 percent from JKPLC, 56 percent from JKSB, and 4 percent from JKW.

Selling and distribution expenses

The Group's total selling and distribution expenses amounted to Rs. 39 million, marking a significant increase from Rs. 6.9 million recorded in the prior year. This increase is largely attributable to Rs. 35 million from JKPLC, which includes a bad debt provision of Rs. 36.9 million and a recovery of Rs. 11.17 million. In addition, JKW and JKSB incurred selling and distribution costs of Rs. 1.8 million and Rs 2 million, respectively, contributing to the overall rise in expenses.

Finance Income

The Group's overall finance income for the year dropped by 5 percent in comparison to the previous year. Interest income earned from treasury bills and other short-term investments dropped by 19 percent year-on-year. Finance income from JKSB and JKPLC dropped by 14 percent and 9 percent respectively whereas JKW recorded a 56 percent increase with the improvement in cash position. The Group earned Rs. 5.36 million in dividends from Keells Food Products PLC, a substantial increase of 390 percent compared to Rs. 1.09 million received in the previous year.

Finance Expenses (Net)

The Group's finance expenses decreased by 36 percent during the year. This reduction was primarily due to a lower utilisation of overdraft facilities by JKPLC, coupled with a decrease in borrowing rates compared to the prior year. Net finance income improved by 15 percent, amounting to Rs. 51.2 million, compared to Rs. 44.6 million recorded in the previous year. The interest cover for the year stood at 15.2, an increase from 8.79 recorder in the previous year.

Profitability

The Group's profit before tax (PBT) increased by 16 percent, reaching Rs. 256.64 million compared to Rs. 220.88 million recorded in the prior year. This year's PBT includes a Rs. 30.50 million fair value adjustment of investment properties, slightly higher than the Rs. 30.00 million in the previous year. Although bad debt provision had a negative impact on the group's profitability, the increase in revenue, particularly from higher brokerage income and the drop in finance cost negated the variance, and contributed to the increase in PBT. JKSB reported a profit of Rs. 21.34 million, while JKW achieved a PBT of Rs. 39.52 million, which represents a 1 percent improvement compared to the previous year.

Change in Fair Value of Investment Property

Mr. Lochana I. Silva conducted the valuation of the investment properties as of 31st December 2024, applying the open market value method. Accordingly a valuation gain of Rs 30.5 Mn was recoded during the year.

Taxation

In line with the tax regulations for the financial year, the effective tax remained at 30 percent during the financial year. Previous year was at 30 percent. The Increase in tax expense was due was due to the increase in profitability. JKSB and JKPLC recorded Rs. 8.9 million and Rs. 10.7 million tax charge respectively during the year.

Revenue Reserve

The revenue reserve of the Group increased by 4 percent, to Rs. 3.0 billion from Rs. 2.9 billion recorded in the previous year. This increase was despite an interim dividend of Rs. 60.8 million paid during the year.

Non- Controlling Interest

The Non-controlling interest increased by 9 percent to Rs 59.9 million from Rs 54.8 million recorded in the previous year.

Earnings Before Interest Expense, Tax, Depreciation and Amortisation

Group Earnings Before Interest Expense, Tax, Depreciation and Amortisation (EBITDA) increased by 14 percent to Rs.321.06 million during the year under review compared to financial year 2023 of Rs.281.17 million.

Cashflow

The net movement in cash and cash equivalents for the year under review resulted in an inflow of Rs. 509 million, in contrast to a net cash outflow of Rs. 271 million recorded in the prior year. The increase in inflow of Rs. 509 million was primarily due to an increase in cash inflows from operations by Rs. 535 million. However, this was partially offset by a outflow from investing activities of Rs. 23 million.

Working Capital/Liquidity

The Group's net working capital as of 31st March 2025 increased by Rs. 247 million to Rs. 534 million, from Rs. 287 million as of 31st March 2024. This increase was attributed to a 4 percent increase in current assets, which amounted to Rs. 1,894 million, compared to Rs. 1,816 million recorded in the previous year. Furthermore, the Group's current liabilities decreased by 13 percent, reaching Rs. 1,361 million, drop from Rs. 1,529 million recorded in the prior year.

The increase in current assets by Rs. 79 million was mainly due to a an increase in short-term investments and cash and bank balances, of Rs. 310.5 million. Further trade and other receivables decline includes a reduction of Rs. 204.8 million in JKPLC and Rs. 38.9 million in JKSB.

The Group's current liabilities declined by Rs. 168.1 million. primarily due to a decrease of Rs. 198.8 million in bank overdraft. The reduction in JKPLC's overdraft utilization by Rs. 198.70 million was primarily due to decrease in advances given to sellers as the Company prudently did not over advance during the year.

During the year, JKPLC's share price improved by 21 percent, with the highest recorded trading price being Rs. 89.80, compared to Rs. 74.00 per share recorded in the previous year. Earnings per Share (EPS) rose by 13 percent to Rs. 2.80, up from Rs. 2.48 recorded in the prior year. The Price-Earnings Ratio (PER) for the year stood at 26.39 times, reflecting a increase from 26.13 times recorded in the previous year.

Additionally, Net assets per share improved by 14.9 percent, amounting to Rs. 77.69 per share, compared to Rs. 66.73 in the prior year.

The Company had a total of 60.80 million shares in circulation as of 31st March 2025. Market Capitalisation increased to Rs. 4.5 billion, reflecting a 14 percent rise from the Rs. 3.94 billion recorded in the previous financial year.

Dividend

The Group's dividend policy is designed to align dividend payouts with profitability, while ensuring the retention of sufficient funds to support future initiatives. This approach aims to deliver sustainable value to shareholders over the short, medium, and long term. During the year under review, the Group declared a interim dividend of Rs. 1 per share, resulting in a total cash outflow of Rs. 60.8 million.

Economic value statement

The Economic Value Addition statement reflects the wealth created by the Group and how it is distributed among key stakeholders involved throughout the value chain. It also identifies the portion of value allocated for asset renewal and the funds retained to support future operational growth and development.

Subsequent Events

The Board of Directors has approved a final dividend of Rs. 1.60 per share for the financial year 2024/25 to be paid on or before 24 June 2025 to those shareholders on the register as of the 05 June 2025. In accordance with the Sri Lanka Accounting Standard 10, events after the reporting period.

Capital Management

Manufacturing Capital

JKPLC's manufactured capital includes the tea warehouse complex and equipment used for loading and unloading, which are essential for ensuring efficiency and continuity of daily warehouse operations. These assets play a key role in supporting the overall value of the Company's business activities. Additionally, the Company's manufactured capital includes IT infrastructure, office equipment, furniture, fittings, and vehicles, which collectively support seamless operations across multiple departments and functions.

Manufactured capital plays a vital role in ensuring the efficient and timely delivery of services. When combined with other key assets, particularly digital infrastructure, it fosters seamless operational integration across the group. The combination of these assets enhances communication, improves coordination, streamlines internal processes and ensures uninterrupted service to customers.

In a service based Company, manufactured capital includes;

- **Office Facilities:** The buildings and workspaces where employees collaborate, analyse market trends, and manage client relationships
- **IT Infrastructure:** Ongoing investments in our digital and IT infrastructure have reinforced the integrity, efficiency, and responsiveness of our operations. Enhancements such as secure data management systems, real-time analytics dashboards have significantly improved the quality of decision-making. These advancements have also enhanced service delivery by enabling more agile responses to both client requirements and the operational needs of our employees
- **Transportation Assets:** Vehicles or transportation services required for employee commuting, sample delivering to customers, client visits, and logistical support
- **Warehousing and storage infrastructure:** Well maintained warehouse with upgraded racking systems, appropriate temperature and humidity control and enhanced layout planning are essential for preserving the quality of the tea prior to auctions and distributions
- **Auction Infrastructure:** Auctions are increasingly digital, physical infrastructure such as audio-visual equipment, and high-speed connectivity remains vital

Investments in Property Plant and Equipment

As part of the company's continued commitment to maintain and enhance the physical infrastructure, the company undertook upgrades to existing facilities during the reporting period.

A significant capital investment of Rs. 12 million was made during the year for the renovation of the warehouse roof. These improvements were undertaken to ensure the ongoing safety, functionality, and comfort of the operational environment and to enable the installation of the 2 Mw rooftop solar system. Such investments contribute to the long-term resilience of the company's built assets enhancing the overall experience for employees and stakeholders.

In addition, the Company has also put in place structured maintenance contracts for essential equipment, ensuring consistent performance and optimising the operational efficiency of its physical assets.

To safe guard the long term value and optimal use of its physical assets, JKPLC has implemented an insurance framework. The Group's insurance coverage is routinely evaluated and adjusted by providers to reflect current asset valuations and recent enhancements. This ensures continued risk mitigation and supports the responsible stewardship of owned infrastructure

Digital Infrastructure

Advanced technology and modern infrastructure are key enablers of service excellence and operational differentiation in the tea broking, warehousing and stock brokering sector. During the year, the Company continued to invest in digital and physical systems to improve efficiency, traceability, and client service. Several strategic projects were initiated, focusing on automating core workflows, enhancing warehouse management systems, and strengthening digital connectivity with stakeholders across the value chain.

JKSB invested Rs. 1.63 million in upgrading its back-office system to support the shortened settlement cycle introduced by the Colombo Stock Exchange (CSE).

Investments in digital infrastructure such as upgraded data platforms, enhanced cybersecurity measures, and improved communication systems through Whatsapp integration within the company and the clients to share sales contracts have laid a strong foundation for future scalability. These initiatives position the Company to respond swiftly to market dynamics while delivering reliable and transparent services to producers, buyers, and other stakeholders.

Furthermore, JKW developed an automated goods received note (GRN) process which digitise recording of goods received at the warehouse directly onto a mobile application which would eliminate the need for manual data entry, thereby streamlining operations, saving time in terms of labour, reducing cost of paper and minimising short weight claims.

The Company is in the process of revamping the website to enable clients to digitally access information on teas sold, enhancing transparency and ensuring a smoother flow of information.

Investments during the year.

Category	Initiative	Investment	Outcome
Warehouse renovation	Roofing	Rs. 12 million	To maintain warehouse safety standards and facilitate the 2 Mw roof top solar system
IT infrastructure	Tabs for unloading bay	Rs. 0.85 million	Reduced paper usage and digitalistion
IT infrastructure	ERP upgrade	Rs. 1.6 million	Shortening the settlement cycle of CSE

Capital Management

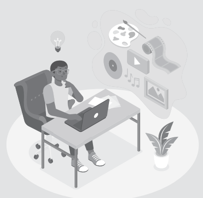
Intellectual Capital

JKPLC's Intellectual Capital encompasses the deep expertise, industry insight, and experience of its workforce, along with its strong brand equity and established market position. It also includes proprietary systems, advanced technologies, streamlined operational processes, and robust governance frameworks that collectively support the Company's long-term value creation and competitive advantage. Together these components function in synergy to strengthen the Company's ability to deliver high-quality services, drive innovation, and create sustained value for its stakeholders

KEY FOCUS AREA

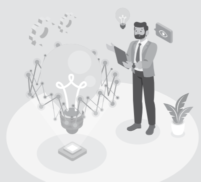
Customer insights and market intelligence

Enhancing brand equity



Continuous learning and Upskillng

IT Systems operational Processes and Policy Framework



Fostering a culture of innovation

JKPLC recognises Intellectual Capital as a strategic asset that underpins value creation, drives innovation, enhances service excellence, and supports long term sustainable growth. Through its skilled workforce, proprietary systems, and strong brand equity, the Company delivers long-term value. Ongoing investment in knowledge, process improvement, and collaboration ensures these intangible assets are effectively harnessed to maintain its competitive edge

Customer insights and market intelligence:

Through continuous engagement with tea producers, regional factories, buyers, and other auction participants, the Company gathers customer insights that inform its understanding of client needs, operational challenges, and service expectations. This includes feedback on auction performance, warehousing standards, documentation accuracy, and responsiveness of support services.

Capturing and institutionalising this information helps the Company refine its service offerings, improve client satisfaction, and build long-term trust with stakeholders.

Enhancing brand equity

In parallel, the Company closely monitors market intelligence, including auction trends, price movements, demand patterns, and regulatory changes within the domestic tea industry. This knowledge base supports the strategic role of tea brokers, enabling them to advise clients with up-to-date market information and make data-informed decisions regarding warehousing logistics and auction positioning. Additionally, JKSB invested Rs. 1.02 million during the year to develop a new logo for the company.

By embedding both customer insights and market intelligence into internal processes, employee training, and strategic planning, the Company strengthens its intellectual capital. This accumulation of knowledge not only enhances operational efficiency but also elevates the Company's role as a value-adding intermediary in Sri Lanka's tea trade. Over time, this fosters a culture of informed decision making, continuous improvement, and industry leadership. The list below is the list of the trade associations, professional groups, and periodicals that the Group and the Company were members of during the year.

Industry Memberships

- Ceylon Chamber of Commerce
- Colombo Brokers Association
- Colombo Tea Traders' Association
- Colombo Rubber Traders Association
- Kerawalapitiya Industrial Zone Association
- Employer' Federation of Ceylon
- Colombo Stock Brokers' Association
- Colombo Stock Exchange
- Planters' Association of Ceylon
- International Tea Committee

Continuous learning and Upskilling

The Company actively promotes a culture of learning by encouraging employees to continuously update their knowledge of auction procedures, warehousing best practices, regulatory changes, and digital systems. Through a combination of on-the-job training, formal workshops, and peer learning, staff are equipped with the practical skills and theoretical grounding necessary to respond effectively to client needs, market dynamics, and operational challenges. In broking, where accuracy, speed, and market awareness are essential, upskilling ensures that brokers are well-informed about price trends, buyer behaviour, and quality grading.

For warehouse operations, regular training on inventory systems, safety protocols, handling procedures, and digital traceability tools ensures both compliance and operational efficiency.

By investing in the ongoing development of its people, the Company not only increases productivity but also builds a resilient, informed, and adaptable workforce an essential component of sustained value creation in the tea industry. JK PLC invests in recruiting, developing, and retaining talented individuals with diverse skills, knowledge, and expertise relevant to its service

IT Systems, operational Processes and Policy Framework

Modern IT systems such as digital auction platforms, inventory management tools, and communication systems enable the Company to enhance accuracy, transparency, and responsiveness. These systems are continuously updated and tailored to meet the unique needs of the tea industry, contributing to the organisation's internal knowledge and technical capability.

Operational processes that are clearly documented, standardised, and refined over time represent a repository of institutional knowledge. They ensure consistency, compliance with industry regulations, and efficient coordination across broking and warehousing functions.

Complementing this, the Company's policy framework including quality assurance protocols, data handling procedures, and service standards supports decision making and risk management. These policies reflect accumulated expertise and industry best practices, reinforcing a culture of accountability and operational excellence. Together, these systems, processes, and policies embody the organisation's accumulated experience and strategic thinking. They are not just operational tools, but key components of its intellectual capital, driving reliability, client trust, and sustained value delivery within Sri Lanka's tea value chain.

Fostering a culture of innovation

The Company actively promotes a culture that encourages strategic thinking, operational refinement, and continuous improvement. This approach contributes to a collective pool of institutional knowledge, enriching the company's ability to respond proactively to client needs and market developments enabling the organisation to remain agile and responsive to the evolving needs of the tea industry while enhancing the quality and efficiency of its services.

Strategic enhancements to the Company's digital infrastructure, workflow optimisation, and employee led initiatives demonstrate John Keells PLC's commitment to innovation. By embedding these practices across its operations, the Company continues to strengthen its service delivery and reinforce its role within Sri Lanka's tea broking, stock brokering and warehousing landscape.

Capital Management

Natural Capital

Natural capital refers to the natural resources and environmental systems that highlight the Company's operations by providing essential inputs and ecosystem services. This includes energy sources (renewable and non-renewable), water, air, and land resources that are integral to maintaining daily business functions. As a responsible organisation, JKPLC remains committed to managing these resources efficiently, minimising environmental impact, and supporting long-term sustainability

At JKPLC, we recognise the importance of operating in a manner that respects and preserves the natural environment. We are committed to minimize our ecological impact by promoting the efficient use of natural resources and embedding environmentally responsible practices across our operations. Through ongoing focused in resource conservation and continuous process "improvement" we aim to ensure sustainable use of natural capital, safeguarding these essential inputs for the future generations.

Although our business operates within the service sector, and not in a resource intensive manufacturing environment, we acknowledge that our activities still influence and depend on the natural environment. From energy and water consumption to responsible waste management, our operations are closely connected to the ecosystems around us. We take this responsibility seriously, and continue to adopt measures that align with our broader goals of environmental stewardship and long-term sustainability.

- **Infrastructure Maintenance:**
  The ongoing maintenance of office premises, warehouses, and IT infrastructure requires resources such as water for cleaning, electricity for operational systems, and construction materials. The proper management and sourcing of these materials ensure that the firm's infrastructure remains functional while minimising its environmental footprint.

- **Logistics and Distribution Networks:**
  While the core broking services themselves do not involve physical products, the underlying logistics that facilitate the transportation of tea, samples, and documents are essential to our operations. These activities rely on transportation systems that consume fuel and generate emissions, impacting natural resources. By enhancing the efficiency of our distribution processes and incorporating environmentally conscious practices are used to reduce reliance on non-renewable resources.

- **Climate Stability and Agricultural Dependency:**

  The tea industry, while service-based in terms of brokering, is intrinsically linked to agricultural production. The stability of climate and weather patterns directly affects the quantity and quality of tea harvested.

The availability of these raw materials for our clients relies on a healthy and stable ecosystem, making climate change an important factor for the long-term viability of the business.

- **Services:** Services rely on a stable environment provided by ecosystems, including clean air, water, and a stable climate, which are fundamental for human well-being and business continuity.

At JKPLC, our operations are intrinsically linked to the use of critical resources such as non-renewable energy, fuel and water all of which constitute our natural capital. We recognise the potential risks posed by the overconsumption of these finite resources, which could lead to depletion and contribute to environmental degradation.

In light of these challenges, JKPLC is steadfast in its commitment to reducing reliance on non-renewable resources. We have implemented stringent policies aimed at minimising our environmental impact. This includes efforts to optimise energy usage, improve recycling practices, reduce water consumption, and eliminate single use plastics across our operations.

To further embed sustainability into our operations, we regularly conduct training sessions to raise awareness among our employees, fostering a company wide culture of resource conservation.

Through these comprehensive efforts, JKPLC is actively contributing to the conservation of natural resources, enhancing the long-term sustainability of our operations, and fulfilling our environmental responsibility to protect natural capital for future generations.

Energy Consumption

At JKPLC, energy is an essential input across our operations, supporting lighting, climate control, office and warehouse equipment, and transportation needs. Our electricity requirements are met primarily through the

national grid, while fuel sources such as gasoline and diesel, power our vehicle fleet for business travel and logistics.

We adopt a structured approach to monitoring energy consumption across all sources. This includes tracking usage patterns and quantifying emissions annually in line with the Green house Gas (GHG) Protocol. By assessing Scope 1, Scope 2, and relevant Scope 3 emissions, we are able to calculate our overall carbon footprint for the financial year and identify areas for improved energy management.

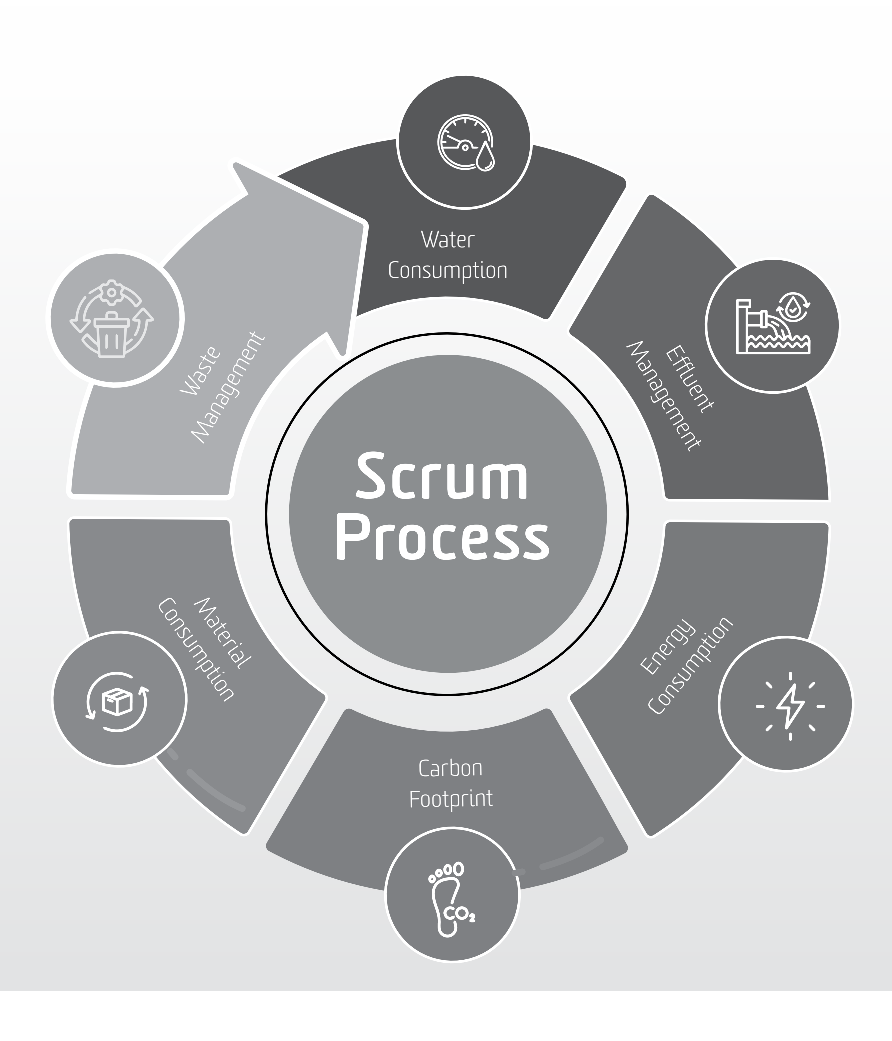
In the year under review,fuel consumption had increased due to an increase in business travel including site visits to factories and client locations.

However, the energy cost had reduced by 12 percent as JKPLC implemented a series of targeted energy-saving measures. These include rescheduling the charging of warehouse equipment such as reach trucks to off-peak periods and standardising temperature settings for air conditioning systems throughout our facilities. These measures form part of our broader commitment to enhance energy efficiency and minimizing environmental impact, reinforcing our commitment to sustainable operations.

Water Consumption and Effluent Management

All water used in the Company's daily operations is obtained through municipal supply systems, while potable water for employee consumption is procured from authorised external vendors.

As part of our commitment to responsible resource management. JKPLC systematically assesses water usage and evaluates the volume discharged through soakage pits and municipal drainage systems to ensure efficiency and compliance with environmental standards.



Capital Management

As a service driven enterprise, JKPLC does not engage in manufacturing or industrial processes that result in the generation of effluents. Accordingly, our operations have a minimal direct impact on surrounding water bodies, aligning with our commitment to sustainable and environmentally responsible business practices.

Waste Management

JKPLC's approach to waste management is guided by the broader John Keells Holdings PLC (JKH) Group's 5R framework, originally developed to minimise plastic waste. This framework has since been extended to encompass all categories of waste generated through our business operations.

The Company adheres to the principles of Reduce, Reuse, Recycle, Remind, and Refuse, promoting a comprehensive and responsible waste management culture. While emphasis is placed on minimising waste and encouraging recycling and reuse, we also actively engage employees by reinforcing awareness and encouraging conscious decision-making. Staff are regularly reminded of the importance of sustainable practices and are urged to refuse the use of plastics and other non-sustainable materials whenever possible.

Through the integration of these practices, JKPLC remains committed to reducing its environmental impact and aligning daily operations with the broader sustainability goals of the JKH Group.

Minimising Paper Usage

JKPLC remains committed to reducing paper consumption across its operations by prioritising the use of digital communication and electronic documentation. The generation of electronic reports has significantly reduced the need for printed materials, and hard-copy printing is permitted only when essential executed with double-sided printing as a standard practice.

To further enhance efficiency, the Company promotes the reuse of single sided printed documents and encourages the sharing of commonly accessed reports among teams. Additionally, all waste paper and cardboard materials are responsibly disposed of through registered third-party recycling partners.

In the warehousing segment, the Company has taken a significant step towards operational digitisation by automating the Goods Received Note (GRN) process. This initiative enables direct electronic recording of goods received via a digital platform, reducing reliance on paper documentation while improving process accuracy and efficiency.

Disposal of e-waste

E-waste, such as printer cartridges and ribbons, is disposed of using an authorised e-waste disposal contractor.

Plastic usage – the plasticcycle Initiative

JKPLC actively supports "Plasticcycle", the John Keells Group's dedicated plastic recycling initiative aimed at minimising plastic pollution through responsible usage and enhanced recycling practices. As part of this commitment, the Company has implemented several measures to reduce the use of polythene and other plastic materials within its operations.

One such initiative includes the observance of a "Zero Waste Day" each month, which reinforces employee awareness and accountability around plastic reduction and promotes sustainable alternatives in the workplace. These efforts reflect JKPLC's broader objective of aligning daily practices with environmentally responsible principles and contributing meaningfully to group-wide sustainability goals.

Organic waste

All organic waste generated by the Company, mainly by our employees, is disposed of using the services of the Colombo Municipal Council garbage disposal services.

Challenges Faced and Actions Implemented

JKPLC takes a forward-thinking approach to environmental value creation, where the active involvement of all stakeholders paves the way for broader, systemic change.

JKW is currently in the process of installing additional solar panels, reinforcing its commitment towards renewable energy and sustainable operational practices. The company has also initiated the redevelopment of its Warehousing roadways by using plastic asphalt a durable and environmentally friendly material derived from recycled plastic waste. Additionally, the Group remains engaged in environmental protection initiatives spearheaded by the John Keells Foundation, further demonstrating its dedication to environmental stewardship and sustainable development.

Human Capital

JKPLC believes that one of the key factors in the success and growth of an organisation is the pivotal role played by its employees. In order to achieve the business plans, targets and goals, whilst sustaining performance, innovation and competitiveness, the group focuses on enhancing the abilities, potential and efficiency of its employees.

Management Approach

With its strategic and holistic perspective in human capital management the group has no hesitation in investing in its most valuable asset, the employees. The alignment of human capital management practices with business objectives and values of the, group results in the maintenance of a culture of excellence, innovation and collaboration. In an environment where technology plays an important role, optimizing processes in this aspect is also considered vital.

Whilst the HR framework is designed to support the strategic goals and objectives of the group compliance with relevant laws and regulations is considered equally important.

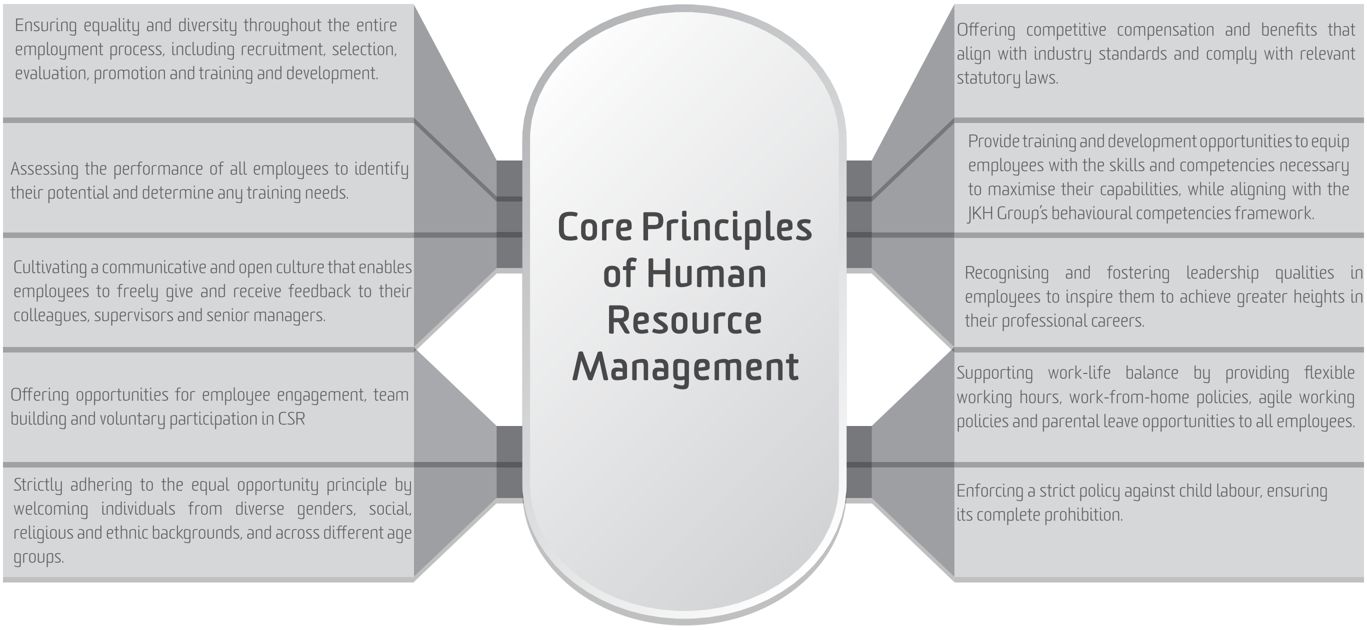
The framework also defines the roles and responsibilities of the HR function and its relationship with other business units and stakeholders. The framework is based on the principles of fairness, transparency, accountability and respect for diversity and inclusion.

The Human Resource Information System (HRIS)

The group advanced HRIS is designed not only to seamlessly connect and automate end-to-end processes but to also facilitate paperless workflows whilst ensuring secure storage and retrieval of information in a protected environment. This comprehensive system offering the convenience of executing all tasks on a single platform, significantly enhances efficiency and effectiveness, particularly with the inclusion of mobile-enabled features. The accompanying mobile application enables real-time engagement amongst employees, aligning with contemporary trends.

The primary focus of our human development strategy continues to be the strengthening of the relationship between the company and its employees. We not only believe in the importance of attracting and retaining employees but also consider garnering the requisite experience and mindset for each role as equally important. In order to achieve this objective, the reward structure is developed in a manner where it ensures that employees receive competitive compensation along with opportunities for their professional growth and advancement. In line with these principles, JKPLC maintains unwavering dedication to the following core principles of human resource management.

Capital Management



Overview of Employee Cadre

Group's employee cadre at the end of the financial year under review comprised of 142 individuals with 16 new recruits. The recruitment of individuals across ages, experiences and gender is testamentary of our belief in the importance of a diverse workforce. The combination of extensive hands-on experience exhibited by our senior employees together with fresh new insights and contemporary techniques brought forward by the younger generation plays a pivotal role in ensuring the business's sustainability. Additionally, the fact that 36 percent of our permanent employee cadre have remained with the company for over a decade is proof to JKPLC being an "Employer of Choice".

Recruitment

An integral part in our recruitment process has always been about not only attracting and selecting the best candidate for the available positions, but also retaining these employees.

This well-designed and executed process has continuously supported the group in achieving its goals whilst enhancing the reputation and fostering a positive work culture.

Talent Management

Identifying and recognizing talent is something the company takes great pride in. The selection process for inclusion in the "Talent Pool" adheres to the predetermined criteria established by the JKH Group. On the conclusion of the annual Career Committee Meetings, recommendations are obtained from the Profit Centre Manager (PCM) for Assistant Managers and Executives whilst for Manager-level employees, approval from the Sector Head / President is obtained. Accordingly, this pool is annually updated by the end of May. This methodology assists in the retention of highly skilled employees who are nominated for training and development opportunities to align with their career aspirations within the company.

Internal Job Posting Programme

The JKH Group positively views the importance in retaining talented individuals, who seek a change in their career paths, within the Group, thereby mitigating the risk of losing them to competitors. In order to facilitate this, a programme has been implemented enabling employee mobility within the Group. Under this programme, employees of JKPLC are eligible to apply for inter-group vacancies, allowing them to gain exposure in different industries and explore opportunities in alternative disciplines thereby broadening their skill sets.

Performance Appraisal Process

In keeping with the commitment to providing feedback and guidance to the employees throughout the year, the company's performance management system ensures all employees undergo regular assessments and receive valuable feedback. The executive cadre receives formal feedback bi-annually, while other employees receive annual feedback. In order to foster a culture of open communication, the employees are also given an opportunity to share their own feedback with their managers. This system assists managers and employees to align goals, monitor progress, identify strengths and areas for improvement whilst recognizing achievements. In this manner it is possible to identify and enhance the skills of individuals requiring support, ultimately resulting in the achievement of business goals.

Our performance management process is anchored in the Group's core values also facilitating the identification of high-potential individuals and potential successors. It is important to highlight that the appraisal process motivates employees to make meaningful contributions to the overall success of the Group, extending beyond the scope of their specific business or functional units.

As hitherto undertaken, this year too, the company continued with its performance management cycle by assessing all employees and providing feedback whilst identifying opportunities for training and development.

Competency Assessment Tool

This tool was developed with the aim of aiding both employees and the company to identify areas for growth and improvement within its employee cadre. The tool involves both a self-evaluation and evaluation by the supervisor, followed by a one-on-one meeting to discuss and reach an agreement on the competencies that require development.

Diversity & Inclusion

Diversity and inclusion are considered crucial by the company in order to thrive in the modern world. These values assist us in effectively serving our diverse customer base, by attracting and retaining talent and cultivating an environment of innovation and creativity. Providing equitable treatment and equal opportunities to all individuals regardless of identity or background is a key focus of the company. This has also assisted us in harnessing the power of varied perspectives, experiences, and skills, which continuously enhances the Company's success.

The JKH Group in partnership with IFC SheWorks Sri Lanka implemented gender-inclusive solutions to enhance female participation in the workforce. Additionally the Group joined the "Target Gender Equality" program by the UN Global Compact, aiming to expedite women's representation and leadership in the business sphere.

In a visual representation of its dedication to diversity and inclusion, the JKH Group introduced the brand "ONE JKH" in September 2020. The inclusion of this logo in vacancy advertisements serves as a powerful symbol, showcasing the Group's firm stance against discrimination and its unwavering commitment to providing equal opportunities for all.

Furthermore, the JKH Group made a commitment to achieve a 40 percent female participation rate by the conclusion of the FY 2025 / 2026, with interim milestones established for each of the JKH Group companies. The commitment of JKPLC towards this goal was an overall female participation of 37 percent and 32 percent in the leadership category. As at the end of the financial year,

We are proud to state that we have achieved 36 percent and 35 percent in these categories. The company also continues its various initiatives and interventions aimed at challenging gender stereotypes and promoting women in non-traditional roles.

In alignment with the Group's initiatives, the company continued the distribution of sanitary napkins to all female employees on a quarterly basis. This initiative has made great strides in our aim to de-stigmatize the topic whilst also promoting the well-being of the females working in the company.

Our belief in the importance of maintaining a healthy work-life balance ensured the continuance of the agile workplace policy and flexi working hours. This facility has ensured that the employees are able to effectively manage both their personal and professional commitments. We also believe that this will assist in the retention of our workforce

Training & Development

In order to improve the performance and satisfaction of our workforce, the company considers training and development an essential strategy. As such, during the year under review, selected employees were nominated for various programmes so as not only to enhance competencies but also to prepare them for future roles.

At a Group level, an annual Development Centre is conducted. Employees who participate in the Development Centre receive a personalised development plan, aimed at advancing their competencies to the next level in their career progression. Throughout their development journey, these employees are observed and provided with feedback, with two formal reviews conducted at the six-month and one-year marks after completing the program.

Capital Management

As part of our safety program, the Company, in collaboration with Finlays Colombo and the fire department, conducted fire drills at both the warehouse and office premises during the financial year under review. These annual fire drills are aimed at raising awareness about preventive measures and ensuring preparedness in the event of a fire.

Rewards & Recognition

The company believes that in order to build the loyalty of the employees including motivating and retaining talent, a structured rewards and recognition scheme is of paramount importance. It should also be noted that enhanced employee satisfaction and engagement will also result in an improvement in performance. JKPLC offers employees a range of monetary or non-monetary rewards including salary, bonuses, benefits, promotions, awards, or praise. Rewards also ensure that employees receive the recognition they deserve for their contributions and individual accomplishments.

We also believe that the achievements of our employees reflect on the leadership capabilities of their immediate supervisors as well as the department heads. We also believe in fostering a culture where employees live the JKH values in their daily work. The JKH Group Rewards and Recognition Programme is accessible to all employees of JKPLC.

Currently, there is a wide range of recognition platforms available, designed to cater to different categories of employees.

Communicative & Open Culture

At JKPLC, fostering an open and communicative culture is highly valued, where employees are actively encouraged to provide feedback on all business activities and developments.

To facilitate this, the following programmes are currently implemented.

PLANTATION SECTOR AND JKSB AVURUDU CELEBRATION 2024

Skip Level Meetings (All Employees)

These meetings offer employees the opportunity to bypass their immediate supervisor and directly engage with senior management. They serve as a platform for senior management to establish trust with junior-level employees, conduct individual assessments, and seek fresh ideas, solutions, and process improvements, all while fostering an open-door culture. Conversely, junior employees gain valuable insights into business strategies and initiatives, while receiving guidance, coaching, and mentoring from senior management. These interactions facilitate mutual understanding and collaboration across different levels of the organisation.

Peer & Upward Survey (Manager & Above Category)

The Company utilizes an annual e-based feedback tool to enable employees to receive confidential feedback from their peers and direct reports. This feedback is then compared to the employee's self-assessment form, aligning with the JKH Group's roof competencies.

Joint Consultative Committee (JCC) Meetings (Non-Executive Category)

Regularly, all non-executives are granted the opportunity to meet with the CEO and Senior manager HR at JKPLC. During these meetings, employees can voice their concerns, provide suggestions, and engage in discussions regarding areas for improvement.

Staff Meetings (All Employees)

Staff meetings are scheduled to disseminate financial information and relevant updates about the Company to all employees. These meetings also provide a forum for employees to express their ideas and opinions, encouraging open communication while fostering a culture of collaboration.

Great Place to Work (GPTW) Survey (All Employees)

During the financial year 2022 / 2023, JKPLC conducted a comprehensive survey to gather feedback from employees on key aspects including Credibility, Respect, Fairness, Pride, and Camaraderie. The Company's overall score, significantly increased to 84 percent compared to 55 percent achieved in the previous survey. During the year under review, the company continuously ensured that it maintained the same level of employee satisfaction and engagement.

Engagement Forum (All Employees)

This initiative, led by the JKH Group, aims to foster communication both from the bottom-up and the top-down within the organisation. It provides employees with the opportunity to engage in informal discussions with the JKH Group Chairperson and the Head of Group HR. As part of this initiative, JKPLC designates three representatives from the categories of Executive, Assistant Manager, and Manager to participate in these discussions.

Employee Engagement

To enhance work-life balance and foster stronger personal relationships among employees, the Company supports and sponsors a variety of events and activities that contribute to a more engaged workforce. Throughout the year under review, the Company organised numerous programs aimed at improving employee engagement and fostering camaraderie among its employees. These initiatives have been designed to create a positive and inclusive work environment where employees can form meaningful relationships and enjoy a greater sense of belonging within the Company.

Social and Relationship Capital

JKPLC values strong, trust-based relationships with stakeholders across its value chain from customers and suppliers to communities. Through transparent engagement, ethical practices, responsible service delivery, and targeted CSR initiatives, we support sustainable growth, community wellbeing, and long term business resilience.

Creating Value for customers

JKPLC, as a leading brokering firm, consistently promotes transparency across all facets of its operations, including pricing practices, auction processes, and market communications. A key example of this commitment is the firm's provision of a comprehensive weekly Tea Market Report, which offers clients valuable insights into both global and Sri Lankan tea industry trends. By delivering real-time updates on auction results, pricing structures, and informed commentary on market developments, this transparent approach not only empowers customers to make well-informed decisions but also strengthens their trust and confidence in the firm's integrity and professionalism

Through regular, personalized engagement, JKPLC seeks to foster long-term relationships, cultivate trust, and deliver mutual value for both sellers and buyers. By gaining a deep understanding of individual client needs and actively responding to their feedback, the company is able to tailor its services to align more closely with customer demands. This customer centric approach not only enhances satisfaction and fosters long term loyalty but also enables JKPLC to refine its offerings and optimize operational efficiency based on direct insights gathered from clients. Ultimately, this proactive approach reinforces a collaborative partnership.

Effective storage practices play a vital role in maintaining the quality of tea from the point of collection to final dispatch. At JKPLC, careful handling and meticulous attention to detail in its warehousing operations reflect a strong commitment to product excellence. By ensuring that all inventory is managed under optimal conditions, the company not only protects the value of its offerings but also reinforces its reputation as a reliable partner dedicated to delivering consistent quality and earning customer trust.

The sustained expansion of JKPLC's customer base is a clear indicator of the confidence and trust clients place in the company's brand, as well as the exceptional quality of its services. This growth highlights the company's unwavering commitment to delivering consistent value, maintaining superior quality, and ensuring reliable service. As the customer base continues to grow, it further solidifies JKPLC's position as a leader in the industry, creating a strong foundation for continued success and long-term market leadership.

Capital Management

Creating value for Suppliers

For JKPLC, building and nurturing trust based relationships with its suppliers is crucial to the company's sustained success, given the essential role suppliers play in its value chain. By focusing on long term collaboration and sustainable practices, JKPLC underscores its commitment to ethical operations and responsible business conduct. To further strengthen these partnerships, the company integrates suppliers into its operational processes, fostering greater efficiency and alignment.

Additionally, JKPLC provides value-added services that enhance the capabilities of its supply network, supporting supplier growth and improving overall supply chain performance. This approach not only ensures a reliable and sustainable supply of tea and rubber but also creates a symbiotic relationship where both parties can thrive. It underscores JKPLC's position as a leading broker firm in the industry, dedicated to responsible sourcing and ethical practices.

Moreover, through the introduction of specialized systems and financial support mechanisms, JKPLC assists its suppliers particularly factory owners in addressing capital requirements promptly and seizing growth opportunities. By offering such support, the company not only strengthens its supplier relationships but also promotes the long term viability and success of its supplier network.

Furthermore, JKPLC's commitment to sharing knowledge, best practices, and industry insights with its suppliers exemplifies its collaborative approach to business. By fostering open communication between suppliers and customers, the company enhances understanding of market dynamics and customer needs, enabling more informed decision-making and driving product innovation. This exchange of expertise not only strengthens suppliers' competitiveness and capabilities but also provides JKPLC with valuable insights into market trends and consumer preferences. As a result, the supply chain becomes more agile and resilient, positioning JKPLC for sustained leadership in the industry.

Creating value for the Community

JKPLC demonstrates a strong commitment to corporate social responsibility, particularly through initiatives aimed at enhancing the well-being of communities near its operations and those of its suppliers.

The company prioritizes actions that address health, quality of life, and social upliftment, making a significant impact on the prosperity of these areas. Encouraging employee involvement in these initiatives further amplifies their effectiveness, while also fostering a sense of purpose and fulfillment among the workforce, thereby strengthening the organization's ties with the communities it serves.

As part of this commitment, the Forest Plantation Project was successfully implemented during the year in collaboration with Halwitigala Tea Factory. On this occasion, 700 Mahogany trees were planted with the active participation of the project team and members of the local community. This reforestation initiative represents a significant contribution to environmental sustainability and climate change mitigation, while also reaffirming JKPLC's dedication to its Environmental, Social, and Governance (ESG) goals and a greener future.

In addition, an HIV awareness programme was also successfully conducted during the year in Kurupanawa and Hingalgoda Tea Factories by the employees of JKPLC.

The sessions included a well structured and informative presentation that encouraged open dialogue and helped dispel misconceptions surrounding the topic, making them both educational and impactful. Such initiatives play a vital role in improving awareness, promoting employee well being, and fostering stronger relationships with communities, thereby creating long term value for those connected to the organization's operations.

Furthermore, JKPLC's ongoing support for the John Keells Foundation underscores its broader commitment to social responsibility within the wider John Keells Group. This collaborative, strategic approach ensures the effective delivery of impactful programs that benefit a diverse range of stakeholders. In essence, JKPLC's commitment to making a positive difference beyond its core business activities reflects its core values and sets a benchmark for responsible business practices within the industry.

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	2-2 Entities included in the organisation's sustainability reporting	7	
	2-3 Reporting period, frequency and contact point	4-5	
	2-4 Restatements of information	21-120	
	2-5 External assurance	Not applicable	We have not sought external assurance on our sustainability reporting
	Activities and workers		
	2-6 Activities, value chain and other business relationships	16-17	
	2-7 Employees	43-46	
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	2-12 Role of the highest governance body in overseeing the management of impacts	82	
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	2-21 Annual total compensation ratio	Confidentiality constraints	Industry does not disclose this information due to confidentiality reasons.
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	201-4 Financial assistance received from government	Not applicable	
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	202-2 Proportion of senior management hired from the local community	Not applicable	
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GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	36-37	
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GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	47-48	
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GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	88-90	
	205-2 Communication and training about anti-corruption policies and procedures	88-90	
	205-3 Confirmed incidents of corruption and actions taken	Not applicable	JKPLC did not come across incidents of corruption during year
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GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	87-88	
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GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 207: Tax 2019	207-1 Approach to tax	85	
	207-2 Tax governance, control, and risk management	85	
	207-3 Stakeholder engagement and management of concerns related to tax	18-20	
	207-4 Country-by-country reporting	Not applicable	Not relevant to the Company's operations

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GRI 301: Materials 2016	301-1 Materials used by weight or volume	40-42	
	301-2 Recycled input materials used	Not applicable	Not relevant to the Company's operations
	301-3 Reclaimed products and their packaging materials	Not applicable	Not relevant to the Company's operations
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	302-4 Reduction of energy consumption	41-43	
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GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable	Not relevant to the Company's operations
	304-2 Significant impacts of activities, products and services on biodiversity	Not applicable	Not relevant to the Company's operations
	304-3 Habitats protected or restored	Not applicable	Not relevant to the Company's operations
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable	Not relevant to the Company's operations
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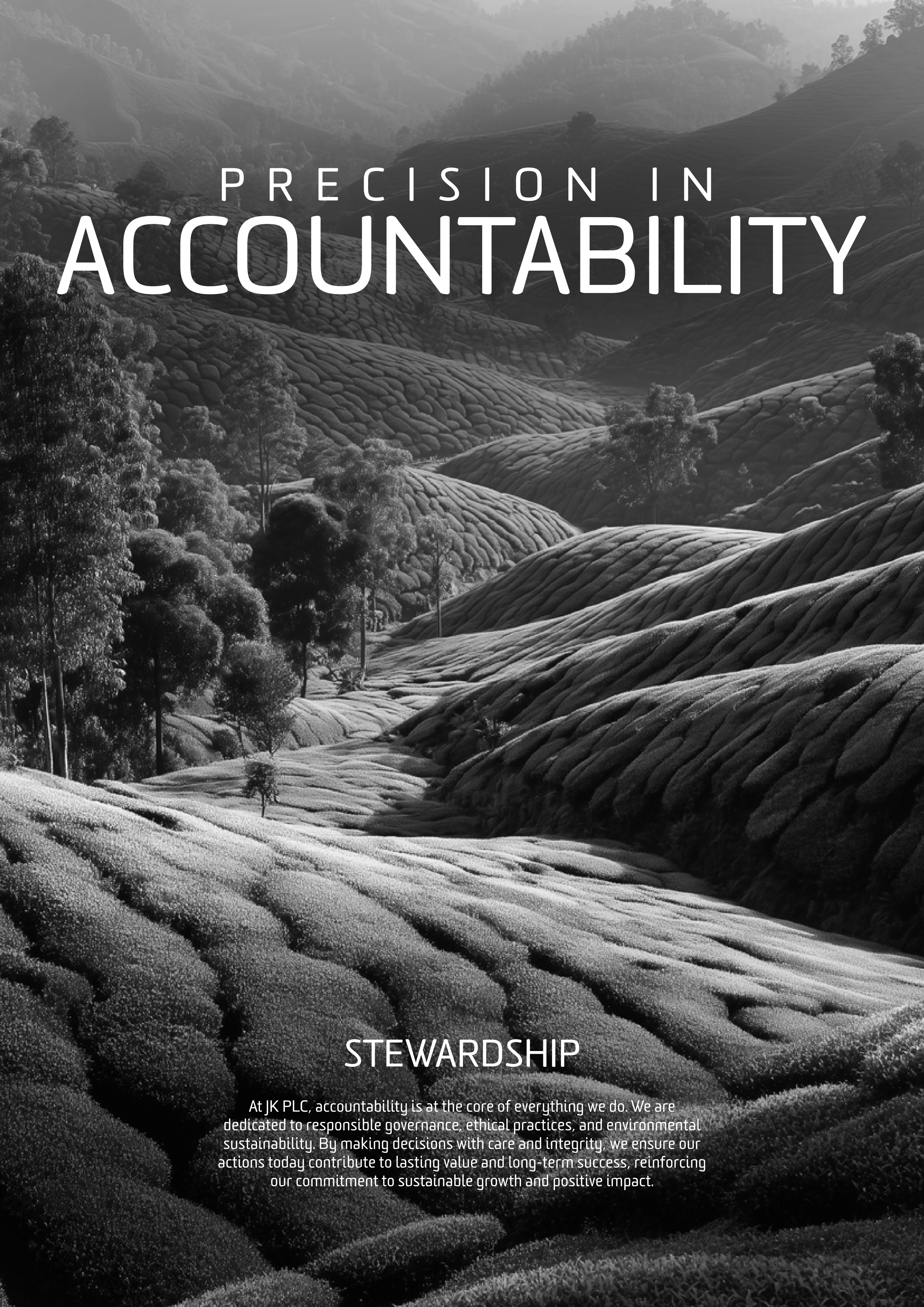
	308-2 Negative environmental impacts in the supply chain and actions taken	48	
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	44	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	43-46	
	401-3 Parental leave	44	
Labour/management relations			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	43-46	
Occupational health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	48	
	403-2 Hazard identification, risk assessment, and incident investigation	20	
	403-3 Occupational health services	48	
	403-4 Worker participation, consultation, and communication on occupational health and safety	48	
	403-5 Worker training on occupational health and safety	48	
	403-6 Promotion of worker health	43-46	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	43-46	
	403-8 Workers covered by an occupational health and safety management system	43-46	
	403-9 Work-related injuries	43-46	
	403-10 Work-related ill health	43-46	
Training and education			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	45	
	404-2 Programmes for upgrading employee skills and transition assistance programmes	45	
	404-3 Percentage of employees receiving regular performance and career development reviews	45	

GRI Standard	Disclosure	Page number	Omission
Diversity and equal opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	45	
	405-2 Ratio of basic salary and remuneration of women to men	Not applicable	
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	45	
Freedom of association and collective bargaining			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 407:Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	82	
Child labour			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	82	
Forced or compulsory labour			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 409: Forced or Compulsory labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	82	
Security practices			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Not applicable	Not relevant to the Company's operations
Rights of indigenous peoples			
GRI 3: Material Topics 2021	3-3 Management of material topics	Not applicable	Not relevant to the Company's operations
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Not applicable	Not relevant to the Company's operations
Local communities			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	48	
	413-2 Operations with significant actual and potential negative impacts on local communities	48	
Supplier social assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	48	
	414-2 Negative social impacts in the supply chain and actions taken	48	
Public policy			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 415: Public Policy 2016	415-1 Political contributions	Not applicable	

GRI Content Index

GRI Standard	Disclosure	Page number	Omission
Customer health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 416:Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	47	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	47	
Marketing and labelling			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 417:Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	47	
	417-2 Incidents of non-compliance concerning product and service information and labelling	47	
	417-3 Incidents of non-compliance concerning marketing communications	47	
Customer privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 418:Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not applicable	Not relevant to the Company's operations



PRECISION IN ACCOUNTABILITY

STEWARDSHIP

At JK PLC, accountability is at the core of everything we do. We are dedicated to responsible governance, ethical practices, and environmental sustainability. By making decisions with care and integrity, we ensure our actions today contribute to lasting value and long-term success, reinforcing our commitment to sustainable growth and positive impact.

Board of Directors

Krishan Balendra

Chairperson/ Non-Independent -
Non-Executive Director
(Appointed to Board 2018) / Shares held 0 %

Board Committees

Member – Nominations and Governance Committee
Member – Project Risk Assessment Committee - JKH

Skills and Expertise

Krishan Balendra is the Chairperson-CEO of John Keells Holdings PLC. He is also the Vice Chair of the Ceylon Chamber of Commerce and the Hon. Consul General of the Republic of Poland in Sri Lanka. He is a former Chair of the Employers Federation of Ceylon, Nations Trust Bank and the Colombo Stock Exchange. Krishan started his career at UBS Warburg, Hong Kong, in investment banking, focusing primarily on equity capital markets. He joined JKH in 2002. Krishan holds a law degree (LLB) from the University of London and an MBA from INSEAD.

Positions held in Other Companies

Former Chairperson of Nations Trust Bank PLC and Colombo Stock Exchange.

Other Current Appointments

Chairperson - CEO of John Keells Holdings PLC, Chairperson of the Employers Federation of Ceylon, Deputy Vice Chairperson of the Ceylon Chamber of Commerce and the Hon. Consul General of the Republic of Poland in Sri Lanka.

Gihan Cooray

Non-Independent - Non-Executive Director
(Appointed to Board 2018) / Shares held 0 %

Board Committees

Member – Project Risk Assessment Committee - JKH
Member – Human Resources and Compensation Committee

Skills and Expertise

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

Other Current Appointments

Deputy Chairperson/ Group Finance Director of John Keells Holdings PLC and serves as a committee member of the Ceylon Chamber of Commerce.

(He served as the Chairperson at Nations Trust Bank PLC, till 30th April 2023)

Zafir Hashim

Non-Independent - Non-Executive Director
(Appointed to Board 2021) / Shares held 0 %

Board Committees

None

Skills and Expertise

Zafir Hashim has been in the group for 21 years. He has an MSc in Chemical Engineering from the University of Birmingham (UK).

He joined the JKH Group in 2003, seconded to Lanka Marine Services, where he served as the CEO from 2005-2015. He has also served as a member of the Transportation Sector Committee from 2005. During the last 22 years he has held the position of CEO at John Keells Logistics Lanka Ltd, Mackinnons Mackenzie Shipping Co. Ltd, Mack International Freight Ltd and Mackinnons Travels Ltd.

Other Current Appointments

President of Transportation and Plantation sectors within the John Keells Group.

Ravi Wijewantha

Non-Independent - Non-Executive Director
(Appointed to Board 2024) / Shares held 0 %

Board Committees

None

Skills and Expertise

Ravi Wijewantha joined the JKH Group in September 2003 and was appointed as Sector Financial Controller of the Property industry group in July 2006 and Chief Financial Officer of the same industry group in July 2017. He has over 25 years of experience in the fields of auditing and accounting. He is an Associate Member of the Chartered Institute of Management Accountants UK and holds an MBA from ICFAI University Dehradun India. He also holds an LLB and LLM from Buckinghamshire New University.

Positions held in Other Companies

Chief Financial Officer -Property Group & Plantation Services Sector within the John Keells Group.

Member of Group Operating Committee of John Keells Group

Anandhiy Gunawardhana

Independent Non-Executive Director
(Appointed to Board 2016) / Shares held 0 %

Board Committees

Chairperson – Human Resources and Compensation Committee

Member - Board Audit Committee

Member - Related Party Transactions Review Committee

Skills and Expertise

Attorney-at-Law and a partner of Julius & Creasy, Attorneys-at-Law and Notaries Public.

Graduated from the University of Colombo's Faculty of Law in 1995 with Second Class (Upper Division) Honours and also secured First Class Honours at the Attorneys-at-Law (Final) Examination in 1996, conducted by the Sri Lanka Law College.

She is a Fulbright Scholar and was awarded the Master of Laws (LL.M. with Distinction) by Georgetown University, Washington DC, in May 2000 and, thereafter, served a 7-month internship with the International Monetary Fund's Legal Department in Washington D.C. She was called to the Bar in June 1997 and was duly enrolled as an Attorney-at-Law of the Supreme Court of Sri Lanka.

Having joined Julius & Creasy in August 1996 as an apprentice, she was made a professional of associate in July 1997 and admitted as a Partner in 2005. Her areas of specialisation are Capital Markets, Corporate and Commercial Law and Mergers & Acquisitions.

Positions held in Other Companies

None

Charitha Wijewardane

Independent - Non-Executive Director
(Appointed to Board 2016) / Shares held 0 %

Board Committees

Chairperson - Nominations and Governance Committee
Member - Board Audit Committee
Member - Related Party Transactions Review Committee
Member - Human Resources and Compensation Committee

Skills and Expertise

Charitha Wijewardane graduated from the University of HULL, UK with BSc Honours Degree in Digital Electronics and Communications, and is an Engineer by profession. He also worked at IBMs Asia Pacific Group Headquarters in Hong Kong, where he was in-charge of Mass Marketing Programmes in all of Asia Pacific for IBMs AS/400 series.

He headed the marketing team in IBM Sri Lanka and he was also managing the AS/400 Mass Marketing Programme for IBM ASEAN Operations out of Singapore. He served at Lexmark Internationals Asia Pacific Operations based in Sydney, Australia. He is recognised for setting up effective channels operations in diverse cultures and sub cultures.

Positions held in Other Companies

He served at IBM as a Country General Manager for IBM World Trade Corporation.

At Lexmark he worked as a Regional Manager spearheading distribution and service operations for Lexmark Products in Pakistan,India, Bangladesh, Sri Lanka, Myanmar, Maldives, New Zealand and Western Australia. He also served as an Independent Non-Executive Director of Bank of Ceylon.

Served in the BOC risk Committee as Chairperson, and as a member of the Audit committee of Bank of Ceylon. He was a Board member of MBSL, MBSL insurance, BOC travels. He was also the Chairperson of Hotels Colombo (1963) Owning company of Grand Oriental Hotel. He also served as an Independent Non-Executive Director of the National Lotteries Board and is a member of the Audit committee of the Lotteries Board.

Arundathi Rajakarier

Independent Non-Executive Director
(Appointed to Board 2016) / Shares held 0 %

Board Committees

Chairperson - Board Audit Committee
Chairperson - Related Party Transactions Review Committee
Member - Nominations and Governance Committee

Skills and Expertise

Aruni Rajakarier is a Fellow member of the Institute of Chartered Accountants, Sri Lanka and has over 25 years of expertise in finance. She is a founder Director of SheConsults (Pvt) Ltd., a sustainability reporting consulting company and has also served as a Consultant to World Bank, Global Reporting Initiative and other institutions on various assignments. She was trained at Ernst & Young where she served as Senior Manager in both auditing, consultancy and training.

Positions held in Other Companies

She serves on the council of the Sri Lanka Institute of Directors and chairs the Education & Technical Committee.

Previously, she spearheaded the Women's Empowerment & Leadership Committee of the Institute of Chartered Accountants of Sri Lanka as its Founder Chairperson. She served as the Country Manager for ACCA Sri Lanka and Maldives and held various senior positions at NDB Bank covering Corporate Banking, Merchant Banking and Consultancy and Internal Audit. She served as the Finance Director of Lanka Cellular Services (Pvt) Ltd.

She also served on the Board of NCAP as an Independent Non- Executive Director and was the Chairperson of the Audit, Risk and Compliance Committee and the Remuneration Committee and a member of the Investment Committee. Furthermore, she served as a Non-Executive Director on the Board of NDB Securities (Pvt) Ltd., a subsidiary of NCAP and she also served as a director at Morison (Pvt) Ltd where she also chaired the audit and Related Party Transaction committees.

Pravir Samarasinghe

Independent Non-Executive Director
(Appointed to Board 2025) / Shares held 0 %

Board Committees

Member - Board Audit Committee
Member - Related Party Transactions Review Committee

Pravir D. Samarasinghe is the Director /Chief Executive Officer of Overseas Realty (Ceylon) PLC, the premier real estate investment development and management company listed in the Colombo Stock Exchange.

He has 38 years of professional and commercial experience, including 23 years in senior leadership roles. He has broad property, industrial, service, retail, plantation and export sector experience. He serves on the Board of Directors of several Public Listed Corporates and chairs Board Sub Committees and is familiar with all aspects of corporate governance.

He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and Chartered Institute of Management Accountants UK and holds a Master's Degree in Business Administration.

He was the Past Chairman of the Sri Lanka Institute of Directors, Employers' Federation of Ceylon, Industrial Association of Sri Lanka, Condominium Developers Association of Sri Lanka, and EFC Affiliated Group of Companies. He was the Past President of the Chartered Institute of Management Accountants Sri Lanka Division and former Council Member CIMA (UK). He served as a Board Member of the Ceylon Chamber of Commerce and Sri Lanka Accounting and Auditing Standard Monitoring Board.

He has been exposed to a number of executive development programs including those conducted by the National University of Singapore, Harvard University (Harvard International Program) and the Australian Institute of Directors.

Corporate Governance

1. EXECUTIVE SUMMARY

1.1 Governance Framework

John Keells PLC ('Company' or 'JKPLC') recognises strong corporate governance as a cornerstone of its operations, fundamental to building and maintaining long-term business relationships. This unwavering commitment to governance has been instrumental in strengthening the Company's resilience and reputation within the industry.

Together with its subsidiaries and associate companies collectively referred to as the "Group" the Company adheres to the internal standards, systems, and processes established by its parent company, John Keells Holdings PLC (JKH Group). These frameworks are designed to promote best practices in governance while ensuring full compliance with all applicable regulations.

The Group also conducts regular reviews of its internal structures and control mechanisms to ensure that key principles of governance are consistently upheld.

1.2 Ethics and Governance

Ethical conduct and robust governance are deeply embedded in the Group's culture and form the foundation of its core values. The John Keells Holdings PLC (JKH) Code of Conduct, which applies to all employees, senior management, and members of the Board, serves as a guiding framework for responsible and principled behaviour across all levels of the organisation.

1.3 Extra Ordinary General Meetings

An Extraordinary General Meeting took place on 25 June 2024, during which the Articles of Association were amended to incorporate the requirements outlined in Section 9.9 of the revised Listing Rules of the CSE regarding Alternate Directors

1.4 Commitment to Transparency and Governance

The Group remains firmly committed to transparency in all its reporting processes, consistently upholding the highest standards of ethical conduct and corporate governance. The Group follow a well-defined Corporate Governance philosophy that aligns with established principles and best practices. Where deviations occur, they are made in accordance with applicable rules and regulations and are clearly explained.

The Corporate Governance practices adopted by the Group for the financial year 2024/2025 are outlined in detail in this report.

1.5 Highlights of the 77th Annual General Meeting held on 25th June 2024

- Mr. C N Wijewardane, who retired in terms of Article 83 of the Articles of Association of the Company was re-elected as a Director of the Company

- Mr. A Z Hashim, who retired in terms of Article 83 of the Articles of Association of the Company was re-elected as a Director of the Company

- Ernst & Young (E&Y) was re-appointed as the External Auditors of the Company and the Directors were authorised to determine the remuneration of E&Y

Appointments and Retirements in 2024/25

1. Ms. K D Weerasinghe, Non-Independent Non-Executive Director, retired from the Board with effect from 30 June 2024.

2. Mr. N W R Wijewantha was appointed as a Non-Independent Non-Executive Director to the Board with effect from 1 July 2024

3. Mr. P D Samarasinghe was appointed as an Independent Non-Executive Director to the Board with effect from 1 January 2025.

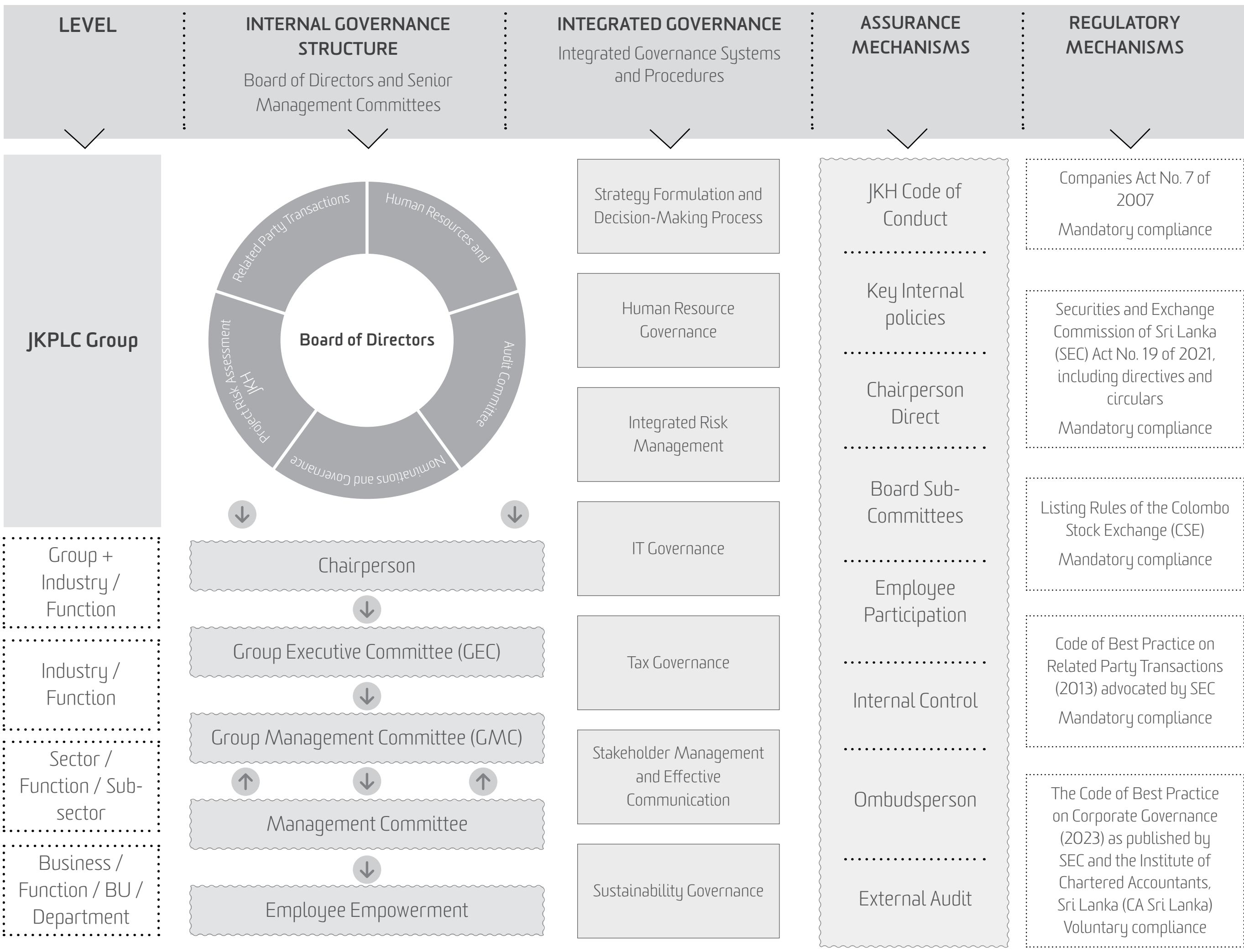
1.6 Compliance Summary

Mandatory Regulatory Frameworks – fully compliant
The Companies Act No. 7 of 2007 including applicable regulations
Listing Rules of the Colombo Stock Exchange (CSE), including circulars
Securities and Exchange Commission of Sri Lanka (SEC) Act No. 19 of 2021, including rules, regulations, directives and circulars
Code of Best Practices on Related Party Transactions (2013) advocated by the SEC
Voluntary Frameworks and Standards
Code of Best Practice on Corporate Governance (2023) issued by CA Sri Lanka – compliant to the extent of business exigency and as required by the Group*
Code of Best Practice on Corporate Governance (2017) issued by CA Sri Lanka – compliant to the extent of business exigency and as required by the Group
Reporting Frameworks
International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC)
Global Reporting Initiative Standards
Internal Mechanisms
Articles of Association
Board Charter and Board Sub-Committee Charters
Internal Policies which includes the code of conduct

1.7 Corporate Governance Commentary – navigation of contents

Disclosures

2 THE CORPORATE GOVERNANCE SYSTEM



Corporate Governance

3. INTERNAL GOVERNANCE STRUCTURE

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

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

3.1 Board of Directors

3.1.1 Board Oversight and Delegation of Authority

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

Board oversight involves the continual inquiry by Directors into whether the Board's delegation of authority to management is reasonable, and whether the Board has received sufficient and accurate information from management to make that determination. Typical areas of oversight include strategic initiatives, portfolio decisions, financial performance, the integrity of financial statements, accounting and financial reporting processes, risk management, governance and compliance, and ESG matters.

The Group's governance framework ensures that Directors are well positioned to satisfy their oversight responsibility through periodic assessment of Board agenda priorities and the related structures, processes, and controls that are in place to ensure that the Board is well informed on a timely basis of matters requiring attention. Appropriate and sufficiently detailed reports are furnished at regular intervals in a form, timeframe and quality that enables the Board to discharge its duties effectively.

3.1.2 Board Responsibilities and Duties

In carrying out its responsibilities, the Board promotes a culture of openness, productive dialogue and constructive dissent, ensuring an environment which facilitates employee empowerment and engagement, while creating value for all stakeholders.

The Board's key responsibilities include:

- Providing direction and guidance to the Group in the formulation of sustainable, high level, medium, and long term strategies which are aimed at promoting the long term success of the Group.
- Reviewing and approving annual plans and long term business plans.
- Tracking actual progress against plans.
- Conducting business with an awareness on ESG factors and embedding these principles into the Group's operations, decision-making processes, and broader strategies.
- An Extraordinary General Meeting took place on 25 June 2024, during which the Articles of Association were amended to incorporate the requirements outlined in Section 9.9 of the revised Listing Rules of the CSE regarding Alternate Directors
- Reviewing HR processes with emphasis on top management succession planning, including the diversity, equity and inclusion (DE&I) strategy.
- Ensuring operations are carried within the scope of the Enterprise Risk Management framework.
- Appointing and reviewing the performance of the CEO
- Ensuring compliance with laws, regulations and ethical standards and monitoring systems of governance and compliance, including concerns on ethics, bribery and corruption.
- Overseeing systems of internal control, risk management and establishing whistleblowing conduits.
- Determining any changes to the discretions/authorities delegated from the Board to the executive levels.
- Reviewing and approving major acquisitions, disposals and capital expenditure.
- Approving any amendments to constitutional documents.
- Ensuring all related party transactions are compliant with statutory obligations.
- Ensuring that the Group's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations.
- Ensuring all stakeholder interests are considered in corporate decisions.
- Ensuring sustainable business development in corporate strategy decisions and activities.
- Fulfilling such other Board functions as are vital, given the scale, nature and complexity of the business concerned.

3.1.3 Board Composition

The Composition of the Board is governed by the Listing rules set out by the Colombo Stock Exchange and the Articles of Association of the Company.

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

The Board of JKPLC consisted of Eight Directors as of 31 March 2025. All the Directors are Non-Executive Directors and four of them are Independent Directors. The Board is diverse in its experience, expertise and age, contributing varied perspectives to boardroom deliberations whilst exercising independent judgement to bear on all matters.

Brief profiles of the eight Board members are given on pages 56 to 57 of this report. In compliance with section 9.9 of the Listing Rules relating to alternate Directors, Articles of Association of the Company were amended during the review period. However, no alternate Directors were appointed during the period under review.

As per sections 9.8.1 and 9.8.2 of the Corporate Governance Rules, the Board composition should consist of five Directors, one-third (1/3) of whom should be independent Directors of the Listed Entity. The Company is compliant with the above requirements.

The following illustrates the composition, personal attributes of the Directors and the positions held in JKPLC subcommittees

Name of Director	Executive (ED)/ Non-Executive Director (NED)	Independent (ID)/Non-Independent Director (NID)	Year of Appointment	Age (As at 31 March 2025	Meeting Attendance	Board Sub-Committee Membership (as at 31 March 2025)				Tenure on the Board (Years)
					Eligible to attend/ Attended	BAC	HRCC	NGC	RPTRC	
Mr. K. N. J. Balendra (Chairperson)	NED	NID	2017/18	51	4/4			M		7
Mr. J. G. A. Cooray	NED	NID	2017/18	48	4/4		M			7
Mr. A. Z. Hashim	NED	NID	2020/21	50	4/4					4
Ms K D Weerasinghe*	NED	NID	2020/21	58	1/1					3
Mr. N. W. R Wijewantha**	NED	NID	2024/25	52	3/3					9 months
Mr. C. N. Wijewardene	NED	ID	2016/17	66	4/4	M	M	C	M	8
Ms. A. K. Gunawardhana	NED	ID	2016/17	55	4/4	M	C		M	8
Ms. B. A. I. Rajakarier	NED	ID	2016/17	58	4/4	C		M	C	8
Mr. P D Samarasinghe***	NED	ID	2024/25	58	1/1	M			M	3 months

C – Chair M – Member

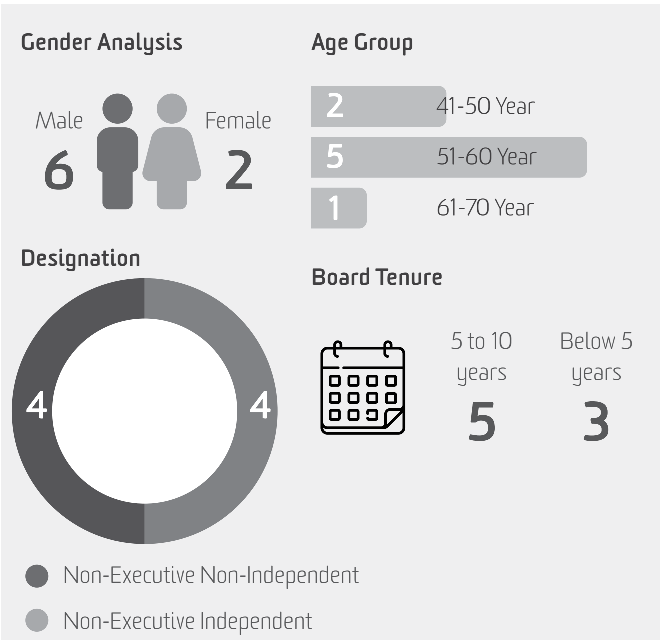
BAC - Board Audit Committee

HRCC - Human Resources and Compensation Committee

NGC - Nominations and Governance Committee

RPTRC - Related Party Transactions Review Committee

PRAC - Project Risk Assessment Committee



*Retired with effect from 30 June 2024

**Appointed to the Board with effect from 1 July 2024

***Appointed to the Board with effect from 1 January 2025

3.1.4 Board Skills

The Group is conscious of the need to maintain an appropriate mix of skills and experience in the Board through an annual review of its composition in order to ensure Board balance, diversity and appropriate levels of relevant skills and expertise aligned with the current and future needs of the Group. Collectively, the Board brings in a multi-dimensional wealth of diverse exposure and expertise in their respective fields. Further details of their qualifications and experience are provided under the Board of Directors section on pages 56 - 57 of this Annual Report

3.1.5 Board Access to Independent Professional Advice

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

Corporate Governance

3.1.6 Board Appointment

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

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

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

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

The Group has implemented requisite measures to ensure that the Directors and the CEO consistently meet the fit and proper criteria stipulated in Section 9.7 of the Listing Rules. The Nominations and Governance Committee evaluates the fulfilment of the fit and proper criteria outlined in the Listing Rules prior to presenting nominations at the shareholders' meeting or making appointments. Additionally, annual declarations from the Directors and CEO are obtained, confirming that each individual has consistently met the fit and proper assessment criteria outlined in these Rules throughout the relevant financial year and continues to meet the criteria as of the date of such confirmation and any non-compliances shall be disclosed.

The Terms of Reference for the members of the Nominations and Governance Committee, and the Committee report can be found in the Nominations and Governance Committee section of this report. - page 75

3.1.7 Board Induction and Training

Newly appointed Directors of the Board undergo a comprehensive induction where they are appraised, inter-alia, of the Group values and culture, its operating model, policies, governance framework and processes, the Code of Conduct (which includes anti-corruption and anti-bribery) and the operational, environmental and social strategies of the Group. Additionally, the newly appointed Directors are granted access to relevant parts of the business and are given the opportunity to meet with key management personnel and other key third party service providers such as External Auditors and Consultants, as required.

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

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

The Chairperson ensures that the Board and the Nominations and Governance Committee is informed of significant developments in applicable laws, rules, regulations and corporate governance practices, including any impacts to the Group, including ensuring that the senior management reports on the Group's compliance with applicable laws, rules and regulations.

3.1.8 Re- Election

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

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

In terms of the Articles of Association, one third of the Non-Executive Directors, except for the Chairperson, are eligible for re-election at the Annual General Meeting by the shareholders. Annually, the Board discusses the possibility of any impairment of Director independence and collectively evaluates the independence of such Board members.

3.1.9 Board Meetings

3.1.9.1 Regularity of Meetings and Pre-Board Meetings

The Board meetings are usually held quarterly, unless business necessities demand the convening of additional meetings. Directors are required to attend a minimum two (2) or fifty (50%) of the meetings held during the financial year, whichever is higher, unless otherwise excused by the Board. Board and Committee members may also attend via audiovisual means, and such participation will be formally recorded as attendance.

The Board is well engaged and dedicates adequate time and effort for addressing Company matters. The Board also conducts discussions on specific subjects relevant to the business such as budgets. Board meetings always welcome free exchange of views by the Directors, bringing their experience and independent judgement to bear upon the issues and decisions at hand.

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

During the year 2024/25, the Board met on four occasions. The agenda and the Board papers are generally shared seven days prior to the meeting, allowing sufficient time for review of the same.

3.1.9.2 Timely Supply of Information

The Directors were provided with the necessary information, well in advance, by way of electronic Board papers and proposals, as relevant, for all Board meetings held during the year, in addition to the monthly and quarterly information submitted pertaining to the Group, in order to ensure robust discussion, informed deliberation and effective decision-making.

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

3.1.9.3 Board Agenda

The Chairperson ensured that all Board proceedings were conducted smoothly and efficiently, approving the agenda for each meeting prepared by the Board Secretary. The typical Board agenda in 2024/25 entailed, discussion of matters arising from the previous minutes of the Board, minutes submission of Board Sub-Committee reports, of the Board Audit Committee meeting review of performance, strategy formulation, approval of quarterly and annual financial statements, review of risk, sustainability and corporate social responsibility related aspects, ratification of capital expenditure, ratification of Circular Resolutions and use of Common Seal, among others. Added emphasis was also placed on business performance in lieu of the challenges stemming from the macroeconomic volatilities and uncertainties.

The attendance of Board meetings in 2024/25 is given below

Name	Year of appointment	30.04.2024	26.07.2024	30.10.2024	28.01.2025	Eligibility	Attended
Non-Independent Non-Executive Director							
Mr. K. N. J. Balendra (Chairperson)	2017/18	✓	✓	✓	✓	4	4
Mr. J. G. A. Cooray	2017/18	✓	✓	✓	✓	4	4
Mr. A. Z. Hashim	2020/21	✓	✓	✓	✓	4	4
Ms. K D Weerasinghe*	2020/21	✓	N/A	N/A	N/A	1	1
Mr. N. W. R Wijewantha**	2024/25	N/A	✓	✓	✓	3	3
Independent Non-Executive Director							
Mr. C. N. Wijewardene	2016/17	✓	✓	✓	✓	4	4
Ms. A. K. Gunawardhana	2016/17	✓	✓	✓	✓	4	4
Ms. B. A. I. Rajakarier	2016/17	✓	✓	✓	✓	4	4
Mr. P D Samarasinghe***	2024/25	N/A	N/A	N/A	✓	1	1

* Retired w.e.f 30 June 2024
**Appointed w.e.f 01 July 2024
***Appointed w.e.f 01 January 2025

3.1.10 Board Secretary

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

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

3.1.11 Time Dedicated by Non-Executive Directors

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

3.1.12 Board Evaluation

The Board conducted its annual Board performance appraisal for the financial year 2024/25. The Chairperson evaluates the performance of the Board annually under the oversight of the Nominations and Governance Committee. while the Chairperson of the Board Audit Committee, who is a NED/ID evaluates the effectiveness of the Board Audit Committee.

Corporate Governance

There is a formalised process of self appraisal which enables each member to self appraise on an anonymous basis, the performance of the Board, using a very detailed checklist / questionnaire covering areas such as;

- Role clarity and effective discharge of responsibilities
- People mix, balance and structure
- Systems and procedures
- Quality of participation
- Board and corporate image and reputation

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

3.1.13 Ensuring Independence and Managing Conflicts of Interests

As at 26 May 2025, the Board comprised of eight Directors, with four of them being Independent Non-Executive Directors, ensuring a strong element of independence on the Board. The Group takes necessary steps to ensure that Directors avoid situations in which they have, or could have, a direct or indirect interest which conflicts with, or might possibly conflict, with the interests of the Group.

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

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

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

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

Criteria for defining independence		Status of conformity of NEDs
1.	Shareholding carrying not less than 10% of voting rights.	None of the individual NED/IDs' None of the Directors hold shares in the Company.
2.	Director of another company*.	None of the NED/IDs are Directors of another related party company.
3.	Income/non-cash benefit equivalent to 20% of the Director's annual income excluding income/non-cash benefits received which are applicable on a uniform basis to all non-executive Directors on the Board.	NED/ID income/cash benefits are less than 20% of an individual Director's annual income.

Criteria for defining independence		Status of conformity of NEDs
4.	Employment at JKPLC and/or material business relationship with JKPLC, currently or in the three years immediately preceding appointment as a Director.	None of the NED/IDs are employed or have been employed at JKPLC.
5.	Close family member is a Director, Chief Executive Officer (CEO) or a Key Management Personnel.	No family member of the NED/ IDs is a Director or CEO or a Key Management Personnel of a related party company.
6.	Has served on the Board continuously for a period exceeding nine years from the date of the first appointment.	All NEDs satisfied this criteria for the year 2024/25
7.	Is employed, is a Director, has a material business relationship and/or significant shareholding in other companies*. Entails other companies that have significant shareholding in JKPLC and/or JKPLC has a business connection with.	None of the NED/IDs are employed, are Directors, or have a material business relationship or a significant shareholding of another related party company as defined.
8.	Is below 70 years of age, unless Nominations and Governance Committee recommends the appointment, The Board of Directors approves the recommendation and Board approval is affirmed by passing a resolution through majority vote of public shareholders at a General Meeting.	None of the Directors are above the age of 70.

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

Amendment to Section 9.8.3 (ix) of the Listing Rules of the CSE

With effect from 1 March 2025, CSE amended the listing rule 9.8.3 (ix) relating to a Director losing his/her independence after reaching the age of 70 years. As per the amended rule, a Director above 70 years may be considered independent if:

1. The Nominations and Governance Committee recommends the appointment, providing justification and rationale.
2. The Board of Directors approves the recommendation.
3. The recommendation and Board approval are affirmed by passing a resolution through majority vote of public shareholders at a General Meeting.

The existing Directors above 70 years may continue as Independent Directors if the entity complies with these conditions at the next General Meeting, held within 12 months of the rule's adoption. The approval process for Directors over 70 years to be considered independent must be repeated at each Annual General Meeting.

3.1.13.1 Details in Respect of Director

Subject to applicable Law, Directors of the Company shall hold no more than fifteen (15) directorships in listed companies. The following table illustrates the total number of Board seats held and employed as key management personnel in other companies by each Director

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

Corporate Governance

Name of Director	Board Seats Held and employed as Key Management Personnel in Other Listed Sri Lankan Companies			No. of Board Seats Held in Other Unlisted Sri Lankan Companies
	Executive Capacity	Non-Executive Capacity	Key Management Personnel	
Mr. J. G. A. Cooray	John Keells Holdings PLC	Asian Hotels and Properties PLC Ceylon Cold Stores PLC John Keells Hotels PLC Keells Food Products PLC Trans Asia Hotels PLC Tea Smallholder Factories PLC	-	Director of several unlisted companies in the John Keells Group.
Mr. A. Z. Hashim	-	Tea Smallholder Factories PLC	-	Director of several unlisted companies in the John Keells Group.
Mr. N. W. R Wijewantha	-	-	-	Director of several unlisted companies in the John Keells Group.
Mr. C. N. Wijewardene	-	-	-	-
Ms. A. K. Gunawardhana	-	-	-	Corporate Holdings Pvt Limited Jacey and Company Jacey Trust Services (pvt) Ltd Jacey advisory services (pvt) ltd Jacey & Company Lanka (Pvt) Ltd G S Investment (Pvt) Ltd S V Investments Pvt Ltd A S Investment (Pvt) Ltd S S Investment (Pvt) Ltd G T Investment (Pvt) Ltd M B Investment (Pvt) Ltd G J Investment (Pvt) Ltd S A Investment (Pvt) Ltd S T Investment (Pvt) Ltd V P Investment (Pvt) Ltd Brand Protection Services (Pvt) Ltd
Ms. B. A. I. Rajakarier	-	-	-	She Consultants (Pvt) Ltd Sri Lanka Institute of Directors (Pvt) Ltd
Mr. P D Samarasinghe	Overseas Realty (Ceylon) PLC	Swadeshi Industrial Works PLC Peoples Leasing and Finance PLC Keells Food Products PLC	-	Hotel Developers (Lanka) Limited Mireka Capital Land (Pvt) Ltd Mireka Homes (Pvt) Ltd Havelock City (Pvt) Ltd Realty Management Services (Pvt) Ltd Overseas Realty Trading (Pvt) Ltd The Employers Federation of Ceylon Mireka Seascapes (Pvt) Ltd

Refer Board of Directors section for other appointments held in trade associations, regulatory bodies, among others.

Directors' Shareholdings

Name of Director	Number of shares	
	31st March 2025	31st March 2024
Mr. K. N. J Balendra	Nil	Nil
Mr. J.G.A. Cooray	Nil	Nil
Ms. A.K. Gunawardhana	Nil	Nil
Mr. C.N. Wijewardane	Nil	Nil
Ms. B.A.I. Rajakarier	Nil	Nil
Ms. K. D. Weerasinghe*	N/A	Nil
Mr. A.Z. Hashim	Nil	Nil
Mr. N.W.R. Wijewantha **	Nil	N/A
Mr. P. D. Samarasinghe ***	Nil	N/A

* Retired with effect from 30 June 2024
** Appointed with effect from 01.07.2024
***Appointed with effect from 01.01.2025
****Includes shareholding of spouse.

3.1.14 Director Remuneration

The Company has adopted a remuneration policy and established a formal and transparent procedure for the determination of remuneration of individual Directors. No Director is involved in deciding his or her own remuneration. Human Resources and Compensation Committee (HRCC), ensures that the Company maintains fair, appropriate and competitive remuneration practices that align with the remuneration practices, benefit plans, strategies and performance objectives, whilst taking into consideration other stakeholder interests.

Due care is taken to ensure that the remuneration paid to Board members is commensurate with their skills, knowledge, competencies and involvement in Board activities. Director remuneration is determined in reference to that of other comparable companies and additional fees are paid to Directors for either chairing or being a member of a Board Sub-Committee. Such remuneration is reviewed and adjusted as deemed necessary in keeping with the complexity of the business of the Company. Director fees for nominee Directors of John Keells Holdings PLC are paid to John Keells Holdings PLC and not to individual Directors.

NEDs are not eligible to participate in any Employee Stock Ownership Plans (ESOPs) offered by the John Keells Group and do not receive any performance or incentive payments. The fees for NEDs are not contingent on the time spent or defined by a maximum/minimum number of hours committed to the Group per annum, and therefore, there are no Compensation for Early Termination.

3.1.14.1 Non-Executive Director Remuneration

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

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

The total aggregate of Non-Executive Director remuneration for the year was Rs.8.6 million.

[FY 2023/2024 - Rs. 7.5Mn]

3.1.14.2 Compensation for Early Termination

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

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

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

3.2 Board Sub-Committees

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

Corporate Governance

The Board Sub-Committees are as follows:

Board Sub Committee	Key areas of Oversight	Detailed Information and Committee Report
Board Audit Committee (BAC)	• Financial reporting • Internal controls & Risk management. • Internal & External Audits.	Report of the BAC on pages 69 to 72
Nominations and Governance Committee (NGC)	• Appointment of Key Management Personnel. Effectiveness of the Board and its Committees. • Lead the process of Board appointments, Board inductions and make recommendations to the Board in respect of all new Board appointments and re-elections/re-appointments. • Review and update the Board on Corporate Governance, Listing Rules, Securities market regulation and other applicable laws and regulations.	Report of the NGC on pages 75 to 77
Related Party Transactions Review Committee (RPTRC)	Disclosure and review of Related Party Transactions.	Report of RPTRC on pages 78 to 80
Human Resources and Compensation Committee (HRCC)	• Review remuneration policy. • Succession planning of Key Management Personnel. • Review and recommend performance-based payment plans.	Report of the HRCC on pages 73 to 74
Project Risk Assessment Committee (PRAC)	• Review and assess large scale investments and projects. • Evaluate project risks.	Report of the PRAC on page 81

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

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

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

In line with the recent amendments to the Listing Rules of the Colombo Stock Exchange ("CSE") the Company constituted its own Nominations and Governance Committee, Human Resources and Compensation Committee, Related Party Transactions Review Committee from 1 October 2024, replacing the previous arrangement of sharing the Nominations Committee, Human Resources and Compensation Committee and Related Party Transaction Review Committee of the Parent Company, John Keells Holdings PLC (JKH) which acted on behalf of the Company until 30 September 2024.

Board Sub-Committee membership as at 26 May 2025	Board Audit Committee	Human Resources and Compensation Committee	Nominations and Governance Committee	Related Party Transactions Review Committee
Independent Non-Executive				
Ms. B A I Rajakarier	√	-	√	√
Ms. A K Gunawardhana	√	√		√
Mr. C N Wijewardane	√	√	√	√
Mr. P D Samarasinghe - W.e.f 1st January 2025	√	-	-	√
Non Independent Non Executive				
Mr. K. Balendra – Chairperson	-	-	√	-
Mr. G. Cooray	-	√	-	-

3.2.1 Board Audit Committee (BAC)

Composition	Scope
• Comprised of a minimum of three (03) directors out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors. • The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors. • An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors. The Chairperson of the Audit Committee shall be a Member of a recognized professional accounting body.	• Overseeing the preparation, presentation and review of the quarterly and annual financial statements, including the quality, transparency, integrity, accuracy and compliance with accounting standards, laws and regulations, prior to tabling the same for the approval of the Board of Directors. • Obtain and review assurance received from the CEO, CFO and other Key Management Personnel, as relevant that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's and Group's operations and finances. • Review the adequacy and effectiveness of internal and external audit arrangements. • Evaluate the competence and effectiveness of the risk management systems and internal controls of the Group and ensure robustness and effectiveness in monitoring and controlling risks, as recommended by the internal auditors. • Review the adequacy and effectiveness of the internal and external audit arrangements. • Recommend the appointment, re-appointment and removal of the External Auditor including their remuneration and terms of engagement by assessing qualifications, expertise, resources and independence.

Report of the Board Audit Committee (BAC)

Introduction

The Audit Committee presents this report as part of its oversight responsibility regarding the financial reporting process of the Company for the financial year 2024/25. This report aims to provide stakeholders with insights into the effectiveness of internal controls, risk management, and the integrity of financial reporting.

Role of the Board Audit Committee

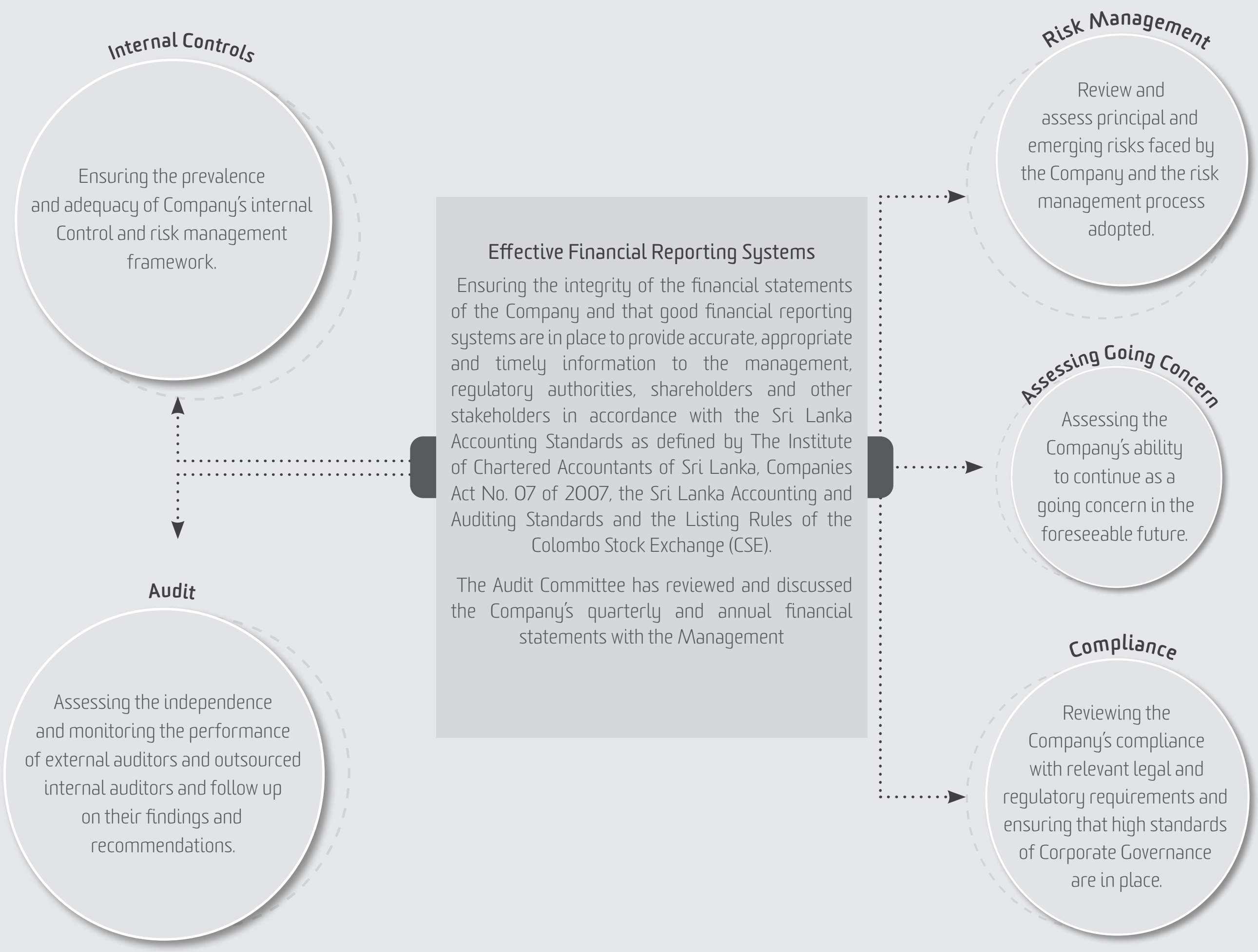
The Audit Committee supports the Board in discharging its oversight responsibilities with respect to the integrity of the Company's and its subsidiaries' financial statements, the effectiveness of the internal control and risk management frameworks, and compliance with applicable legal and regulatory requirements.

The Committee also evaluates the suitability, performance, and independence of the External Auditors, as well as the adequacy and effectiveness of the Internal Audit function, which is carried out by the Group Business Process Review division (Group BPR). The Committee's scope of duties and responsibilities is clearly defined in its Terms of Reference, which is approved by the Board and reviewed on an annual basis.

The Audit Committee Charter clearly defines the terms of reference of the Committee and regulates its composition, role and responsibilities. The Audit Committee Charter is periodically reviewed and revised with the concurrence of the Board of Directors to ensure that new developments relating to the function of the Committee are adopted.

Corporate Governance

Key Responsibilities of the Board Audit Committee



Composition of the Board Audit Committee

The Board Audit Committee is appointed by and accountable to the Board of Directors and is formally constituted as a Sub Committee of the Board in accordance with the Listing Rules of the CSE. Its members possess a diverse range of expertise and experience necessary to fulfill their responsibilities and their detailed profiles can be found on pages 56 to 57 of this report.

Name of Director	
Ms. B A I Rajakarier (Chairperson)	Independent Non-executive director
Ms. A K Gunawardhana	
Mr. C N Wijewardane	
Mr. P D Samarasinghe - W.e.f 1st January 2025	

The Chief Financial Officer of the Plantation Services Sector of the John Keells Group serves as the Secretary to the Committee.

Meetings of the Board Audit Committee

The Committee convened four times during the fiscal year 2024/2025 and the attendance of the committee members at these meetings are detailed below. Invitations are extended to the Chief Executive Officer, the Head of Operations, the Finance Manager of the Company, the Sector Financial Controller and the Head of Group Business Process Review at John Keells Holdings PLC (JKH), to attend meetings. Other officials are invited to attend on a need basis. External auditors and outsourced internal auditors also attend meetings upon invitation as needed.

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

Name of Director	Nature of directorship	Date of appointment	17.05.2024	25.07.2024	29.10.2024	27.01.2025	Attendance
Ms. B. A. I. Rajakarier (Chairperson)	ID/ NED	29.06.2016	√	√	-	√	3/4
Ms. A. K. Gunawardhana	ID/ NED	29.06.2016	√	√	√	√	4/4
Mr. C. N. Wijewardane	ID/ NED	29.06.2016	√	-	√	√	3/4
Mr. P. D Samarasinghe	ID/ NED	01.01.2025	N/A	N/A	N/A	√	1/1

Summary of Activities of the Audit Committee during the Financial Year Financial Reporting

- The Committee reviewed the financial reporting process used in the preparation of quarterly and annual financial statements, ensuring the reliability of processes and the consistency of the accounting policies and methods adopted in accordance with Sri Lanka Accounting Standards.
- Subsequently, the Committee endorsed the Annual and the Quarterly Financial Statements to the Board for consideration and approval. Furthermore, in evaluating the financial reporting system, the Committee acknowledged the sufficiency and quality of routine management information reports provided to its members.
- Assessed the adequacy of the internal controls and procedures, to obtain reasonable assurance that the financial reporting system is effective in providing reliable and timely information.
- The Committee is satisfied that all relevant matters have been considered in the preparation of the financial statements through discussion with management regarding the operations of the company both during the financial year and its outlook.
- The Committee continues to monitor compliance in accordance with the Sri Lanka Financial Reporting Standards of the Institute of Chartered Accountants of Sri Lanka, Companies Act No. 7 of 2007, Sri Lanka Accounting and Auditing Standards and the Listing Rules of the Colombo Stock Exchange.

Internal Audit

- The Committee monitors the effectiveness of the Internal Audit function and is responsible for recommending to the Board their appointment or removal, and for ensuring they are adequately resourced to conduct audits.
- Monitored and reviewed the scope, extent, methodology, and effectiveness of the Internal Audit function. The scope was designed based on a fraud deterrent framework, which was implemented across the JKH Group by the Group Business Process Review (GBPR).
- Met the Internal Auditors without the presence of Key Management Personnel during the year.

External Audit

- The Committee along with the external auditors and the management, reviewed and approved the external auditor's work plan and resources and agreed on various key areas of focus prior to the commencement of the audit.
- The external auditor updated the committee on an on-going basis regarding any unresolved matters of significance.
- The Committee met with the external auditors prior to the conclusion of the audit, discussed all audit issues and agreed on their treatment. The Committee also met the external auditors, without the management present, prior to the finalisation of the financial statements.
- A declaration has been submitted by Messrs. Ernst & Young to the Committee, confirming the compliance on its independence criteria as required by the Companies Act No.07 of 2007 and the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka. The Committee is satisfied that the independence and objectivity of the external auditors are safeguarded and has not been impaired by any event or service that gives rise to a conflict of interest. The assigned audit and non-audit work were reviewed by the Committee and due consideration has been given to the level of audit and non-audit fees received by the external auditors.
- The Company's senior management conducted a structured assessment to appraise the performance of the External Auditors. Based on this evaluation, the Committee has recommended to the Board of Directors the re-appointment of Messrs. Ernst & Young as Auditors for the fiscal year ending March 31, 2026, pending approval by shareholders at the upcoming Annual General Meeting.

Corporate Governance

Ethics and Good Governance

The Committee continuously emphasises the importance of upholding ethical values by all staff members. The Code of Ethics and Whistleblower Charter ensures all members of staff are encouraged to resort to Whistleblowing if they suspect wrongdoings or other improprieties.

The Committee reviewed the whistle-blowing arrangements for the Company during the year. Following this review, the necessary changes were incorporated into the policy, which was subsequently re-introduced as the "Speak Up Policy" to the Group. All appropriate procedures are in place to conduct independent investigations into incidents reported through Speak Up Policy or identified through other means. The Speak Up Policy guarantees strict confidentiality of the identity of Whistleblowers. There were no incidents reported during the financial year 2024/2025.

Evaluation of the Committee

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

Compliance of the Board Audit Committee

The Committee, with the assistance of the Internal Auditors, External Auditors closely scrutinises compliance with mandatory statutory requirements, reviewing the alignment of the systems and procedures in place to ensure compliance with such requirements.

Formal confirmations and assurances were obtained from the senior management of the companies on a quarterly basis regarding the efficacy and status of the internal control systems and risk management systems and compliance with applicable laws and regulations.

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

Conclusion

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

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

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

B A I Rajakarier
Chairperson of the Board Audit Committee

26 May 2025

3.2.2 Human Resources and Compensation Committee

Composition	Scope
• The Committee comprises majority of Independent Non-Executive Directors and is not comprised of Executive Directors. • The Chairperson of the Committee must be an Independent Non-Executive Director. • The CEO is invited to all Committee meetings unless the remuneration of the CEO is under discussion. • Keells Consultants Pvt Ltd acts as the Secretary to the Committee.	• Adhere to the compensation and benefit policies, plans and programs of the Company, to ensure that the Company maintains fair, appropriate and competitive remuneration practices that align with the JKH Group's remuneration practices, benefit plans, strategies and performance objectives, whilst taking into consideration other stakeholder interests. • Ratify the performance appraisals of the KMPs of the Company, as deliberated and approved by the JKH Group Career Committee (comprising of the Chairperson-CEO of JKH and the Group Executive Committee) of the ultimate parent company, John Keells Holdings PLC (JKH). • Review and monitor the performance of the Company's top talent for purposes of organisational growth and succession planning, with particular emphasis on succession at KMP levels

Attendance and composition

The composition of the Committee as at 31 March 2025 along with the attendance of the members at Committee meetings respectively, is provided below.

31 March 2025:

The Committee met on one occasion after 1 October 2024.

Members	Nature of directorship	Date of appointment to the Committee	Date of the meeting 1.10.2024
Ms A K Gunawardhana (Chairperson)	NI/NED	01.10.2024	√
Mr C N Wijewardene	NI/NED	01.10.2024	√
Mr J G A Cooray	NI/NED	01.10.2024	√

*The Committee's composition complies with the requirements of Rule 9.11.4 of the Listing Rules of the Colombo Stock Exchange.

30 September 2024 :

Three meetings were held from April 2024 to September 2024

Name	1/7/24	Eligible to Attend	Attended
A. Cabraal	√	1	1
S. Fernando*	N/A	N/A	N/A
H. Wijayasuriya	X	1	-
By Invitation			
S. Coorey	√	1	1
N. Fonseka	√	1	1
M. Jayesinghe	√	1	1
R. Shukla	√	1	1

*Appointed with effect from 1 July 2024

Corporate Governance

Report of the Human Resources and Compensation Committee

The Company established its own Human Resources and Compensation Committee, effective 1 October 2024, in compliance with the revised Listing Rules of the Colombo Stock Exchange on corporate governance. This replaced the previous arrangement of sharing the parent company, John Keells Holdings PLC's Human Resources and Compensation Committee, as permitted under prior rules. The Committee is governed by a Charter (Terms of Reference) that defines its mandate, functions, composition, and practices. The Charter is reviewed periodically to ensure alignment with regulatory requirements and corporate governance best practices, including Section 9.12 of the Listing Rules. The Company Secretary serves as its Secretary.

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

The Chairperson of the Committee updates the Board on pertinent matters during Board meetings, ensuring key developments and relevant issues are addressed. The Committee confirms compliance with the Companies Act No 7 of 2007 regarding Director remuneration and confirms that no Director or key executive participated in decisions regarding their own remuneration. Performance appraisals, along with short-term and long-term incentive calculations for the Executive Directors and key executives, were conducted in line with approved processes and the framework of the John Keells Group. The Committee is satisfied that its functions were carried out effectively in accordance with the Committee Charter.

Ms. A K Gunawardhana
Chairperson of the Human Resources and Compensation Committee

26 May 2025.

3.2.3 Nominations and Governance Committee

Composition	Scope
• Majority of the members of the Committee shall be Independent Non-Executive Directors and is not comprised of Executive Directors. • The Chairperson of the Committee must be an Independent Non-Executive Director • The Secretary to the Committee shall be the Company Secretary of the Company	• To lead the process of Board appointments, Board inductions and to make recommendations to the Board in respect of all new Board appointments, and the re-election/re-appointment of those retiring in terms of the Articles of Association, under contract or applicable law; • To define and establish processes for the nomination and re-appointment/re-election of Independent Non -Executive Director and Non-Independent Non-Executive Directors. • To ensure that there is an acceptable methodology in place to periodically carry out a self-evaluation of the Board, which will be administered by an Independent Director and the outcomes discussed at the Board level. • To review and recommend an overall corporate governance framework in accordance with the Group, considering applicable laws, rules, regulatory requirements and industry/international best practices.

30 September 2024:

Three meetings were held from April 2024 to September 2024

Name	24/04/24	13/05/24	14/06/24	19/06/24	1/8/24
S Coorey	✓	✓	✓	✓	✓
H Wijayasuriya	✓	✓	✓	✓	✓
A Cabraal	✓	✓	✓	✓	✓
K Balendra*	✓	✓	✓	✓	✓

* Resigned with effect from 1 October 2024.

Report of the Nominations and Governance Committee

The Nomination and Governance Committee, appointed by the Board, is constituted in compliance with the Listing Rules and the Company's Corporate Governance framework. Governed by a Charter (Terms of Reference), it defines the Committee's mandate, functions, composition, and operative practices, reviewed annually for alignment with regulatory requirements, including Section 9.11.5 of the Listing Rules and corporate governance best practices voluntarily adopted by the Company. Effective 1 October 2024, the Company established its own Committee, replacing the previous arrangement of utilizing the parent company's Nominations Committee until 30 September 2024. The Company Secretary serves as its Secretary.

The Committee reaffirmed its mandate to:

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

Corporate Governance

Activities During the Year

During the financial year ended 31 March 2025, the Committee undertook the following key activities:

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

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

  - Mr. N W R Wijewantha, Non-Executive Director (new appointment)
  - Mr. P D Samarasinghe, Independent Non-Executive Director (new appointment)

- Ensured that in accordance with Article 83 of the Company's Articles of Association, one-third of the Directors on the Board being subject to retirement by rotation by virtue of being the longest-serving members in office (excluding the Chairperson) retired by rotation at each Annual General Meeting. Additionally, ensured adherence to Article 90, requiring Directors appointed during the year, if any, to retire at the first Annual General Meeting following their appointment.

During the year, the following Directors, retiring under Article 83 and being eligible for re-election, were presented along with their respective profiles, to the shareholders of the Company for re-election at the Annual General Meeting held on 25 June 2024:

  - Mr. C N Wijewardane- Independent Non-Executive Director
  - Mr. A Z Hashim– Non-Independent Non-Executive Director

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

Director Profiles and Information Disclosures

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

Directors retiring at the Annual General Meeting of the Company for the financial year 2024/2025.

The Committee notes that the following Directors will complete their contractual tenure, having served over nine (9) years on the Board of Directors and will retire from the Board of Directors on the date immediately following the date of the Annual General Meeting of the Company.

- Ms. A K Gunawardhana - Independent Non-Executive Director
- Ms. B A I Rajakarier - Independent Non-Executive Director
- Mr. C N Wijewardane - Independent Non-Executive Director

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

Members proposed for re-election and contract renewal	Nature of Directorship	Date of first appointment as a Director	Date of last re-appointment as a Director	Current membership in Board Committees Other principal commitments Any other relationships*
Mr J. G. A. Cooray (Article 83)	Non-Executive Director	1 January 2018	29 June 2023	The details are provided in the Board of Directors and Corporate Governance sections of this Annual Report
Mr. A Z Hashim (Article 83)	Non-Executive Director	1 January 2021	25 June 2024	
Mr. N W R Wijewantha, (Article 90)	Non-Executive Director	1 July 2024	N/A	
Mr. P D Samarasinghe (Article 90)	Independent Non-Executive Director	1 January 2025	N/A	

Board, CEO and Board Committee Evaluations

- The Committee conducted a self-evaluation of its performance for the year and concluded that its functions were carried out effectively in accordance with the Committee Charter.
- All other Committees of the Board underwent similar performance assessments.
- The Board completed an annual self-assessment of its performance for the financial year 2023/24, the outcome of which were discussed between the Board and the Committee.

Reporting

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

Governance Practices and Compliance with Listing Rules

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

Mr. C N Wijewardene
Chairperson of the Nominations and Governance Committee

26 May 2025

Corporate Governance

3.2.4 Related Party Transactions Review Committee

Composition	Scope
• The Chairperson shall be an Independent Non-Executive Director. • Members of the committee should be a combination of Non-Executive Directors and Independent Non- Executive Directors. • The composition may include Executive Directors at the option of the Listed Entity.	To develop, and recommend for adoption by the Board of Directors of the Company and as relevant its listed subsidiaries, a RPT Policy which is consistent with applicable laws, rules and regulations, the Operating Model and delegated decision rights of the John Keells Group and which sets out, amongst others, the following: • Defining relevant requirements and threshold values for the Company in setting a benchmark for RPTs, including those requiring detailed discussion, the approval of the Board and/or annual review. • The guiding principles on which RPTs require prior approval of the Board and which transactions do not require the prior approval of the Board and therefore, can be reviewed retrospectively. • Establishment of the starting base for Recurrent RPTs. • Guidelines which senior management must follow in dealing with Related Parties, including the conformance with Transfer Pricing regulations. • Instances where an immediate market disclosure of the RPT is require • Instances where shareholder approval for the RPT is required. • Formats to be used by the Company and Listed subsidiaries/ companies in presenting the RPT information to the Committee. To provide updates to the Board on any listed subsidiaries/companies on a quarterly basis, of the RPTs pertaining to the Company and where relevant its listed subsidiaries/companies as follows: • Starting Recurrent RPTs. • RPTs during the quarter. • RPTs which were above the thresholds. • Market announcements made in-keeping with the RPT disclosure guidelines.

Report of the Related Party Transactions Review Committee

In line with the recent amendments to the Listing Rules of the Colombo Stock Exchange ("CSE") the Company constituted its own Related Party Transactions Review Committee with effect from 1 October 2024, replacing the previous arrangement of sharing the Related Party Transactions Review Committee of the Parent Company, John Keells Holdings PLC (JKH) which acted on behalf of the Company until 30 September 2024.

Attendance and Composition

The Related party committee comprises of four Directors and all of them are Independent Directors. Please refer to the Board of Directors profiles on pages 56 to 57. Minutes of the RPTRC meetings are regularly reported to the Board. The composition of the Committee as of 31 March 2025 as well as 30 September 2024, along with the attendance of the members at Committee meetings respectively, is provided below

31 March 2025 : Two meetings were held after 1 October 2024.

Members	Nature of Directorship	Date of appointment to the committee	31.10.2024	27.01.2025
Ms. B. A. I. Rajakarier (Chairperson)	ID/NED	01.10.2024	√	√
Ms. A. K. Gunawardhana	ID/NED	01.10.2024	√	√
Mr. P. D. Samarasinghe	ID/NED	01.01.2025	N/A	√

30 September 2024 : Three meetings were held from April 2024 to September 2024

Members	Nature of Directorship	Date of appointment to the committee	30 /01/2024	20/05/2024	29/07/2024
Mr. N. Fonseka*	ID/NED	29.01.2014	√	√	N/A
Mr. M. Jayasinghe (Chairperson)**	ID/NED	01.07.2024	N/A	N/A	√
Mr. A. Cabraal	ID/NED	29.01.2014	√	√	√
Mr. S. Fernando	ID/NED	08.11.2023	√	√	√

* Retired with effect from 1 July 2024.
**Appointed with effect from 1 July 2024.

Objectives and governing policies

To ensure on behalf of the Board of Directors of the Company, that all Related Party Transactions (RPT) of the Company are consistent with the Code of Best Practices on Related Party Transactions issued by the Securities & Exchange Commission of Sri Lanka ("Code"), the Listing Rules of the Colombo Stock Exchange ("Listing Rules") and other applicable laws, rules, regulations, codes of best practice and standards.

The Committee shall ensure that in discharging its functions:

- It is in compliance with the Listing Rules, the Code and other applicable rules and regulations.
- the Company's related party transactions framework is aligned with the John Keells Group's ("Group") policies and procedures.
- Shareholder interests are protected.
- Fairness, integrity and transparency are maintained.

Functions of the Committee

- To develop, and recommend for adoption by the Board of Directors of the Company, an RPT Policy which is consistent with applicable laws, rules and regulations, the Operating Model and delegated decision rights of the John Keells Group and which sets out, amongst others, the following:
- Defining relevant requirements and threshold values for the Company in setting a benchmark for RPTs, including those requiring detailed discussion, the approval of the Board and/or annual review.
- The guiding principles on which RPTs require prior approval of the Board and which transactions do not require the prior approval of the Board and therefore can be reviewed retrospectively.
- Establishment of the starting base for Recurrent RPTs.
- Guidelines which senior management must follow in dealing with Related Parties, including the conformance with Transfer Pricing regulations
- Instances where an immediate market disclosure of the RPT is required.
- Instances where shareholder approval for the RPT is required.
- Formats to be used by the Company in presenting the RPT information to the Committee.
- To provide updates to the Board on a quarterly basis, of the RPTs pertaining to the Company as follows:
- Starting Recurrent RPTs.
- RPTs during the quarter including Non-recurrent RPTs.
- RPTs which were above the thresholds.
- Market announcements made in keeping with the RPT disclosure guidelines.
- The Committee primarily relied on processes that were validated from time to-time, periodic reporting by the relevant entities and Key Management Personnel (KMP), with a view to ensuring that:
- There is compliance with the Code and the Listing Rules of the CSE;
- Protection of Shareholder interests; and
- Maintenance and preservation of fairness and transparency.

Corporate Governance

- The Committee reviewed and pre approved all proposed non-recurrent RPT's of the Company.
- Recurrent RPTs were reviewed annually by the Committee.

Further, in addition to the Directors, all Presidents, Executive Vice Presidents, Chief Executive Officers, Chief Financial Officers and Financial Controllers of respective companies/ sectors of the Group have been designated as KMPs to increase transparency and enhance good governance. Annual disclosures from all KMPs setting out any RPTs they were associated with, if any, were obtained and reviewed by the Committee.

Conclusion

The committee has reviewed the Related Party Transactions during the financial year. During the year no related party transaction has been reported to the Board that has exceeded the limits prescribed in the Listing Rules Section 9. Further, no Director or close family member has any material business relationships with the Company or with other Directors of the Company. The activities and views of the Committee are communicated to the Board of Directors, through verbal briefings and by tabling the minutes of the Committee meetings.

B A I Rajakarier
Chairperson of the Related Party Transactions Review Committee

26 May 2025

3.2.5 Project Risk Assessment Committee

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

Report of the Project Risk Assessment Committee

Attendance and Composition

The composition of the Committee as at 31st March 2025 as well as 30th September 2024, along with the attendance of the members at Committee meetings respectively, is provided below

No of meetings – The committee did not convene during the year.

	Date of Appointment
A. Cabraal*	01/10/2024
H. Wijayasuriya	25/05/2018
K. Balendra	25/05/2018
G. Cooray	25/05/2018

*Appointed with effect from 1 October 2024.

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

During the year under review, the context of Project Risk Assessment was centred primarily on the two landmark investment projects - 'City of Dreams Sri Lanka' and the West Container Terminal. Given the scale and impact of the risks and opportunities associated with the said projects and the near operational status of both projects, the committee and board were of the view that related deliberations should take place with participation of the full Board as regular board agenda items.

While there were no specific new investments during the year which required the approval of the Committee as per the Board agreed financial thresholds, matters pertaining to the operationalisation of the BYD - New Energy Vehicle business were presented to the full Board and duly deliberated.

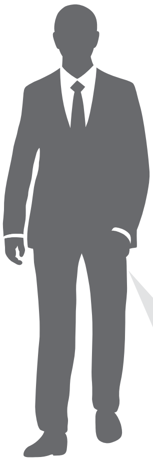
H Wijayasuriya
Chairperson of the Project Risk Assessment Committee

26 May 2025

Corporate Governance

3.3 Role of Chairperson - Chief Executive Officer

The roles of the Chairperson and the Chief Executive Officer are separated, with a Non-Executive Director appointed as the Chairperson to facilitate the balance of power and authority as depicted below.



Chairperson

Role :

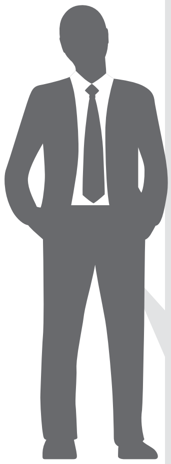
Critical to preserve good Corporate Governance, the Chairperson provides leadership to the Board, preserving order and facilitating the discharge of duties.

Responsibilities :

- Ensuring the effective participation of all Directors at meetings.
- Maintaining open lines of communication with Key Management Personnel.
- Ensuring constructive working relations among the Directors.
- Ensuring with the Board Secretary's assistance, that the Board procedures are followed, and information is disseminated in a timely manner to the Board.

Appraisal

- The Human Resources and Compensation Committee of the parent Company, JKH appraises the performance of the Chairperson on an organisational and individual basis as approved by the Board.



CEO

Role :

Provides executive leadership and expertise in the implementation of plans and achievement of strategic objectives. The CEO is held accountable to the Board for the performance of the Company.

Responsibilities :

- Execution of strategies and policies set by the Board.
- Ensuring efficient management of business.
- Ensuring the operating model is aligned with short and long-term strategies of the Company.
- Succession planning of Senior Management.

Appraisal

- The Board discusses and sets financial and non-financial targets at the beginning of each financial year to be achieved during the year by the CEO and aligned to the short, medium and long-term objectives of the Company. Performance is reviewed at the end of the year against the backdrop of the operating environment, and remuneration is revised based on performance and the Company's Remuneration Policy

3.4 Employee Empowerment

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

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

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

4. INTEGRATED GOVERNANCE SYSTEMS AND PROCEDURES

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

- Strategy formulation and decision- making process
- Human resource governance
- Integrated risk management
- IT governance
- Tax governance
- Stakeholder management and effective communications
- Sustainability governance

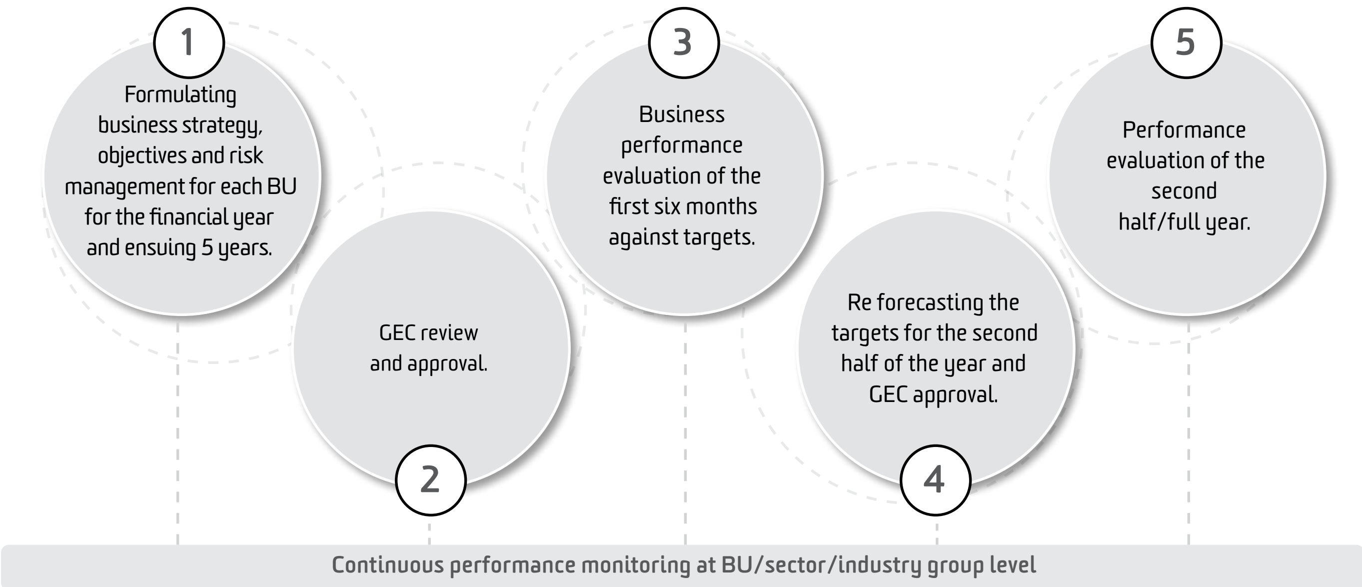
4.1 Strategy formulation and decision making process

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

This exercise entails the following key aspects, among others.

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

Process of Strategy formulation and decision making



4.2 Human Resource Governance

The human resource governance framework is designed in a manner that enables high accessibility by any employee to every level of management. Constant dialogue and facilitation is also maintained, ranging from work related issues to matters pertaining to general interest that could affect employees and their families. The Group follows an open-door policy for its employees which is promoted at all levels. The state-of-the-art cloud based human resource information system (HRIS) manages the entire lifecycle of the employee from onboarding to performance management, succession planning, compensation, learning and development, through to offboarding.

4.2.1 Performance Management

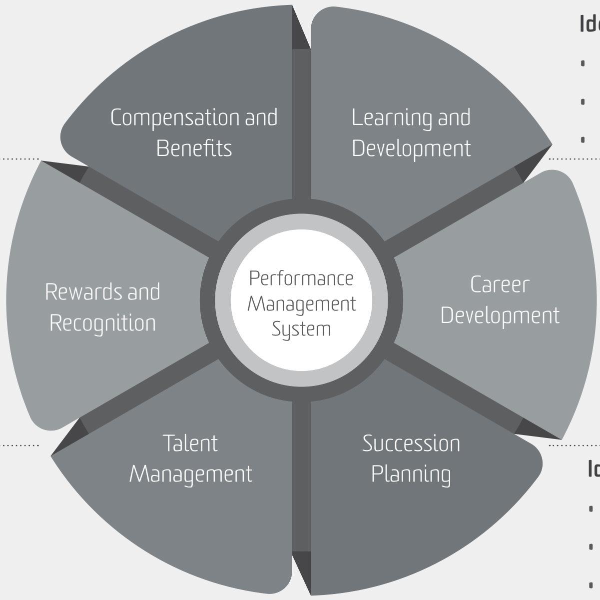
The Performance Management System, as illustrated below, is at the heart of many supporting human resource management processes such as learning and development, competency mapping, career development, succession planning, talent management, rewards/ recognition and compensation/benefits.

Corporate Governance

Identification of:
- Performance rating
- Competency ratings

Identification of:
- Long-term development plans
- Competency-based training needs
- Business focused training needs

Identification of:
- Chairperson's Award
- Employee of the Year
- Champion of the Year



Identification of:
- Promotions
- Inter-company transfers
- Inter-department transfers

Identification of:
- High performers
- High potential

Identification of:
- Jobs at risk
- Suitable successors
- Readiness level of successors
- Development plans
- External recruitments

JKH Success Drivers

In 2023/24, the Group revamped its Competency Framework, which had been in use for over a decade through discussions and workshops, involving a diverse group of internal and external stakeholders at various levels. This effort resulted in the creation of Success Drivers, a refreshed and more relevant set of competencies.

In 2024/25, the Group introduced sector-specific awareness sessions and digital learning initiatives for employees to enhance understanding and encourage the adoption of these Success Drivers within teams. The awareness sessions focused on helping employees develop skills that support both organisational success and personal career growth. The sessions were complemented by targeted communications and training through the Bridge, learning management system, offering access to online courses, articles, and videos to promote continuous professional development. Furthermore, Success Drivers are a key part of the performance management process in 2024/25 and employees are evaluated based on these competencies, with opportunities for development identified as part of the process.

1. Inclusive Leadership
- Inclusivity and diversity
- Collaboration and open communication
- Compassion and empathy
- Coaching and mentoring
- Upholding values

4. Relentless Execution
- Action orientation
- Prioritisation
- Effective time management focus and commitment

7. Entrepreneurial Mindset
- Innovative thinking
- Decisiveness and ownership
- Unwavering commitment
- Prudent risk-taking

2. Connecting The Dots
- Big picture perspective
- Multidisciplinary approach
- Critical thinking
- Value driven approach

5. Emotional Resilience
- Self-control and self-regulation
- Adapting to change
- Bouncing back from adversities
- Positive outlook and growth mindset

8. 360 Stakeholder Commitment
- Passion for all stakeholders
- Building synergies
- Trust and credibility
- Commitment to financial outcomes + ESG

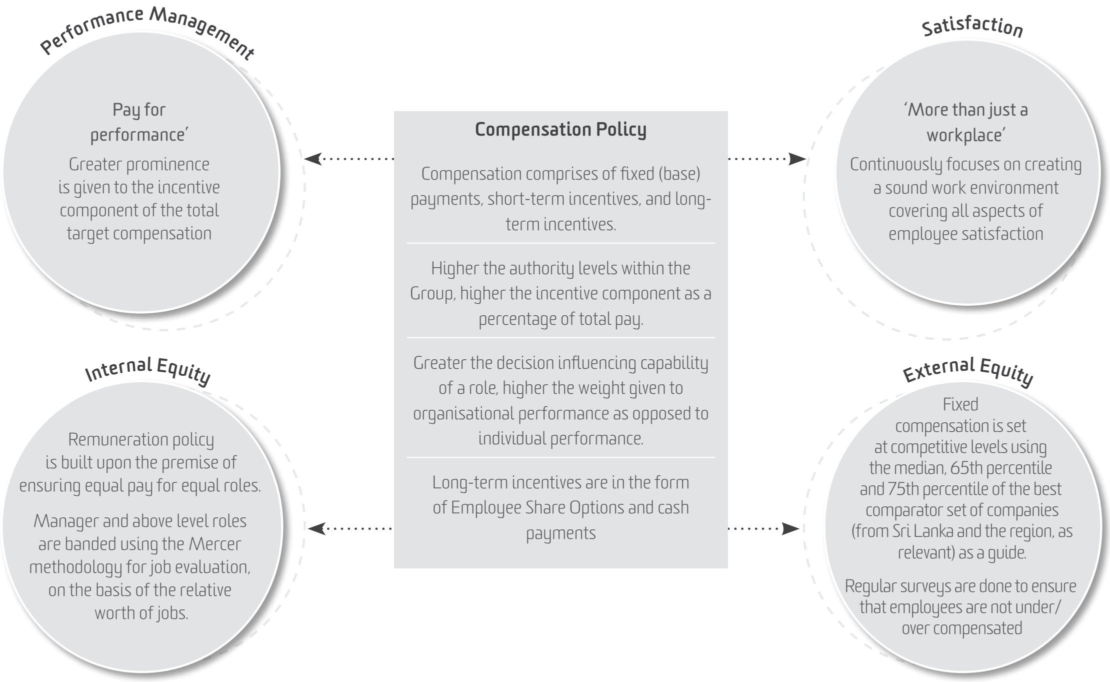
3. Being Agile
- Adapting to change
- Thriving in uncertainty
- Bouncing back from adversities
- Rapid experimentation approach
- Solution-oriented growth mindset

6. Storytelling
- Impactful communication
- Inspiring people
- Creative ways of engagement
- Active listening

9. Corporate Citizenship
- Commitment to ESG
- Ethical practices
- Focus on sustainability

4.2.2 Performance Based Compensation Philosophy

The JKH Group Compensation Policy adopted by the Company is as follows:



4.3 Integrated risk management

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

A detailed overview of the risk management process is outlined on pages 99 to 103 of this report, under the Enterprise Risk Management section.

4.4 Information Technology (IT) Governance

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

4.5 Tax Governance

The JKH Group's tax governance framework and tax strategy is guided by the overarching principles of compliance, transparency and accountability, and acknowledges the Group's duty in fulfilling its tax obligations as per fiscal legislation

The presence of a well-structured tax governance framework ensures the following:

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

4.6 Stakeholder Management and Effective Communication

The key stakeholder management methodologies adopted by the JKPLC Group is discussed under stakeholder relationships on page 18

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

4.6.1 Communication with Shareholders

The Company maintains several communication channels with the shareholders which include the Annual Report, interim financial statements, AGMs, EGMs, announcements to the CSE, press releases, the corporate website, shareholder surveys on a needs basis and through the Company Secretaries.

Corporate Governance

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

Policy on Corporate Disclosures and Relations with Shareholders and Investors

This policy ensure that required information, other than confidential business information, is disclosed to the public, investors, employees, customers, creditors and other relevant stakeholders in a timely, accurate, complete, understandable, convenient and affordable manner, in compliance with the Group's governing framework and listing regulations of the Colombo Stock Exchange (CSE). The policy covers matters related to shareholders and investors of the Group such as disclosures of material information, financial information, Annual Reports, press releases and website management.

Corporate disclosures and relations with shareholders and investors are mainly centrally managed at John Keells Holdings PLC, on behalf of the Group companies.

This Policy is governed by the Company's Board of Directors and is periodically reviewed by the Board to ensure alignment with evolving regulatory changes, best practices and the strategic interests of the Group and its stakeholders.

A mechanism is in place to ensure that Directors are apprised of major issues and concerns of shareholders.

4.6.1.1 Release of Information to the Public and CSE

The Board of Directors, in conjunction with the Audit Committee where applicable, is responsible in ensuring the accuracy and timeliness of published information and in presenting a true and fair view, and balanced assessment of results in the quarterly and annual financial statements. Accordingly, the Company has reported a true and fair view of its financial position and performance for the year ended 31 March 2025 and at the end of each quarter of the financial year 2024/25.

All other material and price sensitive information about the Company is promptly communicated to the CSE. Shareholders may, at any time, direct questions, request for publicly available information and provide comments and suggestions to Directors or Management. Such questions, requests and comments should be addressed to the Company Secretary.

The Group focuses on open communication and fair disclosure, with emphasis on the integrity, timeliness and relevance of the information provided. The Group ensures that information is communicated accurately and in a manner that will avoid the creation or continuation of a false market.

The Group constructively makes use of the AGM towards enhancing relationships with the shareholders and towards this end the following procedures are followed:

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

4.6.1.2 Serious Loss of Capital

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

4.6.1.3 Extraordinary General Meetings, including Shareholder Approval through Special Resolution

The Company will seek shareholder approval, either via special or ordinary resolution as permitted under applicable law, when transactions and events which are material in the context of JKPLC Group and Company occur or are undertaken in line with all applicable rules and regulations.

During the year under review, an amendment to the Articles of Association was done through the passing of a special resolution at an extraordinary general Meeting, to facilitate the revised rules on Alternative Directors.

4.7 Sustainability governance

The JKPLC Group remains steadfast in its commitment to being responsible and conducting operations in a sustainable manner whilst focusing on environmental, social and governance aspects. Sustainable practices remain a strategic priority of the JKPLC Group and this is ensured through embedding into day-to-day operations.

The JKPLC Group's well-established sustainability integration processes and its sustainability management framework works alongside other key functions and management systems such as human resources, health and safety, as well as risk management, internal audit, legal and statutory compliance and corporate social responsibility initiatives. The Sustainability Management Framework is updated on a continuous basis to incorporate changing requirements and updates to the global sustainability landscape.

5. FINANCIAL AND BUSINESS REPORTING

As per the rule 7.5 (a) (i)The Annual Report, shall be prepared in accordance with applicable regulatory requirements and shall include, inter alia, a) Audited Financial Statements which are prepared and published in accordance with the Sri Lanka Accounting Standards, audited in accordance with Sri Lanka Auditing Standards; and b) Disclosures which are prepared and published in accordance with the Sri Lanka Sustainability Disclosure Standards.

6. ASSURANCE MECHANISMS

The assurance mechanisms comprise of the various supervisory, monitoring and benchmarking elements of the JKH Group Corporate Governance System which are used to measure 'actuals' against 'plan' with a view to highlighting deviations, signalling the need for quick corrective action, and quick redress when necessary. These mechanisms also act as safety nets and internal checks in the Governance system. The JKPLC Group also conducts internal and external audits on a periodic basis, annually at minimum. As outlined in the ensuing sections, the JKPLC Group has various mechanisms in place for concerns to be escalated and raised at a Board level.

6.1 Key Internal Policies

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

Key Internal Policies of the JKH Group:

1. Policy on Matters relating to the Board of Directors
2. Policy on Board Committees
3. Policy on Corporate Governance
4. Policy on Nominations and Re-election
5. Policy on Remuneration
6. Policy on Internal Code of Business Conduct and Ethics
    - Code of Conduct, which also includes policies on gifts, entertainment, facilitation payments, proprietary and confidential information, insider trading and conflicts of interest.
    - Supplier Code of Conduct
7. Policy on Enterprise Risk Management
8. Policy on Internal Controls
9. Policy on Corporate Disclosures and Relations with Shareholders and Investors
10. Policy on Environmental, Social and Governance Sustainability (ESG)
11. Policy on Control and Management of Company Assets
12. Policy on Management of Shareholder Investments
13. Policy on Speak Up (Whistleblowing)
14. Policy on Anti-Bribery, Anti-Corruption, Anti-Fraud, Anti-Money Laundering, Anti-Terrorism and Proliferation Financing, and Sanctions
15. Policy on Engagement of the External Auditor to Supply Non-audit Services.

The JKPLC Group's policy commitments available to all employees via the JKPLC Group's employee portal and such policies are made available to the shareholders upon a written request. These policy commitments are approved by the Group Executive Committee with Board oversight. No material changes were done to the Group policies during the reporting period and all the policies were complied with and no waivers from compliance or exemptions for the internal code of conduct and business ethics were granted during the year under review. The Group is in the process of making available all applicable policies in the public domain.

Key initiatives of JKH Group during the year During the year under review, the Group revisited its internal policy universe to ensure adherence with the revised Listing Rules of the CSE. The key developments include:

- While the Group has a Code of Conduct applicable to all Employees, a Policy on the Code of Conduct was introduced to provide a structured framework to govern ethical business practices and professional behaviour.
- A Policy on Environmental, Social and Governance (ESG) was newly developed.
- A Policy on Relations with Shareholders and Investors was introduced, and while the Group already had relevant processes in places for the same, this Policy ensures alignment with the Listing Rules while incorporating existing governance measures.
- A Policy on Control and Management of Company Assets and Shareholder Investments was formalised to enhance transparency and accountability in the oversight of shareholder assets and investment decisions.

6.2 The Code of Conduct

All employees, including the Board of Directors of the Company, are bound to abide by the John Keells Group Code of Conduct which is outlined below.

Allegiance to the Company and the Group, that ensures the Group will 'do the right thing', by going further than the letter of any contract, the law and the Group's written policies

Compliance with rules and regulations applying in the territories that the Group operates in.

Conduct all businesses in an ethical manner at all times in keeping with acceptable business practices and demonstrate respect for the communities we operate in and the natural environment.

Exercise of professionalism and integrity in all business and 'public' personal transactions.

Corporate Governance

The Code of Conduct entails conformance to all policies, including policies on gifts, entertainment, facilitation payments, proprietary and confidential information. Policies on anti-fraud, anti-corruption and anti-money laundering and countering the financing of terrorism and JKH's Code of Conduct, amongst other policies, also encompass:

- Anti-bribery controls to prevent payments and contributions being made with the aim of obtaining an improper business benefit from any party including, but not limited to, clients, service providers, customers, business associates and political parties; and
- Controls on gifting and favours, giving or accepting gifts or favours in any form, including from clients, service providers, customers, business associates and political parties and any other stakeholder we engage with in the course of carrying out duties in our professional capacity, is prohibited if it was possible on the part of a 'reasonable person' to conclude that the giving or acceptance of such gifts or favours could directly or indirectly affect one's independence in decision making and conduct as an employee and/or if it could be seen by others as a consideration for an official or business favour. The 'reasonable person' test should also be applied in respect of charitable donations and sponsorships (financial or in-kind) that are made.
- The objectives of the Code of Conduct are strongly affirmed by a strong set of values which are well institutionalised at all levels within the Group through structured communication. The degree of employee conformance with Values and their degree of adherence to the JKH Code of Conduct are key elements of the reward and recognition schemes There were no incidents of frauds recorded during the year.

6.3 Employee Participation in Assurance

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

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

Additionally, the Group continued with its whistle blower policy and securities trading policy. Communication and feedback received from the employees by the management are recorded, irrespective of the level of anonymity, and subsequently discussed and followed up, to the extent possible, to ensure two-way communication. The respective outcomes are duly recorded.

6.4 Internal Controls

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

Internal Compliance

A quarterly self-certification programme requires the Presidents, Chief Executive Officers and Chief Financial Officers of each business unit to confirm compliance with statutory and other regulatory procedures, and to identify any significant deviations from the expected norms. The compliance statement which is collated and tabled every quarter at the respective Audit Committee meetings is subject to periodic review and where applicable revised, to reflect and capture any material changes that drive the macro and micro- operating contexts, for reporting and monitoring purposes.

System of Internal Control

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

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

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

The risk review programme covering the internal audit of the Group is outsourced..

Reports arising out of such audits are, in the first instance, considered and discussed at the business unit levels and, after review by the President of the industry group, are forwarded to the Audit Committee on a regular basis. Further, the Audit Committee assess the effectiveness of the risk review process and systems of internal control on a regular basis. A detailed overview of the risk management process is outlined on pages 99 to 103 of this report, under the Enterprise Risk Management section.

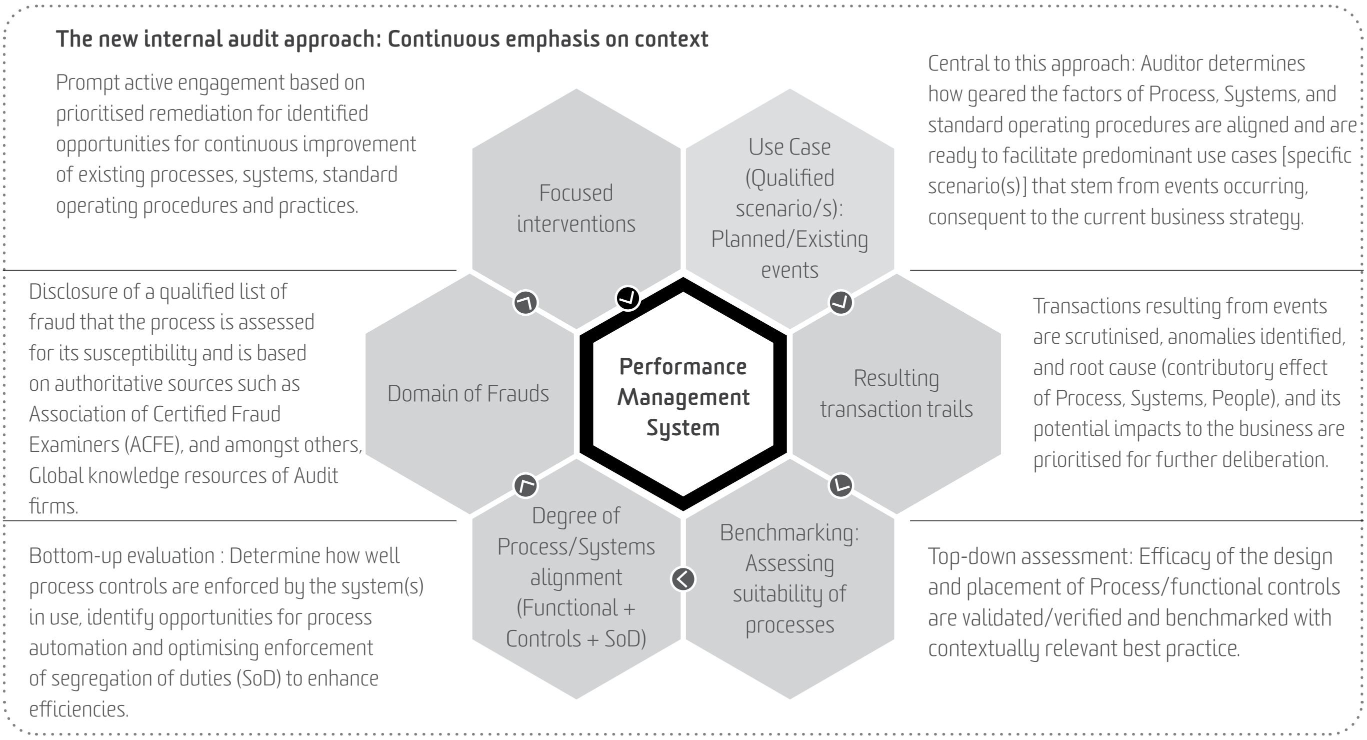
Segregation of Duties (SoD) under Sarbanes-Oxley (SOX) Guidelines

The Group is very much aware of the need to ensure that no individual has excessive system access to execute transactions across entire or several business processes which have critical approval linkages, in the context that increasing use of information technology and integrated financial controls creates unintended exposures within the Group. SoD dictates that problems such as fraud, material misstatements and manipulation of financial statements have the potential to arise when the same individual is able to execute two or more conflicting, sensitive transactions.

Separating disparate jobs into task-oriented roles can often result in inefficiencies and costs which do not meet the cost versus benefit criteria. Whilst the attainment of a zero SoD conflict state is utopian, the Group continues to take steps to identify and evaluate existing conflicts and reduce residual risks to an acceptable level under a cost versus benefit rationale. No material conflicts were reported during the year.

Internal Audit

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



6.5 External Audit

Messrs. Ernst & Young serve as the external auditors for the Company, including its subsidiaries and associates. Their re-appointment was recommended by the Audit Committee. The audit fees paid by the Company to its auditors are separately classified in the Notes to the Financial Statements of the Annual Report.

6.6 Ombudsperson

An Ombudsperson is available to report any complaints from employees of alleged violations of the published Code of Conduct if the complainant feels that the alleged violation has not been addressed satisfactorily by the internally available mechanisms.

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

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

i. the decision and the recommendations;
ii. action taken based on the recommendations;
iii. where the Chairperson or the Senior Independent Director of JKH disagrees with any or all of the findings and or the recommendations thereon, the areas of disagreement and the reasons, therefore.

Corporate Governance

In situation (iii), the Board is required to consider the areas of disagreement and determine the way forward. The Chairperson or the Senior Independent Director of JKH is expected to take such steps as are necessary to ensure that the complainant is not victimised, in any manner, for having invoked this process. The current Ombudsperson is an attorney-of-law by profession.

No issues were raised by any member of the companies in the JKPLC Group covered during the year under review.

7. GOVERNANCE OUTLOOK AND EMERGING CHALLENGES

The need for maintaining a robust and well-grounded corporate governance framework is vital when operating in a dynamic and challenging socio-economic environment, exacerbated by global volatility. A strong governance mechanism is pivotal in enhancing accountability to diverse stakeholders, ensuring corporate transparency, fair-mindedness and creating sustainable value. In this light, the Group will continue to stay abreast of governance best practice and assess its level of preparedness and its capability in meeting and managing evolving internal and external challenges.

The pursuit of continuous improvement in governance, emphasis on environmental and social considerations, and a call for increased accountability and transparency continue to influence and shape the role of Board governance aspects. It not only mitigates risks but also fosters trust, attracts investment, and drives sustainable growth.

7.1 Board Diversity

JKPLC values Board diversity and strives to attract skilled Directors who align with its vision and values, while understanding the complexities of its diverse business interests. The Group believes diversity enhances stakeholder insights and responsiveness. Efforts are focused on recruiting qualified individuals from various demographics, experiences, and backgrounds, all within a strong culture of meritocracy.

7.2 Board Independence

Board independence holds significant value for stakeholders, stock exchanges, and regulatory bodies globally and has been a cornerstone of JKHs values and success. JKH emphasises the need for effective structures and nomination processes to foster independent decision-making and minimise conflicts of interest.

While criteria for defining Board independence vary across countries, evidence suggests that a combination of checks and balances, such as assurance mechanisms, comprehensive evaluations, and Independent Director-led engagements, can enhance governance without compromising corporate operations. JKH remains committed to strengthening Board independence while aligning with its diversified conglomerate operating model.

7.3 Anti-Fraud, Anti-Corruption and Anti-Bribery

The Group prioritises ethical practices across all operations and enforces a strict zero-tolerance policy against bribery and corruption. It fosters a culture of transparency and honesty in interactions with both internal and external stakeholders. Through its Code of Conduct and policies on anti-fraud, anti-corruption, anti-money laundering, counter-terrorist financing, and transparency, the Group is dedicated to preventing, managing, and reporting unethical practices. All forms of fraud and corruption, including, but not limited to, theft, embezzlement, overriding controls, giving or receiving kickbacks, facilitation payments, bribery, allowing oneself to be placed in situations of conflict of interest and dishonesty in financial and non-financial statements is prohibited across the Group. Additionally, the Group continuously enhances its monitoring and resolution processes for Code of Conduct deviations. Its commitment to transparency is reflected in being ranked first for the fourth consecutive year in the 2023 TRAC Assessment by TISL, achieving a full score for disclosure practices. For the period under review, an assessment was not conducted by TISL, and the most recent ranking remains in effect until a new assessment is carried out

7.4 Increasing Emphasis on Environmental, Social and Governance (ESG) Aspects

ESG-focused investing is gaining momentum globally as governments, funding agencies, and investors seek to minimise irresponsible corporate practices that harm the environment, infringe on human rights, and encourage corruption. Effective ESG policies are vital for attracting talent, retaining employee loyalty, and ensuring sustainable growth.

JKH believes that prioritising ESG fosters a comprehensive analysis of performance, enabling a sustainable business model that benefits all stakeholders. Efforts include managing natural resources, reducing environmental impact, enhancing stakeholder well-being, and ensuring robust governance. ESG metrics are regularly reviewed during decision-making to stay ahead of developments and integrate ESG elements into strategy, operations, and reporting.

In collaboration with an international consultancy firm, JKH conducted detailed studies across industries to identify material ESG topics, benchmark performance against industry leaders, and engage stakeholders for insights. This resulted in the identification of key ESG priorities for each sector.

Following the release of IFRS S1 and S2 standards by International Sustainability Standards Board (ISSB) and their localisation to SLFRS S1 and S2 by CA Sri Lanka, JKH is preparing for implementation of the standards. A consultant-led gap analysis will guide integration, supported by dedicated teams at sector and Group levels.

7.5 Continual Strengthening of Internal Controls

Augmenting transactional and financial internal controls with operational aspects, in line with international best practice, remains a medium-term priority for the Group. Continuous strengthening of internal controls through a structured process that optimises and facilitates process audit information, lifecycle management and related processes are expected to:

- eliminate inefficiencies inherent in manual processes.
- provide a platform based on process enforcement.
- enable management follow-up based on centrally held data in a compliance repository.
- identify trends, action taken, effectiveness and opportunities for process improvement by analysing movement of the compliance posture.

- strengthen the Group's ability to prevent and detect fraud.
- leverage data analytics and technology to raise alerts.

7.6 Digital Oversight and Cyber Security

Whilst the rapidly advancing nature of technology and the continual integration of the Group's operations with technological progress has enhanced and streamlined processes and controls across the Group and opened up opportunities, it has resulted in increased vulnerability for the Group from a digital standpoint. As a result, the Board places significant emphasis on ensuring that the Group's soft and hard infrastructure is designed in a manner, and adequate, to deal with and prevent potential breaches. Data protection and cyber security are regularly addressed during the Risk Management and Audit Committee meetings and periodically discussed at a Board level.

7.7 Data Protection, Information Management and Adoption

The presence of continuously evolving IT infrastructure and platforms to meet requirements of day-to-day business, continues to augur well for the Group. Given the emergence of regulations such as the European Union General Data Protection Regulation (GDPR) and the Sri Lankan Personal Data Protection Act No. 9 of 2022, data security, integrity and information management has become pivotal. In addition to this, the Group's initiatives on advanced data analytics also necessitate an established governance framework to manage the flow of data. To this end, the Group will continue to strengthen its data governance structure to ensure ownership and accountability of clearly articulated data governance policies and processes and Group-wide data quality standards.

7.8 Greater Employee Involvement in Governance

Whilst all necessary compliance and assurance frameworks are believed to be in place, JKH recognises the pivotal role played by employees in reinforcing an effective governance system across the Group. JKH will continue to encourage greater employee participation through:

- ongoing training and refreshers on the Code of Conduct and related governance policies, including non-discrimination, anti-corruption and anti-bribery.
- a further strengthened performance management process, which envisages continuous feedback and greater engagement via employee information systems.
- engagement and empowerment via greater delegation of authority.
- increased communication and collaboration.
- adoption of differentiated means of communication based on the demographical dynamics of employee segments.

7.9 Need for Increased Transparency

Ensuring transparency is a continually evolving journey given progressing regulations, advancements in global best practice and complex stakeholder needs. Staying abreast of internally accepted best practice and continuously challenging the status quo is vital in this journey of being transparent. Additionally, transparency and accountability in reporting foster a foundation of trust with stakeholders which improves the credibility of the organisation, whilst also strengthening an organisation's legitimacy and reputation. Openly reporting on activities and challenges builds public trust and demonstrates a commitment to ethical practices. In today's information age, such aspects will aid organisations in differentiating themselves from a stakeholder's point of view, including attracting investment so long as the information is relevant to the stakeholder and does not create information overload where the material information may lose the perspective and attention it warrants.

In an organisation's journey towards transparency, the Government and regulatory bodies also need to play a pivotal role in ensuring the required foundations and criteria for good governance are advocated and put in place. Hence, it is vital for the regulatory frameworks of the country to evolve as corporates cannot operate in isolation within the ecosystem. For instance, Transparency International, including its local counterpart, Transparency International Sri Lanka advocates for the disclosure of Ultimate Beneficial Owners (UBO) of corporates. However, collating information on ultimate beneficial owners of entities is not possible as a listed entity cannot compile this information in isolation since the country's regulations do not require this to be disclosed when purchasing shares in the Colombo Stock Exchange.

8. COMPLIANCE SUMMARY

The Board, through its operating structures, strived to ensure that the Company and all its subsidiaries and associates complied with the laws and regulations of the countries they operated in. Accordingly, the Group complied with all applicable laws and regulations of the countries it operates in, including anti-corruption and anti-bribery laws.

The Board of Directors also took all reasonable steps in ensuring that all financial statements were prepared in accordance with the Companies Act No 7 of 2007, the Sri Lanka Accounting Standards (SLFRS/ LKAS) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), Sri Lanka Sustainability Disclosure Standards and the requirements of the CSE and other applicable authorities. Information contained in the financial statements of the Annual Report is supplemented by a detailed Management Discussion and Analysis which explains to shareholders the strategic, operational, investment, sustainability and risk related aspects of the Company, and the means by which value is created and how it is translated into the reported financial performance and is likely to influence future results.

Corporate Governance

8.1 Statement of Compliance pertaining to the Companies Act No. 7 of 2007

MANDATORY PROVISIONS - FULLY COMPLIANT

Section		Compliance Status	Reference (within the Annual Report)
168 (1) (a)	The nature of the business of the Company or classes of business in which it has an interest together with any change thereto	Yes	Corporate Information
168 (1) (b)	Signed financial statements of the Group and the Company	Yes	Financial Statements
168 (1) (c)	Auditors' Report on financial statements	Yes	Independent Auditors' Report
168 (1) (d)	Accounting policies and any changes thereto	Yes	Notes to the Financial Statements
168 (1) (e)	Particulars of the entries made in the Interests Register	Yes	Annual Report of the Board of Directors
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company	Yes	Notes to the Financial Statements
168 (1) (g)	Total corporate donations made by the Company	Yes	Notes to the Financial Statements
168 (1) (h)	Information on the Directorate of the Company-and its subsidiaries during and at the end of the accounting period	Yes	Board of Directors
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered	Yes	Notes to the Financial Statements
168 (1) (j)	Auditors' relationship or any interest with the Company and its Subsidiaries (other than as auditor)	Yes	Report of the Audit Committee / Financial Statements
168 (1) (k)	Acknowledgement of the contents of this Report and signatures on behalf of the Board	Yes	Financial Statements / Annual Report of the Board of Directors
168 (2)	Information specified in paragraphs (b) to (j) of subsection (1) in relation to Subsidiaries	Yes	Financial Statements / Annual Report of the Board of Directors

Statement of Compliance under Section 7.6 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosures

Rule		Compliance Status	Reference (within the Annual Report)
(i)	Names of persons who were Directors of the Company	Yes	Page 56 to 57
(ii)	Principal activities of the Company and its subsidiaries during the year, and any changes therein	Yes	Page 122
(iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares denominated in LKR and the percentage of such shares held	Yes	Page 167
(iv)	a) The float adjusted market capitalisation, public holding percentage (%), number of public shareholders and under which option the Listed Companies complies with the Minimum Public Holding requirement in respect of voting ordinary shares	Yes	Page 166
	The public holding percentage in respect of non- voting Shares (where applicable)	Not Applicable	
	b) The public holding percentage in respect of Foreign Currency denominated Shares	Not Applicable	
(v)	A statement of each Director's holding and CEO's holding in shares of the Company at the beginning and end of each financial year	Yes	Page 106
(vi)	Information pertaining to material foreseeable risk factors of the Company	Yes	Page 99 to 103
(vii)	Details of material issues pertaining to employees and industrial relations of the Company	Not Applicable	During the year 2024/2025, there were no material issues pertaining to employees and industrial relations of the company.
(viii)	Extents, locations, valuations and the number of buildings of the Company's land holdings and investment properties	Yes	Page 145 to 148

Rule		Compliance Status	Reference (within the Annual Report)
(ix)	Number of shares representing the Company's stated capital	Yes	Page 166
(x)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings	Yes	
(xi)	Ratios and market price information	Yes	Page 170
(xii)	Significant changes in the Company's or its subsidiaries' fixed assets, and the market value of land, if the value differs substantially from the book value	Yes	Page 145 to 148
(xiii)	Details of funds raised through a public issue or further issue of securities, the manner in which the funds of such issue have been utilised, details of the number of securities, class and consideration received and the reason for the issue and any material change in the use of funds	Not Applicable	-
(xiv)	Information in respect of Employee Share Ownership or Share Purchase Schemes	Yes	Page 159 to 160
(xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules	Yes	Page 58 to 98
(xvi)	Related Party transactions exceeding 10% of the equity or 5% of the total assets of the Company as per audited financial statements, whichever is lower, with requisite details	Yes	Page163 to 164
(xvii) to (xxii)	Disclosures pertaining to Foreign Currency denominated Securities, Sustainable Bonds, Perpetual debt Securities, Infrastructure Bonds, Compliant Debt Securities and/or High Yield Corporate Debt Securities listed on the CSE	Not Applicable	-

Statement of Compliance under Section 9 of the Listing Rules of the CSE on Corporate Governance

MANDATORY PROVISIONS - FULLY COMPLIANT

CSE Rule		Compliance Status	Reference (within the Annual Report)
9.1 Corporate Governance Rules			
9.1.3	A statement confirming compliance with Corporate Governance Rules	Yes	Chairperson's message
9.2 Policies			
9.2.1	Specified set of policies to be maintained together with the details relating to the implementation of such policies mentioned of website	Yes	Corporate Governance Section 6.1
9.2.2	Disclosure of any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted by Company	Yes	
9.2.3 (i) (ii)	List of policies to be disclosed along with any changes made to policies	Yes	
9.2.4	Policies to be made available on written request to shareholders	N/A	
9.3 Board Committees			
9.3.1 a/b/c/d	Maintenance of minimum required Board Committees	Yes	Corporate Governance Section 3.2
9.3.2	Compliance with the composition, responsibilities and disclosures required in respect of the Board Committees	Yes	Corporate Governance Section 3.2
9.3.3	Chairperson of the Board to not serve as the Chairperson of the Board Committees referred in 9.3.1	Yes	
9.4 Meeting procedures and the conduct of all General Meetings with shareholders			
9.4.1	Maintenance of records relating to all resolutions considered at any General Meeting including requisite information. Making available copies of the same on request to the CSE and/or SEC	Yes	Corporate Governance Section 4.6.1
9.4.2 a-d	Communication and relations with shareholders and investors	Yes	Corporate Governance Section 4.6.1

Corporate Governance

CSE Rule		Compliance Status	Reference (within the Annual Report)
9.5 Policy on matters relating to the Board of Directors			
9.5.1 a	Balanced representation between EDs and NEDs, covering Board composition, roles of the Chairperson and CEO, Board balance, and procedures for evaluating Board and CEO performance	Yes	Corporate Governance Section 3
9.5.1 b	Rationale for combining the roles of Chairperson and CEO, terms of reference of SID, and measures implemented to protect the interests of the SID in the event the Chairperson and CEO roles are combined	N/A	N/A
9.5.1 c	Require diversity in Board composition for Board effectiveness	Yes	Corporate Governance Section 3.1.3 - 3.1.4
9.5.1 d	The rationale and the maximum number of Directors	Yes	
9.5.1 e	Frequency of Board meetings	Yes	Corporate Governance Section 3.1.9
9.5.1 f	Establish mechanisms to keep Directors informed of Listing Rules and the Company's status of compliance/non-compliance	Yes	Corporate Governance Section 3.1.7
9.5.1 g	Minimum number of meetings (number and percentage) that a Director must attend	Yes	Corporate Governance Section 3.1.9
9.5.1 h	Requirements relating to trading in securities of the Company and its listed group companies, including disclosure obligations	N/A	
9.5.1 i	Maximum number of directorships that may be held by Directors In listed companies	Yes	Corporate Governance Section 3.1.13.1
9.5.1 j	Permit participation in Board and Committee meetings through audiovisual means, with such participation counting toward the quorum	Yes	Corporate Governance Section 3.1.9
9.5.2	Confirmation of compliance with policy in the annual report, with reasons for non-compliance and proposed remedial action	Yes	Corporate Governance Section 6.1
9.6 Chairperson and CEO			
9.6.1	Requirement for a SID if the positions of Chairperson and CEO are held by the same individual	N/A	
9.6.2	Market announcement on the Chairperson being an Executive Director and/or combination of the Chairperson-CEO Roles including the rationale	N/A	
9.6.3 a-d	Requirement for a SID	N/A	
9.6.3 e	SID shall make a signed explanatory disclosure demonstrating the effectiveness of their duties	N/A	
9.6.4	Rationale for the appointment of a SID set out in the Annual Report	N/A	
9.7 Fitness of Directors and CEO			
9.7.1	Company to take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons in terms of the rules	Yes	Corporate Governance Section 3.2.3
9.7.2	Ensure nominees meet fit and proper criteria before shareholder approval or appointment as Director	Yes	
9.7.3	Assessment Criteria: Honesty, Integrity and Reputation, Competence and Capability and Financial Soundness	Yes	
9.7.4	Annually obtain declarations from Directors and the CEO confirming compliance with Fit and Proper Assessment Criteria	Yes	Corporate Governance Section 3.1.13.1
9.7.5	Disclosures in the Annual Report	N/A	No non-compliances were reported during the year
9.8 Board Composition			
9.8.1	Minimum number of Directors on the Board	Yes	Corporate Governance Section 3.1.3
9.8.2	At least 2 members or 1/3 of the Board, whichever is higher to be independent.	Yes	

CSE Rule		Compliance Status	Reference (within the Annual Report)
9.8.3 (i) to (ix)	Criteria for determining independence	Yes	Corporate Governance Section 3.1.13
9.8.5 a-c	The Board to ensure that IDs annually submit declarations on independence/non-independence. Board to make an annual determination on the independence or otherwise of IDs and name the Directors who are determined to be independent Market announcement if ID independence has been impaired	Yes	Corporate Governance Section 3.1.13.1
9.9 Alternate Directors			
a-e	Appointment of Alternate Directors to be in accordance with the Rules and such requirements to be incorporated into the Articles of Association	Yes	No Alternate Directors were appointed during the financial year. Additionally, an EGM was held during the year and Articles of Association was amended to incorporate changes required as per the Rules
9.10 Disclosures relating to Directors			
9.10.1	Disclose policy on the maximum number of directorships Board members are permitted to hold	Yes	Corporate Governance Section 3.1.13.1
9.10.2/ 9.10.3	Market announcement upon the appointment of a new Director and any changes to the Board and Board Committee composition, including necessary details	Yes	Corporate Governance Section 1.3
9.10.4a-i	Disclosure of details relating to the Board members	Yes	Board Profiles and section 3.1.13.1
9.11 Nominations and Governance Committee			
9.11.1	Establishment of a Nominations and Governance Committee (NGC)	Yes	Corporate Governance Section 3.2.3
9.11.2	Formal procedure for the appointment and re-election of Directors	Yes	
9.11.3	NGC to have a written Terms of Reference	Yes	
9.11.4 (1) a-b	The Composition of NGC	Yes	
9.11.4 (2)	Chairperson of NGC to be an ID	Yes	
9.11.4 (3)	Disclosure of names of the NGC Chairperson and members	Yes	
9.11.5 (i) – (x)	Functions of NGC	Yes	
9.11.6 a-m	NGC Report with requisite information to be disclosed in Annual Report	Yes	
9.12 Remuneration Committee			
9.12.2	Establishment of a Remuneration Committee (RC)		Corporate Governance Section 3.2.2
9.12.3	RC to establish and maintain a formal and transparent procedure for developing policy on EDs and individual Director's remuneration, ensuring that no Director is involved in fixing their own remuneration	Yes	
9.12.4	Remuneration for NEDs shall be based on a policy of non-discriminatory pay practices to ensure their independence	Yes	Corporate Governance Section 3.1.14

Corporate Governance

CSE Rule		Compliance Status	Reference (within the Annual Report)
9.12.5	The RC to have written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	Yes	Corporate Governance Section 3.2.2
9.12.6 (1)	Composition of RC	Yes	
9.12.6 (2)	Chairperson of RC to be an ID	Yes	
9.12.7	Functions of the RC	Yes	
9.12.8 a	Disclosure of names of Chairperson and members of RC	Yes	
9.12.8 b	Disclosure of statement of Remuneration policy	Yes	
9.12.8 c	Aggregate remuneration paid to EDs and NEDs	Yes	Corporate Governance Section 3.1.14
9.13 Audit Committee			
9.13.1	Audit Committee (AC) to handle Risk functions where Company does not have separate Committees for Audit and Risk	Yes	Corporate Governance Section 3.2.1
9.13.2	AC to have written Terms of Reference	Yes	
9.13.3 (1) a-b	Composition of AC	Yes	
9.13.3 (2)	The quorum for AC meeting shall require a majority of those in attendance to be IDs		
9.13.3 (3)	AC to meet as often as required, provided it meets compulsorily on a quarterly basis, at minimum, prior to recommending the release of financials	Yes	
9.13.3 (4)/(6)	ID who is a member of a recognised professional accounting body to be appointed as Chairperson of the AC	Yes	
9.13.3 (5)	CEO and the Chief Financial Officer (CFO) to attend the Audit Committee meetings by invitation.	Yes	
9.13.4	Functions of AC		
9.13.5 (1)	Report of the AC	Yes	
9.13.5 (2) a-i	Disclosures to be included in the AC report		
9.14 Related Party Transactions Review Committee			
9.14.1	Establishment of a Related Party Transactions Review Committee (RPTRC)	Yes	Corporate Governance Section 3.2.4
9.14.2 (1)	Composition of RPTRC	Yes	
9.14.3	Functions of the RPTRC	Yes	
9.14.4 (1) – (4)	General Requirements including requirement for RPTRC to meet at least once a quarter, access to all aspects of Related Party Transactions (RPTs), RPTRC to request Board to approve RPTs reviewed by it and requirements relating to Director's material personal interest in a matter being considered at a Board Meeting in relation to a RPT	Yes	
9.14.5	Review of RPTs by the RPTRC	Yes	
9.14.6	Shareholder Approval for RPTs	Yes	Corporate Governance Section 4.6.1.3 During the year under review there was no requirements for Shareholder Approval.
9.14.7	Immediate Disclosures	Yes	Corporate Governance Section 3.2.4
9.14.8 (1)	Details and disclosures pertaining to Non-Recurrent RPTs in the Annual Report	Yes	Notes to the financial statements
9.14.8 (2)	Details and disclosures pertaining to Recurrent RPTs in the Annual Report	Yes	
9.14.8 (3)	Report of the RPTRC	Yes	

CSE Rule		Compliance Status	Reference (within the Annual Report)
9.14.8 (4)	Declaration by the Board of Directors as an affirmative statement of compliance with the rules pertaining to RPTs, or a negative statement otherwise	Yes	Annual Report of the Board of Directors
9.14.9 (1)/(2)	Shareholder approval for acquisition and disposal of substantial assets	Yes	Corporate Governance Section 4.6.1.3 During the year under review there was no requirements for Shareholder Approval.
9.14.9 (4)/(5)/(6)	RPTRC to obtain competent independent advice on acquisition and disposal of substantial asset	Yes	There were no acquisition and disposal of substantial assets during the year 2024/25.
9.16 Additional Disclosures			
(i)	Directors have disclosed all material interests in contracts and have refrained from voting when materially involved	Yes	Corporate Governance Section 3.1.13
(ii)	Directors have conducted a review of the internal controls and obtained reasonable assurance of their effectiveness and adherence	Yes	Corporate Governance Section 6.4
(iii)	Arrangements made for Directors to be made aware of laws, rules and regulations and any changes thereto particularly to Listing Rules and applicable capital market provisions	Yes	Corporate Governance Section 3.1.7
(iv)	Disclosure of material non-compliance with laws/regulations and fines by relevant authorities where the Company operates	N/A	N/A

Code of Best Practice of Corporate Governance 2023 Issued by CA Sri Lanka

VOLUNTARY PROVISIONS

The Company is compliant with almost the full 2023 Code of Best Practice on Corporate Governance issued by the CA Sri Lanka to the extent of business exigency and as required by the Group.

Directors	• The Company is directed, controlled and led by an effective Board that possess the skills, experience and knowledge and thus all Directors bring independent judgement on various subjects, particularly financial acumen. • Regular meetings of the Board are held and at the minimum once a quarter, with access to information, the advice of Company Secretary and independent professional advice, as required. • The Board (collectively) and Directors (individually) are aware of their obligation to act in accordance with the laws of the Country.. The CEO is appraised annually. • Board Balance is maintained as the Code stipulates. • The majority of the Board is independent. • Whilst there is a transparent procedure for Board Appointments under the oversight of the Nominations and Governance Committee, election and re-election, subject to shareholder approval, takes place at regular intervals. • Specified information regarding Directors, such as annual appraisal of the Board and the CEO is shared in the Corporate Governance Commentary.
Directors' Remuneration	• The Human Resource and Compensation Committee, consisting of exclusively NEDs is responsible for determining the remuneration of CEO and EDs. • ED compensation includes performance related elements in the pay structure. • Compensation commitments in the event of early termination, determination of NED remuneration by the Board as a whole, remuneration policy and aggregate remuneration paid is disclosed under the Director Remuneration section and is in line with the Code.

Corporate Governance

Relations with Shareholders	• There is constructive use of the AGM, as per Code. Notice of Meeting, with adequate details, is circulated to shareholders as per statute. • The Group has in place multiple channels to reach shareholders as discussed under the Stakeholder Management and Effective Communication section. • Disclosure of material transactions and requisite shareholder approvals for major transactions.
Accountability and Audit	• Interim and other price sensitive and statutorily mandated reports are disclosed to Regulators. As evident from the Annual Report of the Board of Directors, the company carried out all business in accordance with regulations and applicable laws, equitably and fairly. • The Company continues to be a going concern and remedial action for any material events is in place. All related party transactions are reported under the Notes to the Financial Statements. • There is an annual review of the effectiveness of the Group's risk management and internal controls which ensures the maintenance of a sound system of internal control which is reported on under the Internal Controls section. • The Internal Audit function and the Audit Committee, functions as stipulated by the Code, and are discussed under the Audit Committee section. • A Related Party Transactions Review Committee is in place and functions in line with the Code. • There were no violations of the Group Code of Conduct, the Code of Business Conduct and Ethics during the year, which is mentioned under the Chairperson's Message section. • All Corporate Governance disclosures under CSE rules have been complied with.
Institutional Investors	• The Company conducts regular and structured dialogue with shareholders based on a mutual understanding of objectives. This is done via the Investor Relations team and through the AGM or other General Meetings as convened on a need basis.
Other Investors	• Individual shareholders investing directly in shares of the Company are encouraged to carry out adequate analysis and seek independent advice in all investing and/or divesting decisions. They are encouraged to participate at the AGM and any General Meetings that are convened and to exercise their voting rights and seek clarity, whenever required.
Sustainability	• ESG (environmental, social, and governance) is a pivotal consideration in the Group's decision making. In reporting performance, the Annual Report covers ESG disclosures through the framework, GRI standards and operations in conformity with the Principles of the United Nations Global Compact and United Nations Sustainable Development Goals. • The Company has established a governance framework and structure which includes conformance, performance and sustainability/ESG factors in line with the Code.
Internet and Cybersecurity	• A designated team member is responsible for overseeing the implementation of the Group's cybersecurity policy, which has been adopted to reflect best practices and comply with applicable regulatory standards. The policy is subject to periodic reviews to evaluate its effectiveness. The Audit Committee receives updates on relevant risks, with significant risks and material issues escalated to the Board for discussion and where relevant informed decision-making.
Special Considerations for Listed Entities	• The Company maintains policies relating to its governance and matters relating to Board of Directors in line with the Listing Rules of the CSE and the Code.

Enterprise Risk Management

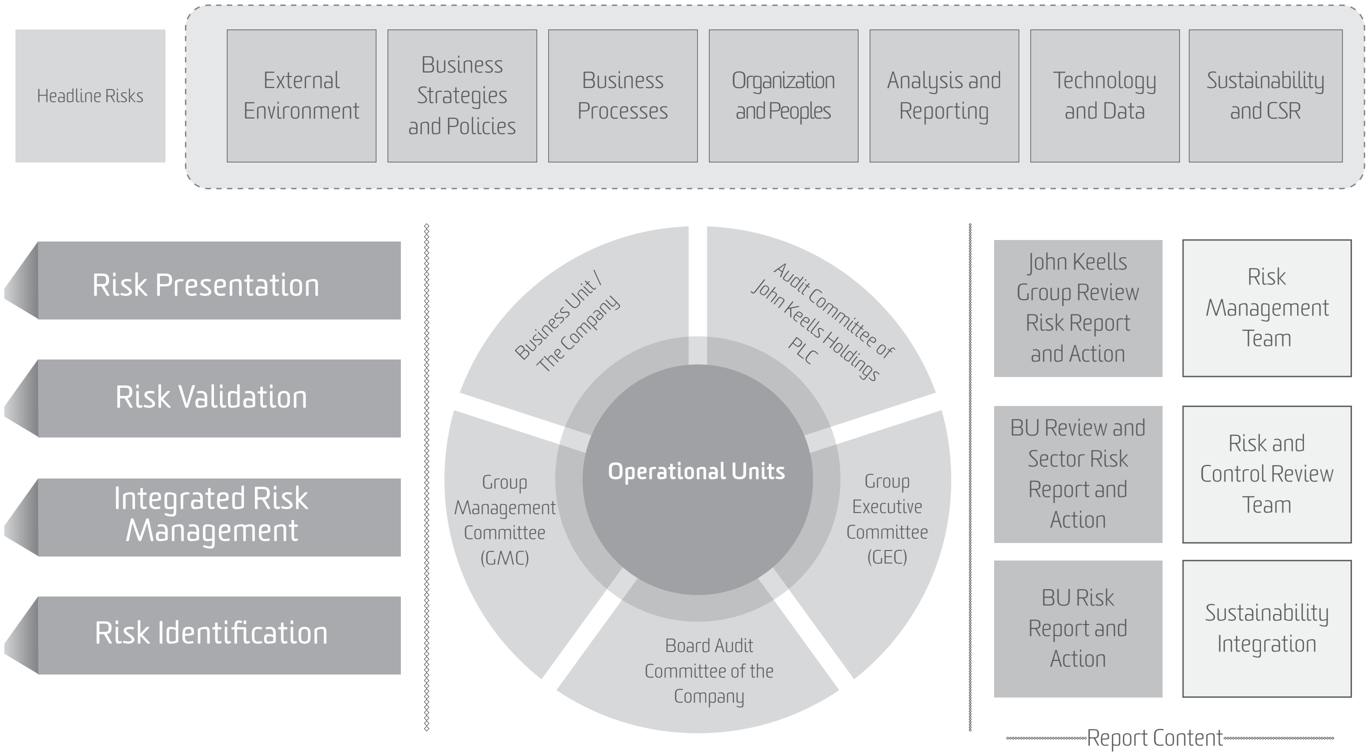
Overview

Enterprise Risk Management (ERM) encompasses the processes of identifying, evaluating, and prioritising risks that could affect the Group. We at John Keells PLC are actively involved in an ongoing risk management procedure, aiming to mitigate negative impacts on business operations and seize potential opportunities. We recognize the substantial impact that unmanaged risks can have on the achievement of our business objectives.

The Group's risk management strategy is designed to facilitate the seamless execution of both long-term and short-term objectives, thereby aligning with and supporting the achievement of its overarching business goals. Comprehensive risk management frameworks are integrated across all operational segments, including produce broking, share broking, and warehousing. The Board of Directors of John Keells PLC remains firmly committed to the proactive, effective, and efficient management of business risks to safeguard stakeholder value and ensure sustainable growth.

The Team behind Risk Management

The management committee of each business segment constitutes the risk management team specific to that segment. These teams are overseen by the Chief Executive Officer. Additionally, each team appoints a Risk Champion who serves as the primary communication liaison for reporting purposes. The risk management teams and champions operate within the framework provided by the Sustainability and Enterprise Risk Management Division of John Keells Holdings PLC.



Risk Management Process

The annual enterprise risk management cycle begins with the company's risk team, collaborating with JKH Enterprise risk management division, to conduct a comprehensive assessment. This involves identifying risks, evaluating their impact, likelihood and velocity, and formulating preventive, detective and corrective mitigation plans for identified risks.

Enterprise Risk Management

Identification of Types of Risk

Risk event

A "Risk Event" is defined as any occurrence with an element of uncertainty that, if realized, could hinder the business unit from achieving its stated objectives.

Core Sustainability Risks

Core Sustainability Risks are those risks that could have a catastrophic impact on the organisation, yet they may have a very low or negligible probability of occurring.

The Risk Management team within each business unit is responsible for identifying risks specific to their operational segment. In addition, staff members are encouraged to proactively report any potential risk scenarios to their respective risk management teams, fostering a more inclusive and collaborative approach. Risk identification is further supported through the team's expertise, intelligence gathering, safety and internal audits, as well as customer feedback.

Assessment and Rating of Risk

Identified risks are assessed on a matrix of 'Impact to Company' and 'Likelihood of Occurrence'. Based on this matrix, each identified risk will be assigned a score, which is tabulated into the Risk Control Self- Assessment (RCSA) document on a scale of "Insignificant" to "Ultra-high".

Mitigation of risk

The risk management team determines risk management measures, including acceptance, mitigation, control, and transfer. Each identified risk is assigned to a designated member of the risk management team, known as the risk owner, based on their area of expertise. The risk owner is responsible for evaluating the effectiveness of implemented internal controls and for continuously monitoring emerging risks.

High-level or core risks undergo review by the Group Management Committee (GMC), led by the sector President to validate the risk process. The risk owners are also tasked with implementing strategies within agreed timelines and providing updates to the risk committee accordingly.

Monitoring and Control

The Risk Management Team, headed by the CEO, is responsible to ensure that each risk item is properly identified, mitigation actions are put in place, and are reported on during the risk review process. The implemented operational and management controls and mitigation plans are regularly verified through independent internal audits and by the Sustainability and Enterprise Risk Management Division of John Keells Holdings PLC.

Risk Appetite and Tolerance

The Company's risk appetite and tolerance define its strategic approach to risk-taking in pursuit of value creation, setting clear boundaries for its business operations. John Keells PLC maintains a prudent stance by safeguarding its liquidity, solvency, capital, earnings, and reputation through active risk monitoring within the established risk appetite and tolerance parameters.

Risk Reporting

Regular reporting on risk status, mitigation actions, and emerging risks is key to maintaining transparency and accountability across the organization. Each business unit is responsible for conducting a quarterly review of its risk register, which is formally confirmed through the signing of operational compliance statements. These statements are also endorsed by the President or Sector before being submitted to the Board Audit Committee (BAC). The BAC, on behalf of the Board, reviews and evaluates the effectiveness of the Company's overall risk management framework and practices.

The significant risk areas that impact on the achievement of the strategic business objectives of the Company and measures taken to address these risks are discussed below.

Risk Description and Rating	Risk Response
Non-availability of Know Your Customer (KYC) documentation Non-compliance with statutory Know Your Customer (KYC) requirements may result in regulatory penalties, reputational damage, and potential legal exposure Risk Rating: 2024/2025 – High; 2023/2024 – Medium	• Enhanced due diligence for Politically Exposed Persons (PEPs), including self-declaration and verification. • Awareness and training for Investment Advisers on PEP-related risks. • Regular compliance reporting to monitor adherence. • Reporting of relevant transactions to the Financial Intelligence Unit (FIU)
Unauthorised access to critical assets/cyber security May lead to the loss or unauthorized disclosure of sensitive/confidential data Potential exposure to legal liabilities or other consequences Risk Rating: 2024/2025 – High; 2023/2024 – Low	• Activating Disaster Recovery (DR) • Following Group IT policies • Internal audits • Manual Check • User access reviews • Biometric door lock system • Ensuring firewalls and other cyber security controls are in place 3. • Remote wiping capability if laptops get stolen

<table>
<tr><th>Risk Description and Rating</th><th>Risk Response</th></tr>
<tr><td>Decline in utilisation due to closing down of factories / adverse weather and fertilizer issues
Decline in warehouse utilization due to factory closures, adverse weather conditions, fertilizer shortages, and the cancellation of agreements with tea brokers Increased operational costs due to underutilized warehouse space and idle equipment Financial Losses
<table><tr><th colspan="2">Risk Rating</th></tr><tr><td>2024/2025</td><td>2023/2024</td></tr><tr><td>Medium</td><td>Medium</td></tr></table></td><td>• Orchestrating agreements with 3rd party tea brokers
• Exploring opportunities for collaboration with 3PL service providers such as JKLL, EFL, etc.
• Monitoring of green leaf intakes to the factories, and catalogued quantities.</td></tr>
<tr><td>Exposure on lending
Reduction in profitability due to provisions
<table><tr><th colspan="2">Risk Rating</th></tr><tr><td>2024/2025</td><td>2023/2024</td></tr><tr><td>Medium</td><td>Medium</td></tr></table></td><td>• Advances granted are only within stock values
• Legal Action
• Management supervision of adherence to credit policy, advance approval grid and automated procedure
• Minimize over-advancing by reducing the credit period and follow the policy manual and other procedures in place</td></tr>
<tr><td>Challenges in information Governance and Information Security
Loss of confidentiality, integrity and Customer Confidence.
<table><tr><th colspan="2">Risk Rating</th></tr><tr><td>2024/2025</td><td>2023/2024</td></tr><tr><td>Medium</td><td>High</td></tr></table></td><td>• Data and email classification has been implemented
• Required IT Security/Zero trust controls implemented as per JKH IT policy.
• Staff Awareness
• Updated Privacy Policy on the website with guidance of JKH Group Legal.</td></tr>
<tr><td>Macro-economic environment of importing countries
Economic slowdowns, currency depreciations could lead to fluctuations in demand resulting in potential loss of revenue
<table><tr><th colspan="2">Risk Rating</th></tr><tr><td>2024/2025</td><td>2023/2024</td></tr><tr><td>Medium</td><td>Medium</td></tr></table></td><td>• Monitoring of the economy and altering the grade mix of factories to suit the requirements of importing countries through our manufacturing advisers.
• Collaborate with John Keells Logistics for storage as and when needed during increased demand</td></tr>
<tr><td>Risks involving of the racking system at warehouse
Failure of the warehouse racking system may result in damage to inventory and property, and pose serious safety risks to personnel.
<table><tr><th colspan="2">Risk Rating</th></tr><tr><td>2024/2025</td><td>2023/2024</td></tr><tr><td>Medium</td><td>Low</td></tr></table></td><td>• Conduct rack audit and carry out necessary repairs and corrective actions based on audit findings, ensuring structural integrity and compliance with safety standard</td></tr>
<tr><td>Loss of business due to factories closing down
Loss of business and financial loss to the company
<table><tr><th colspan="2">Risk Rating</th></tr><tr><td>2024/2025</td><td>2023/2024</td></tr><tr><td>Low</td><td>Low</td></tr></table></td><td>• Monitoring production levels by tracking the green leaf intakes to the factories and catalogued quantities
• Undertaking a proper background check when taking on new business.</td></tr>
</table>

Enterprise Risk Management

<table>
<tr><th>Risk Description and Rating</th><th>Risk Response</th></tr>
<tr><td>Other Brokers not adhering to by-laws
The failure of other brokers to adhere to industry regulations poses a risk of business loss for John Keells PLC
<table><tr><th colspan="2">Risk Rating</th></tr><tr><td>2024/2025</td><td>2023/2024</td></tr><tr><td>Low</td><td>Low</td></tr></table></td><td>• Regular audits being conducted by the Colombo Brokers Association (CBA).
• John Keells PLC to review other brokers' stores and catalogues after the sale.</td></tr>
<tr><td>Inadequate power supply/lack of fuel
Disruptions due to inadequate power supply or fuel, such as the inability to charge reach truck batteries, directly impact warehouse operations and the supply chain
<table><tr><th colspan="2">Risk Rating</th></tr><tr><td>2024/2025</td><td>2023/2024</td></tr><tr><td>Low</td><td>Low</td></tr></table></td><td>• Maintain fuel stocks at adequate levels at all times, and increase storage capacity.</td></tr>
<tr><td>Natural Disasters
Damaged Goods/damaged machinery & equipment
<table><tr><th colspan="2">Risk Rating</th></tr><tr><td>2024/2025</td><td>2023/2024</td></tr><tr><td>Low</td><td>Low</td></tr></table></td><td>• Business Continuity Plan (BCP) testing.
• Insurance
• Review and update the BCP on a bi-annual basis</td></tr>
<tr><td>Power failures during the E Auction
Interruption to the ongoing sale of a catalogue.
<table><tr><th colspan="2">Risk Rating</th></tr><tr><td>2024/2025</td><td>2023/2024</td></tr><tr><td>Low</td><td>Low</td></tr></table></td><td>• Logging into the system with multiple devices for backup
• Wifi has been backed up with a battery in order for continuity until the generator switches on.</td></tr>
<tr><td>Dependence on outsourced IT vendors for system support
Disruptions to business processes.
<table><tr><th colspan="2">Risk Rating</th></tr><tr><td>2024/2025</td><td>2023/2024</td></tr><tr><td>Low</td><td>Low</td></tr></table></td><td>• Contracted outsourced vendor for total solution- Internal audit- Management supervision Legal Contractual Obligations from both parties
• Increases risk of data breaches/loss of confidentiality Potential for delayed response times</td></tr>
<tr><td>Fire hazards
Damage to property/ Human resources.
<table><tr><th colspan="2">Risk Rating</th></tr><tr><td>2024/2025</td><td>2023/2024</td></tr><tr><td>Low</td><td>Low</td></tr></table></td><td>• Conducting regular fire drills.
• Maintain up to date fire fighting equipment at the premises.</td></tr>
<tr><td>Fraud & Corruption
Any frauds and corruption within the business will result in loss of revenue and will undermine the business reputation which has been built over the years.
<table><tr><th colspan="2">Risk Rating</th></tr><tr><td>2024/2025</td><td>2023/2024</td></tr><tr><td>Low</td><td>Low</td></tr></table></td><td>• Diligent monitoring and evaluation of Forestpin analyses, in collaboration with the Group Business Process Review
• Maintenance of an insurance policy to provide compensation in the event of fraud or corruption
• Continuous management oversight and internal audits are conducted to monitor and investigate any instances of fraud or deviations from internal control systems. Strict disciplinary action is enforced in response to any identified fraud.</td></tr>
</table>

Risk Description and Rating	Risk Response
Increase in interest rates. Fluctuation in interests rates can directly impact Company's profit margins. Risk Rating: 2024/2025 – Low; 2023/2024 – Low	• Regular correspondence is maintained with the Group Treasury and CBA regarding minimum lending rates. • The AWPLR is reviewed regularly, with interest rates charged to clients being adjusted accordingly
Sexual Harassment at Workplace This may result in reputational damage to the firm and compromise the safety of the employees Risk Rating: 2024/2025 – Low; 2023/2024 – Low	• Conducting awareness sessions.
Buyers logging into the sale during the auction from JKPLC IP addresses being tracked and JKPLC being implicated in manipulating the sale. Risk Rating: 2024/2025 – Low; 2023/2024 – Low	• Buyers are not allowed to be present at the office on auction days.

Responsibility of the Board of Directors on Risk Management report of the Company

The Board is responsible for ensuring the effectiveness of the internal control and risk management systems. The Board Audit Committee, on behalf of the Board, reviews the Risk Management processes implemented and reported by the Group before presenting them for discussion by the Board.

The Board affirms the existence of a process for identifying, evaluating, and managing significant risks that may impede the achievement of John Keells PLC's strategic objectives throughout the year. This process aligns with the guidelines outlined by the Institute of Chartered Accountants of Sri Lanka and industry best practices. Additionally, in accordance with the Sri Lanka Accounting Standards (SLFRS), potential Financial Risks are disclosed in the Financial Statements on pages 126 to 131 under notes to the Financial Statements.

Annual Report of the Board of Directors

The Directors are pleased to present the 78th Annual Report, comprising the Audited Financial Statements of John Keells PLC (referred to as 'the Company' or 'JKPLC'), as well as the Audited Consolidated Financial Statements of the JKPLC Group for the fiscal year ended 31st March 2025.

General

This report also takes into account the stipulations of the Companies Act No. 07 of 2007 (as amended), the Securities and Exchange Commission of Sri Lanka Act, No. 19 of 2021 the applicable Listing Rules of the Colombo Stock Exchange (CSE), and endorsed reporting and corporate governance standards, such as the guidelines on the Code of Best Practices concerning Related Party Transactions (2013) issued by the Securities and Exchange Commission of Sri Lanka (SEC), the Code of Best Practice on Corporate Governance (2013) jointly issued by the SEC and the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), and the Code of Best Practice on Corporate Governance (2017) issued by CA Sri Lanka, as per the needs of the business, while also being informed by recommended best accounting procedures.

The Company was incorporated on 01st April 1960 as a Public Limited Liability Company, and the issued shares of the Company are listed on the CSE. Pursuant to the requirements of the Companies Act .

Principal Activities

Company

The core activities of the Company continue to revolve around providing produce broking services, with no significant changes observed.

Subsidiaries

- John Keells Stockbrokers (Private) Limited offers stock broking services.
- John Keells Warehousing (Private) Limited offers warehousing facilities.

Business Review

A review of the Company and its subsidiaries' (JKPLC Group's) performance during the financial year is given in the Chairperson's Statement and in the Management Discussion and Analysis. These reports form an integral part of the Directors Report and provide a fair review of the performance of the JKPLC Group during the financial year ended 31st March 2025. The Segment wise contribution to Group revenue, results, assets and liabilities are provided in Note 6.1 to the Financial Statements of this Annual Report.

Financial Statements

The Financial Statements of the Company and the JKPLC Group are set out on pages 114 to 165 of the Annual Report.

The accounting period is completed and signed in accordance with section 151, and any group financial statements for the accounting period are completed and signed in accordance with section 152.

Auditors report

The Auditor's Report on the Financial Statements is given on pages 111 to 113 of the Annual Report.

Accounting Policies

The Accounting Policies adopted in the preparation of the Financial Statements are given on pages 122 to 163 of the Annual Report

Going Concern

The JKPLC Group has prepared the financial statements for the year ended 31 March 2025 on the basis that it will continue to operate as a going concern. Based on available information, the management has assessed prevailing macroeconomic conditions and their effect on the JKPLC Group companies in determining the going concern basis for preparation of financial statements.

The management has formed judgment that the Company, its subsidiaries, associates and joint ventures have adequate resources to continue in operational existence for the foreseeable future driven by the continuous operationalization of risk mitigation initiatives and monitoring of business continuity and response plans at each business unit level along with the financial strength of the JKPLC Group.

In determining the above, significant management judgement, estimates and assumptions, the impact of the macroeconomic uncertainties, including exchange rate volatilities, supply chain disruptions and interest rate volatilities have been considered as of the reporting date and specific considerations have been disclosed under the notes, as relevant.

The Financial Statements are prepared on the basis that the Company is a "Going Concern."

Revenue

Revenue generated by the Company amounted to Rs. 511 million (2024 - Rs. 563 million), whilst JKPLC Group revenue amounted to Rs. 1,009 million (2024 - Rs. 942 million). Contribution to JKPLC Group revenue from the different business segments is provided in Note 6.1 to the Financial Statements on page 126.

Dividend

The Interim dividend per share of Rs. 1.00 was paid on or before the 06 March 2025. The Board of Directors has now approved a final dividend of Rs. 1.60 per share for the financial year 2024/25 will be paid on or before 24 June 2025 to those shareholders on the register as of the 05 June 2025. In accordance with the Sri Lanka Accounting Standard 10, events after the reporting period, the declared dividend has not been recognised as a liability as at 31st March 2025.

As required by Section 56(2) of the Companies Act, the Board of Directors has confirmed that the Company satisfies the solvency test in accordance with section 57 of the Companies Act and a certificate has been obtained from the Auditors, prior to declaring all dividends.

Dividend per share has been computed for all periods based on the number of shares in issue at the time of the dividend payout. The dividends paid out of taxable profits of the Company will be subjected to a withholding tax at the rate prevailing on the date of payment.

Results and Appropriations

The profit after tax of the Company was Rs. 178 million (2024 - Rs.160 million) whilst the JKPLC Group profit attributable to equity holders of the Company for the year was Rs. 171 million (2024- Rs.151 million).

The Group's total comprehensive income/ expenses net of tax attributable to equity holders of the Parent was Rs. 715 million (2024 - Rs. 59 million).

Detailed description of the results and appropriations are given below.

Profit Rs.000	JKPLC GROUP		JKPLC Company	
	24/25	23/24	24/25	23/24
After making provision for bad and doubtful debts and for all known liabilities and after providing for depreciation on fixed assets, the profit/(loss) earned was	256,644	220,875	241,442	233,315
From which has to be (deducted) the provision for taxation of	(83,157)	(76,874)	(63,280)	(73,428)
Leaving a net profit/(loss) on ordinary activities after taxation of	173,488	144,001	178,163	159,887
From which the amount attributable to minority Interest was (deducted)/added	(2,978)	(7,062)		
To which Other Comprehensive Income was added/(deducted)	544,279	(92,204)	526,950	233,781
To which share Based payment Expenses is added	15,032	11,296	(6,283)	4,042
And after the balance brought forward from the previous year was added	4,056,924	4,164,830	3,308,462	3,554,634
The amount available for appropriation was Appropriations	4,784,645	4,233,234	4,019,850	3,484,782
An interim dividend of Rs. 1.00 per share paid for 2024/25 on 20th April 2025	(60,800)	(176,320)	(60,800)	(176,320)
Leaving a balance to be carried forward to the next year of	4,723,845	4,056,924	3,959,058	3,308,462

Reserves

Total reserves as at 31st March 2025 of the Company and JKPLC Group amounted to Rs. 3,959 million (2024- Rs. 3,308 million) and Rs. 4,724million (2024 - Rs. 4,057 million), respectively.

The movement and composition of the Capital and Revenue reserves is disclosed in the Statement of Changes in Equity on pages 117 to 118.

Property, Plant and Equipment

The book value of property, plant, and equipment as at the Reporting date amounted to Rs. 21 million (2024 - Rs. 19 million) and Rs. 891 million (2024 - Rs. 871 million) for the Company and Group, respectively.

Capital expenditure for the Company and JKPLC Group amounted to Rs. 4.9 million (2024 - Rs. 2.7 million) and Rs. 38 million (2024 - Rs. 98 million), respectively. Details of property, plant and equipment and their movements are given in Note 18 to the Financial Statements on pages 146 to 148.

Market Value of Properties

According to the specifications of SLAS40 (2005) Investment Property, all properties classified as investment property were valued. Investment property owned by the company and the JKPLC Group has a carrying value of Rs. 545 million (2024-Rs. 514 million) and Rs. Rs. 545 million (2024 - Rs.514 million) respectively.

The investment, property was revalued by Mr. Lochana I. Silva, Associated Chartered Valuer as at 31st December 2024.

Details of the valuation of Investment property is provided in Note 20 to the Financial Statements on pages 150 to 151.

The real estate portfolio of the JKPLC Group as at 31st March 2025 is disclosed on page 151.

Investment

Investments of the Company and the JKPLC Group and other external investments amounted to Rs. 3,079 million (2024 - Rs. 2,635 million) respectively.

Investment in Waterfront Properties (Pvt) Ltd

During the year, the Company's shareholding in Waterfront Properties (Pvt) Ltd was diluted to 0.96 percent from 1.11 percent as a result of the direct equity infusion in Waterfront Properties (Pvt) Ltd by John Keells Holdings PLC (JKH) as envisaged at the outset of the project.

A detailed description of the long-term investments held as at 31st March 2025, are given in Note 24 to the Financial statements on pages 154 to 156.

Stated Capital

The total stated capital of the Company as at 31st March 2025 was Rs. 152 million (2024- Rs. 152 million) details of which are provided in Note 30 to the Financial Statements.

Provision for Taxations

Provision for taxation has been computed at the rates given in Note 17 to the Financial Statements.

Donations

During the year under review the Company donated Rs. Nil.

The majority of the CSR endeavours and undertakings within the JKPLC Group are overseen by the John Keells Foundation, which receives financial backing from various entities within the JKH Group. This foundation is responsible for coordinating a variety of initiatives aimed at upholding the core value of ethical business practices and fostering sustainable growth.

The Company's contribution to John Keells Foundation was Rs. 1.32 million (2024 - Rs.1.87 million) and the Group's contribution was Rs. 1.60 million (2024 - Rs. 2.07 million) respectively.

Contingent Liabilities and Capital Commitments

There have been no commitments or contingent liabilities other than those stated in Note 36 on page 164 of this Annual Report.

Annual Report of the Board of Directors

Related Party Transactions

The transactions between the Company and related parties, as outlined in Note 35 of the Financial Statements, have adhered to the requirements of Listing Rules 9.14.8 of the Colombo Stock Exchange and the Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued pursuant to Section 13(c) of the Securities and Exchange Commission of Sri Lanka Act.

Stock Market Information

An ordinary share of the Company was quoted on the CSE at Rs. 74.00 as at 31st March 2025 (31st March 2024 - Rs. 64.80). Information relating to public holding, earnings, dividend, net assets, market value per share and share trading is given in Key Ratios and Information on page 170 and in the Shareholders Information section on pages 166 to 167.

The Company endeavours at all times to ensure equitable treatment to all shareholders.

Substantial Shareholdings

There were 1738 registered shareholders, holding ordinary voting shares as at 31st March 2025 (1,582 registered shareholders as at 31st March 2024).

The names of the twenty largest shareholders, the number of shares held, and the percentages held are given on page 167 of the Annual Report. The distribution schedule of the shareholders and public holdings are disclosed on page 166 of the Annual Report.

Directorate

As at 31st March 2025 the Board of Directors of the Company consisted of eight Directors with wide commercial, academic knowledge and experience. The Directors profile is given on pages 56 to 57 of this Annual Report.

The Board of Directors of the Company and its subsidiaries as at 31st March 2025 are listed below.

Name of the Director	John Keells PLC	John Keells PLC Stockbrokers	John Keells Warehousing
Mr. K.N.J. Balendra - Chairperson	✓		
Mr. J.G.A. Cooray	✓		
Ms. B.A.I. Rajakarier	✓		
Mr. C.N. Wijewardane	✓		
Ms. A.K. Gunawardhana	✓		
Mr. D.P. Gamlath		✓	
Ms. R.S. Cader		✓	
Mr. S. Rajendra		✓	
Mr. K.C. Subasinghe			✓
Mr. R. Wijewantha**	✓		✓
Mr. A.Z. Hashim	✓		✓
Mr. P. D. Samarasinghe*	✓		
Mr. A.S.M. Ali		✓	

* Appointed w.e.f 01.01.2025

** Appointed w.e.f 01.07.2025

Directors' Remuneration

Details of the remuneration and other benefits received by the Directors are set out on page 67 of the Financial Statements.

Board Committees

Information relating to members of the Audit Committee, Human Resources and Compensation Committee, Nominations Committee, Related Party Transactions Review Committee and Project Risk Assessment Committee, including reports of each of the committees, where applicable, and attendance of Directors for each of the committee meetings, are disclosed in the Corporate Governance Commentary section of the Annual Report.

Retirement Of Directors by Rotation and Re-Election

In accordance with Article 83 of the Article of Association of the Company Mr. J G A Cooray and Mr. A Z Hashim, who is retiring by rotation and being eligible, will offer themselves for re-election at the next Annual General Meeting.

In accordance with Article 90 of the Article of Association of the Company re elected of Mr. N W R Wijewantha and Mr. P D Samarasinghe.

Directors' Shareholdings

Name of Director / CEO As at 31st March	Number of shares	
	2025	2024
Mr. K.N.J. Balendra - Chairperson	Nil	Nil
Mr. J.G.A. Cooray	Nil	Nil
Ms. A.K. Gunawardhana	Nil	Nil
Mr. C.N. Wijewardane	Nil	Nil
Ms. B.A.I. Rajakarier	Nil	Nil
Mr. A.Z. Hashim	Nil	Nil
Mr. N.W.R. Wijewantha	Nil	N/A
Mr. P. D. Samarasinghe	Nil	N/A
Mr. H.G.R. De Mel (CEO)	Nil	Nil

Interest Register

According to the Companies Act, the Company maintains an Interests Register, and entries have been made in it.

This Annual Report does not contain details concerning entries made in the Interest Registers of the Company's subsidiaries as both are private companies that are exempt from the requirement to maintain an Interest Register.

Particulars of Entries in the Interests Register

- Income In Contracts - The Directors have all made a general disclosure to the Board of Directors as permitted by Section 192 (2) of the Companies Act No. 7 of 2007 and no additional interests have been disclosed by any Director.
- There have been no disclosures of share dealings during the financial year ended 31st March 2025.
- Indemnities and Remuneration.

1. Ms. K D Weerasinghe, Non-Independent Non-Executive Director, retired from the Board with effect from 30 June 2024.

2. Mr. N W R Wijewantha was appointed as a Non-Independent Non-Executive Director to the Board with effect from 1 July 2024, at the standard Non-Executive fees approved by the Board for Non-Executive Directors, which fees are commensurate with the market complexities of the Company. The fees payable to the Nominee Directors of John Keells Holdings PLC are paid to John Keells Holdings PLC and not to individual Directors
3. Mr. P D Samarasinghe was appointed as an Independent Non-Executive Director to the Board with effect from 1 January 2025 at the standard Non-Executive Director fees approved by the Board for Non-Executive Directors, which fees are commensurate with the market complexities of the Company.

Supplier Policy

The JKPLC Group endeavours to pay for every item accurately charged in accordance with these agreed terms by applying an overall policy of agreeing and clearly communicating terms of payment as part of the commercial agreements negotiated with suppliers.

As at 31st March 2025 the trade and other payables of the Company and JKPLC Group amounted to Rs. 727 million (2024 - Rs. 803 million) and Rs. 1285 million (2024 - Rs. 1,247 million) respectively.

Environmental Protection

The JKPLC Group complies with the relevant environmental laws, regulations, and endeavours to comply with the best practices applicable in the country of operation.

Human Resources

The number of people employed by the Company and JKPLC Group as at 31st March 2025 was 75 (2024 - 79) and 142

(2024 - 144), respectively. The JKPLC Group is dedicated to implementing a range of Human Resources (HR) programs aimed at fostering the personal growth of our teams while also fostering value creation for themselves, the company, and all stakeholders involved. There were no material issues pertaining to employees and industrial relations in the year under review.

Corporate Governance

The Board of Directors is committed to maintaining an effective corporate governance structure and process. A more comprehensive report on corporate governance is found on pages 58 to 98.

Risk Management and Internal Control

The Board highlights an ongoing process for identifying, assessing, and mitigating significant risks encountered by the JKPLC Group. Within the annual strategic planning cycle, each business unit undergoes evaluation and risk assessment. Both the Board and Audit Committee regularly scrutinize key risks and preventive measures. Through the participation of the risk review and control division, the Board ensures the efficacy of existing control systems. Reports on internal control reviews are provided to the Audit Committee, and the Head of the John Keells Group risk review and control division maintains direct communication with the Chairperson of the Audit Committee.

Related Party Transactions

The transactions between the Company and related parties, as outlined in Note 35 of the Financial Statements, have adhered to the requirements of Listing Rules 9.14.8 of the Colombo Stock Exchange and the Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued pursuant to Section 13(c) of the Securities and Exchange Commission of Sri Lanka Act.

Statutory Payments

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its subsidiaries, all contributions, levies, and taxes payable on behalf of, and in respect of the employees of the Company and its subsidiaries, and all other known statutory dues as were due and payable by the Company and its subsidiaries as at the Reporting date have been paid or, where relevant provided for, except as specified in Note 36 to the financial statements on page 164,covering Contingent liabilities.

Auditors

Messrs. Ernst & Young, Chartered Accountants, have intimated their willingness to continue as Auditors of the Company, and a resolution to re-appoint them as Auditor and authorising the Directors to fix their remuneration will be proposed at the Annual General Meeting.

The Audit Committee reviews the appointment of the Auditor, its effectiveness, and its relationship with the JKPLC Group.

Details of Audit fees are set out in Note 14 of the Financial Statement. The Auditors do not have any relationship (other than that of an Auditor) with the Company or any of its subsidiaries.

Further details on the work of the Auditor and the Audit Committee are set out in the Audit Committee Report on pages 69 to 72.

Annual Report

The Board of Directors approved the Company and Consolidated Financial Statements on 26 May 2025. The appropriate number of copies of this report will be submitted to the CSE and to the Sri Lanka Accounting and Auditing Standards Monitoring Board.

Annual General Meeting

The Annual General Meeting of the Company will be held on 25 June 2025 at 9:00 am.

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

Krishan Balendra

Chairperson

Director

Keells Consultants (Private) Limited
Secretaries

26 May 2025

Statement of Directors Responsibility

The responsibility of the Directors in relation to the financial statements is set out in the following statement. The responsibility of the Auditors in relation to the financial statements prepared in accordance with the provisions of the Companies Act No. 7 of 2007 is detailed in the Independent Auditors' Report on pages 111 to 113 of the Annual Report.

As per the provisions of the Companies Act No. 7 of 2007, the Directors are required to prepare, for each financial year and place before a general meeting, financial statements which comprise of;

- an income statement and statement of profit or loss and other comprehensive income of the Company and its subsidiaries which present a true and fair view of the financial performance of the Group for the financial year; and
- a statement of financial position, which presents a true and fair view of the state of affairs of the Company and its subsidiaries as at the end of the financial year; and
- a statement of changes in equity; and
- a statement of cash flows for the year ended and notes to the financial statements.

The Directors have ensured that, in preparing these financial statements;

- the appropriate accounting policies have been selected and applied in a consistent manner and material departures, if any, have been disclosed and explained; and
- all applicable accounting standards in accordance with the Sri Lanka Accounting Standards (SLFRSs / LKASs) have been complied with; and
- reasonable and prudent judgements and estimates have been made so that the form and substance of transactions are properly reflected; and
- The financial statements include all information required by and otherwise comply with the Companies Act No. 7 of 2007, the Listing Rules of the Colombo Stock Exchange, and the requirements of any other applicable regulatory authority.

The Directors have also ensured that the Company and its subsidiaries have adequate resources to continue in operation to justify applying the going concern basis in preparing these financial statements.

Further, the Directors have a responsibility to ensure that the Company and maintain sufficient accounting records to disclose, with reasonable accuracy, the financial position of the Company and the Group.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and the Group and in this regard to give proper consideration to the establishment of appropriate internal control systems with a view to preventing and detecting fraud and other irregularities

The Directors are required to prepare the financial statements and to provide the Auditors with every opportunity to take whatever steps and undertake whatever inspections they may consider to be appropriate to enable them to give their audit opinion.

As required by Section 56 (2) of the Companies Act No. 7 of 2007, the Board of Directors have confirmed that the Company, based on the information available, satisfies the solvency test immediately after the distribution, in accordance with Section 57 of the Companies Act No. 7 of 2007, and have obtained a certificate from the auditors, prior to declaring all dividend. A final dividend will be paid on or before 24th June 2025 to those shareholders on the register as of 05th June 2025 (Record Date). The Directors are of the view that they have discharged their responsibilities as set out in this statement.

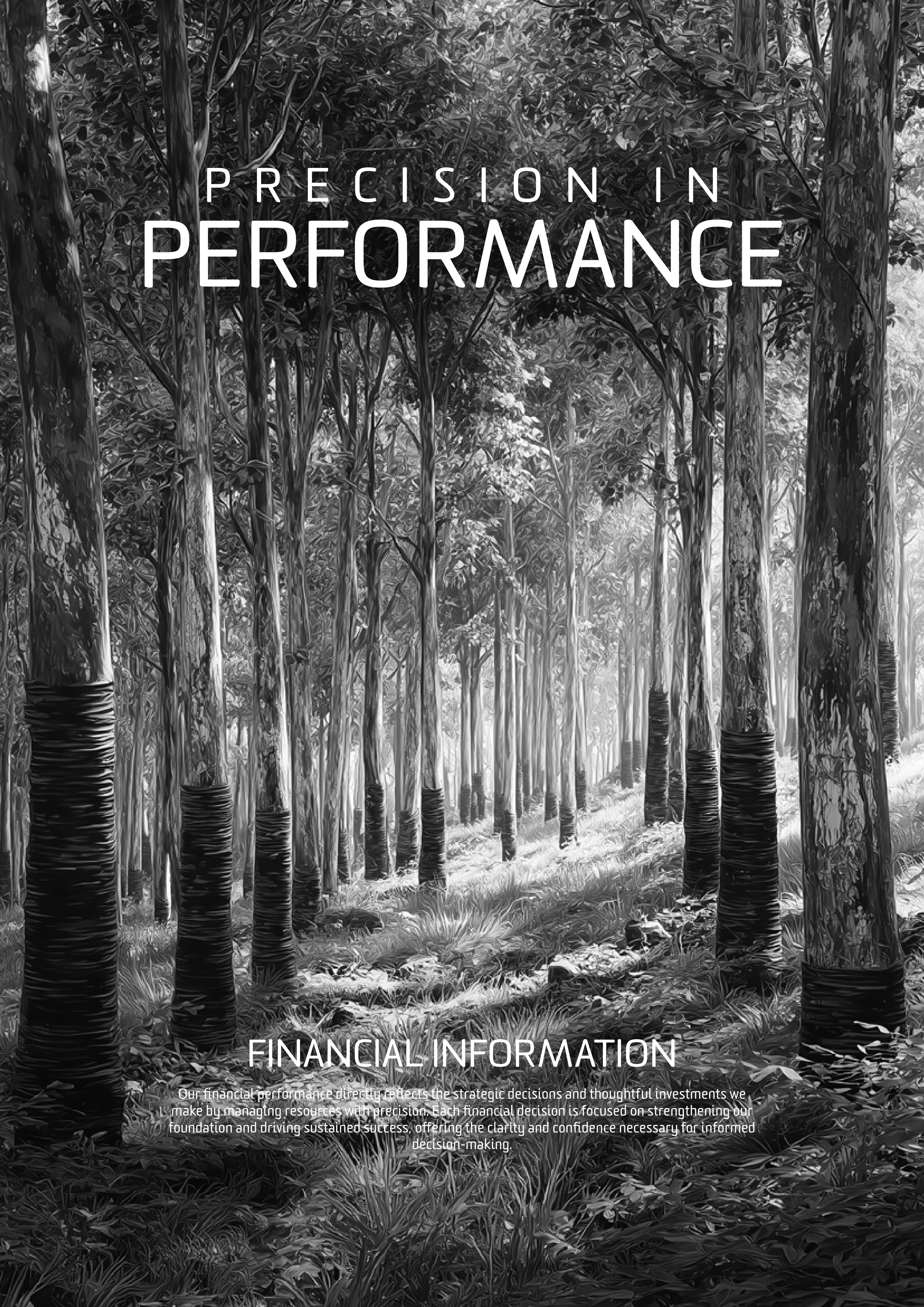
COMPLIANCE REPORT:

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its subsidiaries, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and its subsidiaries, and all other known statutory dues, as were due and payable as at the reporting date have been paid or, where relevant, provided for, except as detailed in Note 36 to the financial statements, relating to contingent liabilities.

By order of the Board

Keells Consultants (Pvt) Ltd.
Secretaries

26 May 2025



PRECISION IN PERFORMANCE

FINANCIAL INFORMATION

Our financial performance directly reflects the strategic decisions and thoughtful investments we make by managing resources with precision. Each financial decision is focused on strengthening our foundation and driving sustained success, offering the clarity and confidence necessary for informed decision-making.

FINANCIAL CALENDAR

Interim Statements

1st Quarter	29th July 2024
2nd Quarter	04th November 2024
3rd Quarter	03rd February 2025
4th Quarter	26th May 2025

Annual Reports

2024/2025 (Annual Report)	26th May 2025
2023/2024 (Annual Report)	20th May 2024

Meetings

78th Annual General Meeting	25th June 2025
77th Annual General Meeting	25th June 2024
Extraordinary General Meeting	25th June 2024

Dividends

Interim Dividend of Rs. 1.00 per share - paid on	06 March 2025
Final dividend of Rs. 1.60 per share - to be paid on	24 June 2025

Independent Auditors' Report

EY
Shape the future with confidence

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

Tel: +94 11 246 3500
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Email: eysl@lk.ey.com
ey.com

TO THE SHAREHOLDERS OF JOHN KEELLS PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of John Keells PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2025 , and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for opinion

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

Key audit matters

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

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

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Assessment of fair value of the equity investment classified as Fair Value through Other Comprehensive Income (FVOCI)</td></tr>
<tr><td>Non-current financial assets of the Group consist of an unquoted equity investment in Waterfront Properties (Pvt) Ltd in accordance with the accounting policy disclosed in note 9 to the financial statements.

The fair value is determined by management based on the discounted cash flow approach, which is derived based on the projected cash flows of Waterfront Properties (Pvt) Ltd.

This was a key audit matter due to;
• The materiality of the reported unquoted equity investment balance which amounted to Rs. 2,501 Mn and represents 38% of the Group's total assets as of the reporting date; and
• The degree of assumptions, judgments and estimates associated in deriving the Discounted Cash Flows used in the unquoted equity investment valuation.

Key areas of significant management judgments, estimates and assumptions used in the valuation of unquoted equity investment include cash flow projections and unobservable inputs including revenue growth rate, EBITDA margins, discount rate, etc. as further disclosed in notes 8.3 and 24.2 to the financial statements.</td><td>Our audit procedures focused on the valuation of the investment performed by the management, and included the following key procedures:
• Assessed the appropriateness of the valuation technique and reasonableness of the cash flow forecast including significant assumptions, judgments and estimates such as revenue growth rate, EBITDA margins, discount rate, etc. used by the management to ascertain the fair value of the unquoted equity investments. Our evaluation involved the use of comparable market data considering the impacts of the economic conditions prevailing in the country.
• Evaluated the appropriateness and completeness of the information included in the cashflow forecast and checked the calculations of the discounted cash flows.

Further, we evaluated the adequacy of the related disclosures in notes 8.3 and 24.2 to the financial statements.</td></tr>
</table>

Independent Auditors Report

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Assessment of fair value of Land and Building</td></tr>
<tr><td>Property, Plant and Equipment and Investment Property include land and buildings carried at fair value. The fair values of land and buildings were determined by external valuers engaged by the Group.

This was a key audit matter due to;
• The materiality of the reported fair value of land and buildings which amounted to Rs. 1,295 Mn representing 20 % of the Group's total assets as of the reporting date; and
• The degree of assumptions, judgments and estimation uncertainties associated with fair valuation of land and buildings using the market approach and depreciated replacement cost approach.

Key areas of significant judgments, estimates and assumptions used in assessing the fair value of land and buildings, as disclosed in Notes 18.9 and 20 to the financial statements, included judgments involved in ascertaining the appropriate valuation techniques and estimates such as:
• Estimate of per perch value of the land.
• Estimate of the per square foot value of the building.</td><td>Our audit procedures included the following key procedures:
• Assessed the competence, capability and objectivity of the external valuer engaged by the Group.
• Read the external valuer's report and understood the key estimates made and the valuation approaches taken by the valuer in determining the valuation of each property.
• Assessed the reasonableness of significant assumptions, judgments and estimates made by the valuer such as per perch value, per square foot value, and valuation techniques as relevant in assessing the fair value of each property.

We also assessed the adequacy of the disclosures made in notes 18.9 and 20 to the financial statements.</td></tr>
<tr><td colspan="2">Assessing the carrying value of Loans and Advances given to Tea Sellers</td></tr>
<tr><td>As at 31 March 2025, the carrying value of Group Loans and Advances given to Tea Sellers amounted to Rs. 844 Mn, with an accumulated provision for impairment of Rs 461 Mn, as disclosed in Notes 26, 24 and 7.1.1.3.1 to the financial statements.

This was a key audit matter due to;
• Materiality of the net carrying value representing 6% of the total assets; and
• The degree of management assumptions, judgments and estimates associated with evaluating the provision for impairment, as disclosed in Note 26 to the financial statements.

The key areas of significant assumptions, judgments and estimates included the amount and timings of future cash flows, collateral values, history of the length of business relationship between the Tea Sellers and the Company, estimated production and demand for Tea.</td><td>Our audit procedures included the following key procedures:
• Evaluated the reasonableness of credit quality assessments and checked that the disbursements and the recording of Loans and Advances are in accordance with the standard operating procedures for Loans and Advances given to Tea sellers.
• Obtained an understanding of the process for impairment assessment for Loans and Advances given to Tea sellers, including compliance with the contractual obligations and subsequent settlements of the Loans and Advances.
• Testing the computation of the provision of impairment and assessing the reasonableness of the assumptions, judgments and estimates used by the management with regard to the future cash flows, collateral values, estimated production and demand for Tea.

We also assessed the adequacy of the disclosures in notes 26, 24 and 7.1.1.3.1 to the financial statements regarding impairment for Loans and Advances given to Tea sellers.</td></tr>
</table>

Other Information included in the 2025 Annual Report

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

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

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

Responsibilities of the management and those charged with governance for the financial 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 internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 2097.

26 May 2025
Colombo

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

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

A member firm of Ernst & Young Global Limited

Income Statement

For the year ended 31 March In Rs. '000s	Note	Group 2025	Group 2024	Company 2025	Company 2024
Continuing operations					
Services transferred at a point of time	10	1,009,382	941,974	510,634	563,462
Revenue from contract with customers		1,009,382	941,974	510,634	563,462
Cost of sales		(473,616)	(447,340)	(214,138)	(228,463)
Gross profit		535,766	494,634	296,496	334,999
Dividend income	11	-	-	78,297	12,750
Other operating income	12.1	14,731	953	2,542	200
Other operating expenses	12.2	(5,702)	(4,943)	(89)	(632)
Selling and distribution expenses		(38,973)	(6,909)	(35,048)	(3,276)
Administrative expenses		(363,458)	(338,205)	(142,436)	(132,429)
Results from operating activities		142,364	145,530	199,762	211,612
Finance cost	13.2	(18,080)	(28,360)	(10,683)	(28,290)
Finance income	13.1	69,290	72,993	21,864	19,993
Net finance income/ (expense)		51,210	44,633	11,181	(8,297)
Changes in fair value of investment property	20.1	30,500	30,000	30,500	30,000
Share of results of equity accounted investees net of tax	23.2	32,570	712	-	-
Profit before tax	14	256,644	220,875	241,443	233,315
Tax expense	17.1	(83,156)	(76,874)	(63,280)	(73,428)
Profit for the year		173,488	144,001	178,163	159,887
Attributable to:					
Equity holders of the parent		170,510	151,063		
Non- controlling interests		2,978	(7,062)		
		173,488	144,001		
		Rs.	Rs.	Rs.	Rs.
Earnings per share					
Basic	15	2.80	2.48	2.93	2.63
Dividend per share	16	1.00	2.90	1.00	2.90

Figures in brackets indicate deductions.
The accounting policies and notes as set out on pages 122 to 165 form an integral part of these financial statements.

Statement of Comprehensive Income

For the year ended 31 March In Rs. '000s	Note	Group 2025	Group 2024	Company 2025	Company 2024
Profit for the year		173,488	144,001	178,163	159,887
Other comprehensive income not to be reclassified to income statement in subsequent periods					
Net (loss) / gain on equity instruments at fair value through other comprehensive income	8.2	519,700	(226,267)	519,700	(226,267)
Revaluation of buildings	18.1	23,357	209,388	-	-
Re-measurement gain /(loss) on defined benefit plans	32.2	11,756	(17,870)	10,358	(10,735)
Net other comprehensive income not to be reclassified to income statement in subsequent periods		554,813	(34,749)	530,058	(237,002)
Tax on other comprehensive income	17.2	(10,534)	(57,455)	(3,108)	3,221
Other comprehensive income for the period, net of tax		544,279	(92,204)	526,950	(233,781)
Total comprehensive income for the period, net of tax		717,767	51,797	705,113	(73,894)
Attributable to:					
Equity holders of the parent		714,789	58,860		
Non - controlling interests		2,978	(7,062)		
		717,767	51,797		

Figures in brackets indicate deductions.
The accounting policies and notes as set out on pages 122 to 165 form an integral part of these financial statements.

Statement of Financial Position

As at 31st March		Group		Company	
In Rs. '000s	Note	2025	2024	2025	2024
ASSETS					
Non-current assets					
Property, plant and equipment	18	890,517	871,016	20,554	19,447
Right of use assets	19	29,312	30,401	-	-
Investment properties	20	544,750	514,250	544,750	514,250
Intangible assets	21.3	7,878	8,572	-	-
Investments in subsidiaries	22	-	-	158,570	158,570
Investments in associates	23	64,420	101,763	24,000	24,000
Non-current financial assets	24	3,079,098	2,635,047	3,062,389	2,615,012
Deferred tax assets	17.4	10,608	19,774	-	-
Other non - current assets		16,358	24,774	8,373	12,999
		4,642,941	4,205,597	3,818,636	3,344,278
Current assets					
Inventories	25	996	2,773	372	2,148
Trade and other receivables	26	1,118,777	1,357,312	810,309	1,015,188
Amounts due from related parties	35.1	11,766	10,023	2,999	5,521
Other current assets	27	11,928	4,870	2,756	61
Short term investments	28	533,450	306,091	-	-
Cash in hand and at bank	29.1	217,536	134,428	191,570	103,245
		1,894,453	1,815,497	1,008,006	1,126,163
Total assets		6,537,394	6,021,094	4,826,642	4,470,441
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Stated capital	30.1	152,000	152,000	152,000	152,000
Revenue reserves		3,022,206	2,904,267	2,822,931	2,698,318
Other components of equity	30.2	1,549,639	1,000,657	984,127	458,144
		4,723,845	4,056,924	3,959,058	3,308,462
Non-controlling interests		59,862	54,784	-	-
Total equity		4,783,707	4,111,708	3,959,058	3,308,462
Non-current liabilities					
Deferred tax liabilities	17.5	284,571	280,873	68,361	54,580
Long Term Borrowing	19.3	32,800	-	-	-
Employee benefit liabilities	32.6	75,485	99,630	38,948	53,871
		392,856	380,503	107,309	108,451
Current liabilities					
Trade and other payables	33	1,285,276	1,246,909	727,163	803,447
Amounts due to related parties	35.2	18,085	19,798	15,960	14,056
Income tax liabilities	17.3	17,977	31,037	13,096	21,453
Other current liabilities	34	3,178	29,619	1,342	13,112
Short term borrowings	19.3	33,600	-	-	-
Bank overdrafts	29.2	2,715	201,520	2,714	201,460
		1,360,831	1,528,883	760,275	1,053,528
Total equity and liabilities		6,537,394	6,021,094	4,826,642	4,470,441

I certify that the financial statements comply with the requirements of the Companies Act No. 7 of 2007.

Mr. N.W.R Wijewantha
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Krishan Balendra

Mr K.N.J. Balendra
Director

Mr. J. G. A. Cooray
Director

The accounting policies and notes as set out on pages 122 to 165 form an integral part of these financial statements.

26th May 2025
Colombo

Statement of Changes in Equity

Group		Attributable to equity holders of the parent							
			Other components of equity						
In Rs. '000s	Note	Stated capital	Revaluation reserves	Fair value reserve of financial assets at FVOCI	Other capital reserves	Revenue reserves	Total	Non -controlling interest	Total equity
As at 1 April 2023		152,000	336,217	581,629	152,769	2,942,215	4,164,830	60,105	4,224,935
Profit for the year		-	-	-	-	151,063	151,063	(7,062)	144,001
Other comprehensive income		-	146,754	(226,267)	-	(12,691)	(92,204)	-	(92,204)
Total comprehensive income		-	146,754	(226,267)	-	138,372	58,859	(7,062)	51,797
Share based payments	31	-	-	-	9,555	-	9,555	1,741	11,296
First interim dividend paid - 2023/24	16	-	-	-	-	(176,320)	(176,320)	-	(176,320)
As at 31 March 2024		152,000	482,971	355,362	162,324	2,904,267	4,056,924	54,784	4,111,708
As at 1 April 2024		152,000	482,971	355,362	162,324	2,904,267	4,056,924	54,784	4,111,708
Profit for the year		-	-	-	-	170,510	170,510	2,978	173,488
Other comprehensive income	-		16,350	519,700	-	8,229	544,279	-	544,279
Total comprehensive income		-	16,350	519,700	-	178,739	714,789	2,978	717,767
Share based payments	31	-	-	-	12,932	-	12,932	2,100	15,032
First interim dividend paid - 2024/25	16	-	-	-	-	(60,800)	(60,800)	-	(60,800)
As at 31 March 2025		152,000	499,321	875,062	175,256	3,022,206	4,723,845	59,862	4,783,707

Figures in brackets indicate deductions.
The accounting policies and notes as set out on pages 122 to 165 form an integral part of these financial statements.

Statement of Changes in Equity

Company In Rs. '000s	Note	Stated capital	Other components of equity Other capital reserves	Fair value reserve of financial assets at FVOCI	Revenue reserves	Total equity
As at 1 April 2023		152,000	88,668	591,701	2,722,265	3,554,634
Profit for the year		-	-	-	159,887	159,887
Other comprehensive income		-	-	(226,267)	(7,514)	(233,781)
Total comprehensive income		-	-	(226,267)	152,373	(73,894)
Share based payments	31	-	4,042	-	-	4,042
First interim dividend paid - 2023/24	16	-	-	-	(176,320)	(176,320)
As at 31 March 2024		152,000	92,710	365,434	2,698,318	3,308,462
As at 1 April 2024		152,000	92,710	365,434	2,698,318	3,308,462
Profit for the year		-	-	-	178,163	178,163
Other comprehensive income		-	-	519,700	7,250	526,950
Total comprehensive income		-	-	519,700	185,413	705,113
Share based payments	31	-	6,283	-	-	6,283
First interim dividend paid - 2024/25	16	-	-	-	(60,800)	(60,800)
As at 31 March 2025		152,000	98,993	885,134	2,822,931	3,959,058

Figures in brackets indicate deductions.

The accounting policies and notes as set out on pages 122 to 165 form an integral part of these financial statements.

Statement of Cash Flow

For the year ended 31 March In Rs. '000s	Note	Group 2025	Group 2024	Company 2025	Company 2024
OPERATING ACTIVITIES					
Profit before tax		256,644	220,875	241,443	233,315
Adjustments for:					
Share of results of equity accounted investees	23.2	(32,570)	(712)	-	-
Finance income	13.1	(63,931)	(71,899)	(16,505)	(18,899)
Dividend income - FVOCI financial assets	13.1	(5,359)	(1,094)	(5,359)	(1,094)
Dividend income - subsidiaries	11	-	-	(78,297)	(12,750)
Finance expenses	13.2	18,080	28,360	10,683	28,290
Change in fair value of investment properties	20.1	(30,500)	(30,000)	(30,500)	(30,000)
Depreciation of property, plant and equipment	14	41,889	30,846	3,781	3,230
Amortisation of right-of-use assets	19.1	1,089	1,089	-	-
Amortisation of intangible assets	21.2	3,353	2,563	-	-
Provision for impairment allowance for loans and advances given to tea sellers		25,852	(8,151)	25,852	(8,151)
(Profit) / loss on sale of property, plant and equipment		(12,114)	(370)	-	-
Share based payment expenses	31	15,032	11,296	6,283	4,042
Employee benefit provision and related costs	32.3	17,025	18,423	9,448	9,958
Profit before working capital changes		234,490	201,226	166,829	207,941
Working capital adjustments					
Decrease / (increase) in inventories		1,777	(1,160)	1,776	(1,150)
Decrease / (increase) in trade and other receivables		212,483	(158,590)	178,686	(11,703)
Decrease / (increase) in other non - current assets		84,066	17,814	76,951	24,530
Decrease / (increase) in amounts due from related parties		(1,743)	882	2,522	(1,731)
Decrease / (increase) in other current assets		(7,058)	32,054	(2,695)	1,528
Increase / (decrease) in trade and other payables		38,367	44,935	(76,284)	5,721
Increase / (decrease) in amounts due to related parties		(1,714)	(28,838)	1,904	482
Increase / (decrease) in other current liabilities		(26,441)	(3,310)	(11,770)	(18,495)
Cash generated from operations		534,227	105,013	347,399	207,123
Finance income received	13.1	63,931	71,899	16,505	18,899
Finance cost paid	13.2	(18,080)	(28,360)	(10,683)	(28,290)
Dividend income - subsidiaries	11	59,427	-	78,297	12,750
Income tax paid and set off	17.3	(83,203)	(136,728)	(60,626)	(120,633)
Gratuity paid/transfers (net)	32.2	(29,414)	(4,555)	(14,012)	(4,094)
Net cash flow from operating activities		526,888	7,269	347,399	85,755
INVESTING ACTIVITIES					
Acquisition of property, Plant and Equipment	18.1	(38,030)	(98,072)	(4,888)	(2,719)
Purchase of intangible assets	21.1	(2,659)	(4,887)	-	-
Dividend income- FVOCI financial assets	13.1	5,359	1,094	5,359	1,094
Proceeds from sale of property plant & equipment		12,114	19	-	-
Net cash flow from / (used in) investing activities		(23,216)	(101,846)	471	(1,625)

Statement of Cash Flow

For the year ended 31 March In Rs. '000s	Note	Group 2025	Group 2024	Company 2025	Company 2024
FINANCING ACTIVITIES					
Dividend paid		(60,800)	(176,320)	(60,800)	(176,320)
Repayment of long term borrowings	19.3	(33,600)	-	-	-
Proceeds from short term borrowings		100,000	-	-	-
Net cash flow from / (used in) financing activities		5,600	(176,320)	(60,800)	(176,320)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		509,272	(270,897)	287,070	(92,190)
CASH AND CASH EQUIVALENTS AT THE BEGINNING		238,999	509,896	(98,214)	(6,024)
CASH AND CASH EQUIVALENTS AT THE END		748,271	238,999	188,856	(98,214)
ANALYSIS OF CASH AND CASH EQUIVALENTS					
Favourable balances					
Cash in hand and at bank		217,536	134,428	191,570	103,245
Short term investments		533,450	306,091	-	-
		750,986	440,519	191,570	103,245
Unfavourable balances					
Bank overdrafts		(2,715)	(201,520)	2,714	(201,460)
Cash and cash equivalents		748,271	238,999	188,856	(98,214)

Figures in brackets indicate deductions.
The accounting policies and notes as set out in pages 122 to 165 form an integral part of these financial statements.

Index to The Notes

Notes to The Financial Statements

1 CORPORATE INFORMATION

Reporting entity

John Keells PLC is a public limited liability company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at 117, Sir Chittampalam A Gardiner Mawatha, Colombo 02 and the principal place of business of the Company is located at 186, Vauxhall Street, Colombo 02.

Ordinary shares of the Company are listed on the Colombo Stock Exchange.

Consolidated financial statements

The financial statements for the year ended 31 March 2025, comprise "the Company" referring to John Keells PLC as the holding company and "the Group" referring to the companies that have been consolidated therein.

Approval of financial statements

The financial statements for the year ended 31 March 2025 were authorised for issue by the Directors' on 26 May 2025.

Principal activities and nature of operations

Holding company

The principal activities of the Group's holding company is commodity broking.

Subsidiaries and associate

The companies within the Group and its business activities are described in the Group structure on page 07 of the Annual Report. There were no other significant changes in the nature of the principal activities of the Company and the Group during the financial year under review.

Parent entity and ultimate parent entity

The Company's parent entity is John Keells Holdings PLC in the opinion of the Directors, which is incorporated in Sri Lanka.

Responsibility for financial statements

The responsibility of the Board of Directors in relation to the financial statements is set out in 'The Statement of Directors' Responsibility on page 108 of the Annual report.

Statements of compliance

The financial statements which comprise the income statement, statement of financial position, statement of changes in equity, statement of comprehensive income and the statement of cash flows, together with the accounting policies and notes (the "financial statements") have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and in compliance with the Companies Act No. 7 of 2007.(As amended).

2 BASIS OF PREPARATION AND OTHER SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention except for investment properties, land and building and financial instruments measured at fair value through other comprehensive income that have been measured at fair value.

Going Concern

The Group has prepared the financial statements for the year ended 31 March 2025 on the basis that it will continue to operate as a going concern. Based on available information, the management has assessed prevailing macroeconomic conditions and its effect on the Group Companies in determining the going concern basis for preparation of financial statements. The management has formed judgment that the Company, its subsidiaries and associate have adequate resources to continue in operational existence for the foreseeable future driven by the continuous operationalisation of risk mitigation initiatives and monitoring of business continuity and response plans at each business unit level along with the financial strength of the Group.

In determining the above, significant management judgement, estimates and assumptions, the impact of the macroeconomic uncertainties, including exchange rate volatilities, supply chain disruptions and interest rate volatilities have been considered as of the reporting date and specific considerations have been disclosed under the notes, as relevant.

Offsetting

Assets and liabilities or income and expenses, are not offset unless required or permitted by Sri Lanka Accounting Standards

Comparative information

The presentation and classification of the financial statements of the previous years have been amended, where relevant for better presentation and to be comparable with those of the current year.

Presentation and functional currency

The consolidated financial statements are presented in Sri Lankan Rupees (Rs.), the Group's functional and presentation currency, which is the primary economic environment in which the holding Company operates. Each entity in the Group uses the currency of the primary economic environment in which they operate as their functional currency.

All values are rounded to the nearest rupees thousand (Rs. '000) except when otherwise indicated.

The significant accounting policies are discussed with relevant individual notes.

3 BASIS OF CONSOLIDATION

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

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

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

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

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

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Loss of control

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in the income statement. Any investment retained is recognised at fair value.

The total profits and losses for the year of the Company and of its subsidiaries included in consolidation are shown in the consolidated income statement and consolidated statement of comprehensive income and all assets and liabilities of the Company and of its subsidiaries included in consolidation are shown in the consolidated statement of financial position.

Non-controlling interest (NCI)

Non-controlling interest which represents the portion of profit or loss and net assets not held by the Group, are shown as a component of profit for the year in the consolidated income statement and the statement of comprehensive income and as a component of equity in the consolidated statement of financial position, separately from equity attributable to the shareholders of the parent. The consolidated statement of cash flow includes the cash flows of the Company and its subsidiaries.

Transactions eliminated on consolidation

All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

4 SIGNIFICANT ACCOUNTING JUDGEMENT, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements of the Group require the management to make judgments, estimates and assumptions, which may affect the amounts of income, expenditure, assets, liabilities and the disclosure of contingent liabilities, at the end of the reporting period.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Group's accounting policies, management has made various judgements. Those which management has assessed to have the most significant effect on the amounts recognised in the consolidated financial statements have been discussed in the individual notes of the related financial statement line items.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual notes to the financial statements. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Notes to The Financial Statements

The line items which have most significant effect on accounting, judgements, estimate and assumptions are as follows;

a) Going Concern
b) Valuation of property, plant and equipment and investment property
c) Impairment of non-financial assets
d) Share based payments
e) Taxes
f) Employee benefit liability
g) Provision for impairment allowance for loans and advances given to tea Sellers

5 SUMMARY OF MATERIAL ACCOUNTING POLICIES

Accounting Policy

Summary of material accounting policies have been disclosed along with the relevant individual notes in the subsequent pages.

Those accounting policies presented with each note, have been applied consistently by the Group.

Other material accounting policies not disclosed with individual notes

Following accounting policies, which have been applied consistently by the Group, are considered to be material but not covered in any other sections.

Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

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

5.1 Changes in accounting standards

The following amendments and improvements are not expected to have a significant impact on the Group's financial statements.

- **Amendments to LKAS 1:** Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- **Amendments to SLFRS 16:** Lease Liability in a Sale and Leaseback
- **Amendments to LKAS 7 and SLFRS 7 :** Supplier Finance arrangements
- **Amendments to LKAS 12 :** International Tax Reform - Pillar Two Model Rules

5.2 Standards issued but not yet effective

The following amendments and improvements are not expected to have a significant impact on the Group's financial statements.

- **Amendments to LKAS 21:** Lack of Exchangeability

5.3 Business combinations & goodwill

Business combinations are accounted for using the acquisition method of accounting. The Group measures goodwill at the acquisition date as the fair value of the consideration transferred including the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

When the fair value of the consideration transferred including the recognised amount of any non-controlling interests in the acquiree is lower than the fair value of net assets acquired, a gain is recognised immediately in the income statement. The Group selects on a transaction by transaction basis whether to measure non-controlling interests at fair value, or at their proportionate share of the recognised amount of the identifiable net assets, at the acquisition date. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration which is deemed to be an asset or liability, which is a financial instrument and within the scope of LKAS 39, is measured at fair value with changes in fair value either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of LKAS 39, it is measured in accordance with the appropriate SLFRS/LKAS.

Goodwill is initially measured at cost being the excess of the consideration transferred over the Group's net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired the difference is recognised in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value maybe impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Impairment is determined by assessing the recoverable amount of the cash generating unit to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than the carrying amount, an impairment loss is recognised. The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets pro-rata to the carrying amount of each asset in the unit.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed off, the goodwill associated with the operation disposed is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed in this circumstance is measured based on the relative values of the operation disposed off and the portion of the cash generating unit retained.

6 OPERATING SEGMENT INFORMATION

Accounting Policy

The Group's internal organisation and management is structured based on individual services which are similar in nature and process and where the risk and returns are similar. The operating segments represent the Group's business structure. The activities of each operating business of segments of the Group are detailed in the Group structure of the Annual report.

The Group's operating business segments are as follows

Produce Broking

provision of tea and rubber broking services.

Warehousing

provision of warehousing of tea services.

Share Broking

provision of stock broking services.

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group.

No operating segments have been aggregated to form the above reportable operating segments. An individual segment manager is determined for each operating segment and the results are regularly reviewed by the Board of Directors. The Board of Directors monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the operating segments information, is measured differently from operating profit or loss in the consolidated financial statements. Transfer prices between operating segments are carried out on an arm's -length basis in the ordinary course of business in a manner similar to transactions with third parties.

Notes to The Financial Statements

6.1 Business segments

Group For the year ended 31 March In Rs.000	Produce broking		Warehousing		Share broking		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Disaggregation of revenue								
Total revenue from continuing operations	510,634	563,462	161,428	154,341	344,787	231,737	1,016,849	949,540
Elimination of inter segment revenue	-	-	-	-	-	-	(7,467)	(7,566)
Net revenue	510,634	563,462	161,428	154,341	344,787	231,737	1,009,382	941,974
Segment results	121,465	198,862	42,319	36,128	(21,420)	(89,460)	142,364	145,530
Finance income	21,864	19,993	4,657	2,995	42,769	50,005	69,290	72,993
Finance cost	(10,683)	(28,290)	(7,390)	(7)	(7)	(63)	(18,080)	(28,360)
Net finance (expenses)/ income	11,181	(8,297)	(2,733)	2,988	42,762	49,942	51,210	44,633
Changes in fair value of investment property	30,500	30,000	-	-	-	-	30,500	30,000
	163,146	220,565	39,586	39,116	21,342	(39,518)	224,074	220,163
Share of results of Associate							32,570	712
Profit before tax							256,644	220,875
Tax expense	(63,280)	(73,428)	(12,841)	(11,002)	(8,934)	10,091	(85,055)	(74,340)
Unallocated tax expenses							1,898	(284)
Total tax expenses	(63,280)	(73,428)	(12,841)	(11,002)	(8,934)	10,091	(83,157)	(76,874)
Profit after tax							173,488	144,001
Purchase and construction of PPE*	4,887	2,719	32,119	93,409	1,024	1,944	38,030	98,072
Addition to intangible assets	-	-	-	-	-	4,887	-	-
Depreciation of PPE*	3,781	3,230	36,707	26,205	1,400	1,411	41,889	30,846
Amortisation of intangible assets	-	-	-	-	3,353	(2,563)	3,353	(2,563)
Amortisation of right of use assets	-	-	1,089	1,089	-	-	1,089	1,089
Employee benefit provision and related cost	9,448	9,958	377	419	7,200	8,067	17,025	18,444

6.2 Business segments

	2025	2024	2025	2024	2025	2024	2025	2024
Segment assets	4,708,494	4,389,634	995,411	918,729	833,489	712,731	6,537,394	6,021,094
Segment liabilities	862,756	1,172,867	308,237	252,886	582,694	483,635	1,753,688	1,909,386

*PPE-property, plant & equipment

7 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Accounting Policy

The Group and Company have loans and other receivables, trade and other receivables and cash and short-term deposits that arise directly from its operations. The Group and Company also hold other financial instruments such as available for sale and fair value through profit or loss financial instruments. The Group's and Company's principal financial liabilities, comprise of loans and borrowings, trade and other payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's and Company's operations and to provide guarantees to support their operations. The financial risk governance framework provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Group and Company are exposed to credit risk, liquidity risk, market rate risk and interest risk.

7.1 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group and Company are exposed to credit risk from their operating activities (primarily trade receivables) and from their financing activities, including deposits with banks and financial institutions and other financial instruments.

The Group and Company trade only with recognised, creditworthy third parties. It is the Group's and Company's policy that all clients who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and proactive steps taken to reduce the risk.

With respect to credit risk arising from the other financial assets of the Group, such as cash and cash equivalents, available for sale financial investments, the exposure to credit risk arises from default of the counterparty. The Group and Company manage their operations to avoid any excessive concentration of counterparty risk and the Group and Company take all reasonable steps to ensure that the counter parties fulfil their obligations.

7.1.1 Risk exposure

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts (without consideration of collateral, if available). Following table shows the maximum risk positions.

Group As at 31 March 2025 In Rs.000	Notes	Other non current financial assets	Cash in hand and at bank	Trade and other receivables	Other investments	Amounts due from related parties	Total	% of allocation
Government securities	7.1.1.1	-	-	-	407,154	-	470,302	8%
Loans to executives	7.1.1.2	32,672	-	8,794	-	-	41,466	1%
Trade receivables	7.1.1.3	-	-	837,472	-	-	837,472	17%
Loans given to tea sellers	7.1.1.4	109,472	-	9,331	-	-	118,803	2%
Advance given to tea sellers	7.1.1.4	-	-	263,180	-	-	263,180	5%
Amounts due from related parties	7.1.1.5	-	-	-	-	11,766	11,766	0%
Cash in hand and at bank	7.1.1.6	-	217,536	-	-	-	217,536	4%
Deposits with bank	7.1.1.8	-	-	-	63,148	-	63,148	1%
Deposit with CSE		1,000	-	-	-	-	1,000	0%
Total credit risk exposure		143,144	217,536	1,118,777	470,302	11,766	2,024,673	40%
Financial assets at fair value through OCI	7.1.1.7	2,935,954	-	-	-	-	2,935,956	60%
Total equity risk exposure		3,079,098	217,536	1,118,777	470,302	11,766	4,897,478	100%

Group As at 31 March 2024 In Rs.000	Notes	Other non current financial assets	Cash in hand and at bank	Trade and other receivables	Other investments	Amounts due from related parties	Total	% of allocation
Government securities	7.1.1.1	-	-	-	306,091	-	306,091	7%
Loans to executives	7.1.1.2	40,301	-	7,106	-	-	47,407	1%
Trade receivables	7.1.1.3	-	-	1,043,756	-	-	1,043,756	23%
Loans given to Tea Sellers	7.1.1.4	177,493	-	134,084	-	-	311,577	7%
Advance given to Tea Sellers	7.1.1.4	-	-	172,366	-	-	172,366	4%
Amounts due from related parties	7.1.1.5	-	-	-	-	10,023	10,023	0%
Cash in hand and at bank	7.1.1.6	-	134,428	-	-	-	134,428	3%
Deposits with bank	7.1.1.8	-	-	-	5,893	-	5,893	0%
Deposit with CSE		1,000	-	-	-	-	1,000	0%
Total credit risk exposure		218,794	134,428	1,357,312	306,091	10,023	2,026,648	46%
Financial assets at fair value through OCI	7.1.1.7	2,471,993	-	-	-	-	2,471,993	54%
Total equity risk exposure		2,690,787	134,428	1,357,312	306,091	10,023	4,498,641	100%

Notes to The Financial Statements

Company As at March 2025 In Rs.000	Notes	Other non current financial assets	Cash in hand and at bank	Trade and other receivables	Other investments	Amounts due from related parties	Total	% of allocation
Loans to executives	7.1.1.2	16,963	-	3,840	-	-	20,803	1%
Trade receivables	7.1.1.3	-	-	533,958	-	-	533,958	13%
Loans given to tea sellers	7.1.1.4	109,472	-	9,331	-	-	118,803	3%
Advance given to tea sellers	7.1.1.4	-	-	263,180	-	-	263,180	6%
Amounts due from related parties	7.1.1.5	-	-	-	-	2,999	2,999	0%
Cash in hand and at bank	7.1.1.6	-	191,570	-	-	-	191,570	5%
Total credit risk exposure	7.1.1.8	126,435	191,570	810,309	-	2,999	1,131,313	28%
Financial assets at fair value through OCI	7.1.1.7	2,935,954	-	-	-	-	2,935,954	72%
Total equity risk exposure		3,062,389	191,570	810,309	-	2,999	4,067,267	100%

Company As at March 2024 In Rs.000	Notes	Other non current financial assets	Cash in hand and at bank	Trade and other receivables	Other investments	Amounts due from related parties	Total	% of allocation
Loans to executives	7.1.1.2	21,267	-	4,075	-	-	25,342	1%
Trade receivables	7.1.1.3	-	-	704,664	-	-	704,664	19%
Loans given to tea sellers	7.1.1.4	177,493	-	134,084	-	-	311,577	8%
Advance given to tea sellers	7.1.1.4	-	-	172,366	-	-	172,366	5%
Amounts due from related parties	7.1.1.5	-	-	-	-	5,521	5,521	0%
Cash in hand and at bank	7.1.1.6	-	103,245	-	-	-	103,245	3%
Total credit risk exposure		198,760	103,245	1,015,188	-	5,521	1,322,715	35%
Financial assets at fair value through OCI	7.1.1.7	2,741,993					2,471,993	65%
Total equity risk exposure		2,670,753	103,245	1,015,188	-	5,521	3,794,708	100%

7.1.1.1 Government securities

As at 31 March 2025, as shown in the table above, 100% (2024-100%) of Government securities includes investments in government securities consist of repo investments. Government securities are usually referred to as risk free due to the sovereign nature of the instrument.

7.1.1.2 Loans to executives

Loans to executive portfolio is largely made up of vehicle loans which are given to staff at assistant manager level and above. The respective business units have obtained the necessary Power of Attorney/promissory notes as collateral for the loans granted.

7.1.1.3 Trade and other receivables

As at 31 March In Rs.'000s	Group		Company	
	2025	2024	**2025**	2024
Neither past due nor impaired	**226,276**	287,763	**3,840**	4,075
Past due				
0–30 days	**775,453**	821,874	**691,899**	764,863
31–60 days	**1,247**	5,374	**-**	4,504
61–90 days	**1,025**	1,551	**-**	996
> 91 days	**576,736**	681,013	**576,531**	681,013
Gross carrying value	**1,508,737**	1,797,575	**1,272,270**	1,455,451
Gross carrying value provision for impairment of allowance for loan and advances given to tea sellers (Note 7.1.1.3.1)	**(461,961)**	(440,263)	**(461,961)**	(440,263)
Total	**1,118,777**	1,357,312	**810,309**	1,015,188

The Group has obtained customer deposits from major customers by reviewing their past performance and credit worthiness, as collateral. The requirement for an impairment is analysed at each reporting date on an individual basis for major customers and uses a provision matrix to calculate Expected Credit Loss (ECL) for the balance. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix was initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The Group considers a financial asset including trade and receivable in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

7.1.1.3.1 Movement in the provision for impairment of allowance for loans and advances given to tea sellers.

In Rs.000	Group	Company
As at 01 April 2023	461,593	461,593
Charge for the year	15,000	15,000
Write off	(13,179)	(13,179)
Recoveries	(23,151)	(23,151)
As at 31 March 2024	440,263	440,263
Charge for the year	36,981	36,981
Write off	(4,126)	(4,126)
Recoveries	(11,157)	(11,157)
As at 31 March 2025	461,961	461,961

7.1.1.4 Loans and advances given to Tea Sellers

The Group and Company have advanced money to tea producers by reviewing their past performance and credit worthiness.

7.1.1.5 Amounts due from related parties

The Group's and Company's amount due from related parties mainly consists of the balance due from affiliate Companies and Companies under common control.

7.1.1.6 Credit risk relating to cash in hand and at bank

In order to mitigate the concentration, settlement and operational risks related to cash and cash equivalents, the Group consciously manages the exposure to a single counterparty taking into consideration, where relevant, the rating or financial standing of the counterparty, where the position is reviewed as and when required, the duration of the exposure in managing such exposures and the nature of the transaction and agreement governing the exposure.

7.1.1.7 Financial assets at fair value through OCI

All unquoted/quoted equity investments are made after obtaining Board of Directors' approvals.

7.1.1.8 Deposits with banks

Deposits with bank mainly consist of fixed deposits. As at 31 March 2025.

7.2 Liquidity Risk

The Group's and Company's policy is to hold cash and undrawn committed facilities at a level sufficient to ensure that the Company has available funds to meet its medium term capital and funding obligations, including organic growth and acquisition activities, and to meet any unforeseen obligations and opportunities. The Group holds cash and undrawn committed facilities to enable the Group to manage its liquidity risk.

The Group and Company monitors its risk to a shortage of funds using a daily cash management process. This process considers the maturity of both the Company's financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations.

The Group's and Company 's objective is to maintain a balance between continuity of funding and flexibility through the use of multiple sources of funding including bank loans, loan notes and overdrafts.

Notes to The Financial Statements

7.2.1 Net (debt)/ cash

For the year ended 31st March	Group		Company	
In Rs.'000s	2025	2024	2025	2024
Cash in hand and at bank	217,536	134,428	191,570	103,245
Short term investments	533,450	306,091	-	-
Liquid assets	750,986	440,519	191,570	103,245
Interest-bearing loans and borrowings	(66,400)	-	-	-
Bank overdrafts	(2,715)	(201,520)	(2,714)	(201,460)
Liquid liabilities	(2,715)	(201,520)	(2,714)	(201,460)
Net debt / (cash)	681,871	238,999	188,856	(98,215)

7.2.2 Liquidity risk management

The Group and Company has implemented a mixed approach that combines elements of the cash flow matching approach and the liquid assets approach. The business units matched cash outflows in each time bucket against the combination of contractual cash inflows plus other inflows that can be generated through the sale of assets or other secured borrowings.

Maturity analysis

The table below summarises the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted payments.

Group	2025				2024			
As at 31 March In Rs.'000s	Less than 3 months	3 to 12 months	More than 12 months	Total	Less than 3 months	3 to 12 months	More than 12 months	Total
Trade and other payables	1,285,276	-	-	1,285,276	1,246,909	-	-	1,246,909
Amounts due to related parties	18,085	-	-	18,085	19,798	-	-	19,798
Interest-bearing loans and borrowings	-	33,600	32,800	66,400	-	-	-	-
Bank overdrafts	2,715	-	-	2,715	201,520	-	-	201,520
Total	1,306,076	33,600	32,800	1,439,076	1,468,227	-	-	1,468,227

Company	2025				2024			
As at 31 March In Rs.000	Less than 3 months	3 to 12 months	More than 12 months	Total	Less than 3 months	3 to 12 months	More than 12 months	Total
Trade and other payables	727,163	-	-	727,163	803,447	-	-	803,447
Amounts due to related parties	15,960	-	-	15,960	14,056	-	-	14,056
Bank overdrafts	2,714	-	-	2,714	201,460	-	-	201,460
Total	745,837	-	-	745,837	1,018,963	-	-	1,018,963

7.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. The financial instruments affected by the Company is financial assets designated at FVOCI which include equity securities.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group has managed the risk of volatile interest rates by having a balanced portfolio of borrowings at fixed and variable rates.

7.3.1 Equity price risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.

7.3.2 Financial assets at fair value through other comprehensive income

All quoted equity and unquoted equity investments are made after obtaining Board of Directors' approval.

7.3.3 Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the market index, with all other variables held constant, of the Group's and Company's profit before tax and equity due to changes in the fair value of the listed equity securities.

As at 31 March	Change in year end market price index	Effect on profit before tax	Effect on equity Rs. '000
Group			
2025	10%	-	43,487
	-10%	-	(43,487)
2024	10%	-	37,826
	-10%	-	(37,826)
Company			
2025	10%	-	43,487
	-10%	-	(43,487)
2024	10%	-	37,826
	-10%	-	(37,826)

7.4 Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong financial position and healthy capital ratios to support its business and maximise shareholder value.

The Company manages its capital structure, and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares, have a rights issue or buy back shares.

For the year ended 31 March	Group		Company	
In Rs.000	2025	2024	2025	2024
Debt/equity	1.45%	4.90%	0.07%	6.09%

8 FAIR VALUE MEASUREMENT AND RELATED FAIR VALUE DISCLOSURES

Fair value measurement

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are only, disclosed are reflected in this note. Aside from this note, additional fair value related disclosures, including the valuation methods, significant estimates and assumptions are also provided in:

- Investment in unquoted equity shares Note 24.2
- Property, plant and equipment under revaluation model Note 18.8
- Investment properties Note 20
- Financial Instruments (including those carried at amortised cost) Note 9

Notes to The Financial Statements

8 FAIR VALUE MEASUREMENT AND RELATED FAIR VALUE DISCLOSURES (Contd.)

Accounting Policy

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted equity instruments, and for non-recurring measurement, such as assets held for sale in discontinued operations. External valuers are involved for valuation of significant assets, such as land and building and investment properties, and significant liabilities, such as insurance contracts. Selection criteria for external valuers include market knowledge, reputation, independence and whether professional standards are maintained. The Group decides, after discussion with the external valuers, which valuation techniques and inputs to use for individual assets and liabilities. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above.

8.1 Financial Assets by Fair Value Hierarchy

The Group and Company held the following financial instruments carried at fair value in the statement of financial position.

Financial Assets

Group As at 31 March In Rs.000	Date of valuation	Level 1		Level 2		Level 3	
		2025	2024	2025	2024	2025	2024
Non-listed equity investments							
Waterfront Properties (Pvt) Ltd	31.03.2025	-	-	-	-	2,501,083	2,037,993
Listed equity investments							
Keells Food Products PLC	31.03.2025	434,870	378,260	-	-	-	-
Total		434,870	378,260	-	-	2,501,083	2,037,993

Company As at 31 March In Rs.'000s	Date of valuation	Level 1		Level 2		Level 3	
		2025	2024	2025	2024	2025	2024
Non-listed equity investments							-
Waterfront Properties (Pvt) Ltd	31.03.2025	-	-	-	-	2,501,083	2,037,993
Listed equity investments							
Keells Food Products PLC	31.03.2025	434,870	378,260	-	-	-	-
Total		434,870	378,260	-	-	2,501,083	2,037,993

During the reporting period ended 31 March 2025, there were no transfers between any of the levels fair value measurements.

8.2 Reconciliation of financial assets at fair value through OCI

As at 31 March In Rs.'000s	Group	Company
As at 1st April 2023	2,642,519	2,642,519
Waterfront Properties (Pvt) Ltd - **Non-listed equity investments**	(192,815)	(192,815)
Keells Food Products PLC - **Listed equity investments**	(33,451)	(33,451)
Total movement	**(226,266)**	**(226,266)**
As at 1st April 2024	2,416,253	2,416,253
Waterfront Properties (Pvt) Ltd - **Non-listed equity investments**	463,090	463,090
Keells Food Products PLC - **Listed equity investments**	56,610	56,610
Total movement	519,700	519,700
As at 31 March 2025	**2,935,953**	**2,935,953**

8.3 Non - financial assets by fair value hierarchy

Non financial assets - Group

Group As at 31 March In Rs.'000s	Date of valuation	Level 1		Level 2		Level 3	
		2025	2024	2025	2024	2025	2024
Fair value hierarchy non - financial assets							
Assets measured at fair value							
Investment property	31.12.2024	-	-	-	-	544,750	514,250
Buildings on leasehold land	31.12.2024	-	-	-	-	750,322	741,228

Company As at 31 March In Rs.'000s	Date of valuation	Level 1		Level 2		Level 3	
		2025	2024	2025	2024	2025	2024
Fair value hierarchy non - financial assets							
Assets measured at fair value							
Investment property	31.12.2024	-	-	-	-	544,750	514,250

In determining the fair value, highest and best use of the property has been considered including the current condition of the properties , future usability and associated redevelopment requirements have been considered. Also the valuers have made reference to market evidence of the transaction prices for similar properties, with appropriate adjustments for the size and location. The appraised fair value are rounded within the range of values.

Reconciliation of fair value measurements of level 3 financial instruments

The Company carries unquoted equity shares as equity instruments designated at fair value through OCI classified as Level 3 within the fair value hierarchy. A reconciliation of the beginning and closing balances including movements is summarised below:

In LKR '000s	Group	Company
As at 1 April 2024	2,037,993	2,037,993
Remeasurement gain/(loss) recognised for the year	463,090	463,091
As at 31 March 2025	2,501,083	2,501,083

Notes to The Financial Statements

8.4 Basis of valuation of financial and non - financial assets - Group / Company

The unquoted equity investment has been fair valued using the Discounted Cash Flow Method of the investee, Waterfront Properties (Private) Limited (WPL).

The value per share of WPL as at 31st March 2025 was Rs.13.05 (2024: Rs.10.63). The valuation of WPL is carried out in LKR terms in accordance with the functional currency of WPL, which was transitioned from US Dollars to LKR given the commencement of operations of the Cinnamon Life hotel during the year.

The Company shareholding in WPL as at the reporting date was 0.96% (2024: 1.11%).

Details of the valuation as at 31st March 2025 are given below;

The valuation of the investment in WPL has been conducted based on the Discounted Cash Flow Method.

Discounted Cash Flow Method

Estimates the fair market value of the entity considering the future cash flow generation of WPL, and all its integrated components. Projected cash flows are discounted to arrive at the net present value of the investment.

Key assumptions used in the Discounted Cash Flow Method are noted below.

Forecast Horizon

Cash Flows have been forecasted for 5 years, with the terminal value based on an appropriate terminal growth rate in line with the market.

Revenue, EBITDA Margins and Cashflow Projections

Revenue and EBITDA margins have been adjusted for project specific aspects and the margin projections are based on the expected steady-state operations post ramp-up, peer comparisons and independent market studies, as applicable, and the performance of similar integrated properties regionally. The cash flows are forecasted under a base case scenario, considering all aspects and prospects of the integrated resort offering. A minority discount has also been factored in given the Company's shareholding percentage in WPL, which is relatively low on a standalone basis.

Discount Rate

The LKR cost of equity reflects the current and expected discount rates, while taking into account the long-term nature of the investment.

Details of the valuation as at 31st March 2024 are given below;

The valuation of the investment in Waterfront Properties (Pvt) Ltd (WPL) has been conducted based on the Discounted Cash Flow Method.

Discounted Cash Flow Method

Estimates the fair market value of the entity considering the future cash flow generation of the Company, as of now. Projected cash flows, are discounted using cost of equity, to arrive at the net present value of the investment. Key assumptions used in the Discounted Cash Flow Method are noted below;

Forecast Horizon

Cash Flows have been forecasted for 5 years, with the terminal value based on an appropriate terminal growth rate in line with the market.

Revenue, EBITDA Margins and Cashflow Projections

Revenue and EBITDA margins have been adjusted for project specific aspects and the margin projections are based on the extrapolation of existing operations in the market and independent market studies, as applicable, and the performance of similar integrated properties regionally. The cash flows are forecasted under a base case scenario, considering all aspects of the integrated resort offering. A minority discount has also been factored in given the Company's shareholding percentage in WPL, which is relatively low on a standalone basis.

Discount Rate

The discount rate used is the risk free rate, adjusted by the addition of an appropriate risk premium. The cost of equity reflects the current and expected discount rates, while taking into account the long-term nature of the investment.

9 FINANCIAL INSTRUMENTS

Accounting Policy

i) Financial instruments - initial recognition and subsequent measurement

Financial assets within the scope of SLFRS 9 are classified as amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. This assessment is referred to as the SPPI test and is performed at an instrument level. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient financial assets are measured at the transaction price.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

The Group's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables, quoted and unquoted financial instruments and derivative financial instruments.

Subsequent measurement

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

- Financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

Debt instruments

Financial assets at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the Group's effective interest rate.

For trade receivables, the Group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial assets at fair value through OCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and;The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as a separate line item in the income statement.

The Group does not have debt instruments at fair value through OCI.

Equity instruments

Financial assets designated at fair value through OCI

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

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

The Group does not have financial assets at fair value through profits or loss.

Financial assets - instruments

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Notes to The Financial Statements

9 FINANCIAL INSTRUMENTS (Contd.)

Impairment of financial assets

For trade receivables, the group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, carried at amortised cost. This includes directly attributable transaction costs.

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

The Group does not have financial liabilities at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Income statement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Fair value of financial instrument

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid prices for long position and ask price for short positions), without any deductions for transaction costs. For instruments not traded in an active market , the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is subsequent and is substantially the same; a discounted cash flow analysis or other valuation models. An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 9.

9.1 Financial assets and liabilities by categories

Group As at 31 March In Rs.000	Financial assets/liabilities at amortised cost		Financial assets/liabilities at fair value through OCI with recycling of cumulative gains and losses		Financial assets/liabilities designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Financial instruments in non-current assets/non-current liabilities								
Interest-bearing loans and borrowings	32,800	-	-	-	-	-	-	-
Other non-current financial assets	143,144	218,794	-	-	2,935,954	2,416,253	32,800	2,635,047
Financial instruments in current assets/current liabilities								
Trade and other receivables	846,266	537,798	-	-	-	-	846,266	537,798
Loans and advances given to tea sellers	272,511	306,450	-	-	-	-	272,511	306,450
Trade and other payables	(1,285,276)	(1,246,909)	-	-	-	-	(1,285,276)	(1,246,909)
Amount due from related parties	11,766	10,023	-	-	-	-	11,766	10,023
Amount due to related parties	(18,085)	(19,798)	-	-	-	-	(18,085)	(19,798)
Cash in hand and at bank	217,536	134,428	-	-	-	-	217,536	134,428
Interest-bearing loans and borrowings	33,600	-	-	-	-	-	-	-
Bank overdrafts	(2,715)	(201,520)	-	-	-	-	33,600	(201,520)

Company As at 31 March In Rs.000	Financial assets/liabilities at amortised cost		Financial assets/liabilities at fair value through OCI with recycling of cumulative gains and losses		Financial assets/liabilities designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Financial instruments in non-current assets/non-current liabilities	-	-	-	-	-	-	-	-
Other non-current financial assets	126,435	198,760	-	-	2,935,954	2,416,253	3,062,389	2,615,012
Financial instruments in current assets/current liabilities	-	-	-	-	-	-	-	-
Trade and other receivables	537,798	708,739	-	-	-	-	537,798	708,739
Loans and advances given to Tea Sellers	272,511	306,450	-	-	-		272,511	306,450
Trade and other payables	(727,163)	(803,447)	-	-	-	-	(727,163)	(803,447)
Amount due from related parties	2,999	5,521	-	-	-	-	2,999	5,521
Amount due to related parties	(15,960)	(14,056)	-	-	-	-	(15,960)	(14,056)
Cash in hand and at bank	191,570	103,245	-	-	-	-	191,570	103,245
Bank overdrafts	(2,714)	(201,460)	-	-	-	-	(2,714)	(201,460)

The fair value of loans and receivables are not significantly different from the value based on amortised cost methodology.

Notes to The Financial Statements

9 FINANCIAL INSTRUMENTS (Contd.)

The management assessed that, cash and short-term deposits, trade receivables, trade payables, loans and advances given to tea sellers, bank overdrafts and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

Fair value of quoted equities, are based on price quotations in an active market at the reporting date

10 REVENUE

Accounting Policy

Revenue from contracts with customers

Revenue from contracts with customer is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services.

Services transferred at the point of time

Under SLFRS 15, revenue is recognised upon satisfaction of a performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally, on delivery of the goods. For each performance obligation satisfied overtime, the Group recognises the revenue at the point of time by measuring the progress towards complete satisfaction of that performance obligation.

10.1 Disaggregation of revenue

For the year ended 31 March	Group		Company	
In Rs.'000s	2025	2024	2025	2024
Brokerage fee	744,798	616,354	400,010	384,616
Warehousing income	161,427	154,341	-	-
Other	38,611	43,529	38,611	43,529
Total revenue from contract with customers	944,836	814,224	438,621	428,145
Interest earned on loans and advances	69,960	133,359	69,960	133,359
Rental income earned	2,053	1,958	2,053	1,958
Inter segment revenue	(7,467)	(7,567)	-	-
Total revenue	1,009,382	941,974	510,634	563,462

10.2 Reconciliation of revenue

Reconciliation between revenue from contracts with customers and revenue information that is disclosed for each reportable segments has been provided in the operating segment information section.

11 DIVIDEND INCOME

Accounting Policy

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

For the year ended 31 March	Company	
In Rs.000	2025	2024
Dividend income from investment in subsidiaries	78,297	12,750
	78,297	12,750

12 OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Accounting Policy

Gains and losses

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other non-current assets, including investments in subsidiaries, are accounted for in the income statement, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

Gains and losses arising from activities incidental to the main revenue generating activities and those arising from a group of similar transactions, which are not material are aggregated, reported and presented on a net basis.

12.1 Operating income

For the year ended 31 March	Group		Company	
In Rs.000	2025	2024	2025	2024
Sundry income	2,617	600	2,542	200
Net gain on disposal of property, plant and equipment	12,114	353	-	-
	14,731	953	2,542	200

12.2 Operating Expenses

For the year ended 31 March	Group		Company	
In Rs.000	2025	2024	2025	2024
Exchange loss	89	632	89	632
Other overheads	5,614	4,311	-	-
	5,702	4,943	89	632

13 FINANCE INCOME AND FINANCE COST

13.1 Finance income

Accounting Policy

Finance income comprises interest income on funds invested dividend income, gains on the disposal of fair value through OCI financial assets, fair value gains on financial assets at fair value through profit or loss, gains on the remeasurement to fair value of any pre existing interest in an acquiree that are recognised in the income statement.

Interest income is recorded as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the income statement.

Finance income

For the year ended 31 March	Group		Company	
In Rs.000	2025	2024	2025	2024
Interest income	53,951	63,592	13,015	14,774
Dividend income on financial assets at FVOCI Keells Foods Products PLC	5,359	1,094	5,359	1,094
Realised gain on financial assets at fair value through profit or loss	9,980	8,307	3,490	4,125
Total finance income	69,290	72,993	21,864	19,993

Notes to The Financial Statements

13 FINANCE INCOME AND FINANCE COST (Contd.)

13.2 Finance costs

Accounting Policy

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, losses on disposal of financial assets at FVOCI, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables) that are recognised in the income statement.

Interest expense is recorded as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial liability.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Finance cost

For the year ended 31 March	Group		Company	
In Rs.000	2025	2024	2025	2024
Interest expense on borrowings	(18,080)	(28,360)	(10,683)	(28,290)
Total finance cost	(18,080)	(28,360)	(10,683)	(28,290)
Net finance income / (expenses)	51,210	44,633	11,181	(8,297)

14 PROFIT BEFORE TAX

Accounting Policy

Expenditure recognition

Expenses are recognised in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the income statement.

For the purpose of presentation of the income statement, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the Group's and Company's performance.

For the year ended 31 March	Group		Company	
In Rs.'000s	2025	2024	2025	2024
Profit before tax is stated after charging all expenses including the following;				
Administration expenses				
Remuneration to non executive directors	15,074	12,648	11,457	10,140
Audit fees	3,598	3,498	1,950	1,908
Amortisation of right of use assets	1,089	1,089		-
Personnel costs includes				
Defined benefit plan cost	17,025	18,423	9,448	9,958
Defined contribution plan cost - EPF and ETF	39,142	35,544	14,778	14,813
Other staff cost	385,902	383,850	161,055	166,547
Depreciation of property, plant and equipment	41,889	30,846	3,781	3,230
Amortisation of intangible assets	3,353	2,563	-	-
Other long term employee benefits cost	15,032	11,296	6,283	4,042
CSR	1,317	2,691	1,317	2,120
Selling and distribution expenses				
Impairment (recoveries) of trade receivables	25,852	(8,151)	25,852	(8,151)

15 EARNINGS PER SHARE

Accounting Policy

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

For the year ended 31 March	Group		Company	
	2025	2024	2025	2024
Basic earnings per share				
Profit attributable to equity holders of the parent (In Rs.000)	170,510	151,063	178,163	159,887
Weighted average number of ordinary shares (In 000's)	60,800	60,800	60,800	60,800
	Rs	Rs	Rs	Rs
Basic earnings per share	2.80	2.48	2.93	2.63
Amount used as denominator				
Ordinary shares at the beginning of the year (In 000's)	60,800	60,800	60,800	60,800
Ordinary shares at the end of the year (In 000's)	60,800	60,800	60,800	60,800

16 DIVIDEND PER SHARE

For the year ended 31 March	Company			
	2025		2024	
	Rs.	Rs.000	Rs.	Rs.000
Equity dividend on ordinary shares				
Declared and paid during the year				
Out of dividends received - free of tax	0.99	60,476	2.27	138,016
Out of profits -liable for tax	0.01	324	0.63	38,304
Total dividend	1.00	60,800	2.90	176,320

17 TAXES

Accounting Policy

Current tax

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

Current income tax relating to items recognised directly in equity is recognised in equity and for items recognised in other comprehensive income shall be recognised in other comprehensive income and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

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

Notes to The Financial Statements

17 TAXES (Contd.)

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

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

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

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

Deferred tax relating to items recognised outside the income statement is recognised outside the income statetment. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of a assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

17.1 Tax expense

For the year ended 31 March	Group		Company	
In Rs.'000s	2025	2024	2025	2024
Current income tax	70,143	85,709	52,411	66,295
Adjustments in respect of current income tax of previous year	196	(1,754)	196	(114)
Deferred income tax				
Relating to origination and reversal of temporary differences (17.2)	12,817	(7,081)	10,673	7,247
	83,156	76,874	63,280	73,428

17.2 Deferred tax expense

For the year ended 31 March In Rs.'000s	Group 2025	Group 2024	Company 2025	Company 2024
Income statement				
Deferred tax expense arising from;				
Accelerated depreciation for tax purposes	(1,167)	(4,378)	154	37
Revaluation of investment property to fair value	9,150	9,000	9,150	9,000
Retirement benefit obligation	3,716	(4,191)	1,369	(1,790)
Benefit arising from tax losses	6,346	(7,581)	-	-
Undistributed profits of investment in associate & subsidiaries	(5,228)	69	-	-
Deferred tax charge/ (release)	12,817	(7,081)	10,673	7,247
Statement of comprehensive income				
Deferred tax expense arising from;				
Revaluation of building at fair value	7,007	62,634	-	-
Actuarial losses on defined benefit obligations	3,527	(5,179)	3,108	(3,221)
Deferred tax charge / (reversal) directly to OCI	10,534	57,455	3,108	(3,221)

The Group has computed deferred tax at the rates based on substantively enacted rate which is the rate legislated as of the reporting date specified in the Inland Revenue Act, No. 24 of 2017

17.3 Income tax liabilities/refunds

31 March In Rs.000	Group 2025	Group 2024	Company 2025	Company 2024
At the beginning of the year	31,037	86,244	21,453	75,905
Charge for the year	70,143	83,226	52,411	66,295
(Over)/under provision of current tax of previous years	196	(1,755)	196	(114)
Payments and set off against refunds	(83,399)	(136,677)	(60,964)	(120,633)
At the end of the year	17,977	31,037	13,096	21,453
Income tax liability	17,977	31,037	13,096	21,453

17.4 Deferred tax asset

31 March In Rs.000	Group 2025	Group 2024	Company 2025	Company 2024
At the beginning of the year	19,774	8,170	-	-
(Charge) and release	(8,934)	9,646	-	-
(Charge) and release other - comprehensive income	(232)	1,958	-	-
At the end of the year	10,608	19,774	-	-
The closing deferred tax asset balances relate to the following;				
Accelerated depreciation for tax purposes	(940)	(813)	-	-
Losses available for offset against future taxable income	1,236	7,581	-	-
Employee retirement benefit liability	10,312	13,006	-	-
	10,608	19,774	-	-

Notes to The Financial Statements

17 TAXES (Contd.)

17.5 Deferred tax liabilities

For the year ended 31 March	Group		Company	
In Rs.000	2025	2024	2025	2024
At the beginning of the year	280,873	218,894	54,580	50,554
Charge and (release)	(6,604)	2,565	10,673	7,247
(Charge) and release other - comprehensive income	10,302	59,414	3,108	(3,221)
At the end of the year	284,571	280,873	68,361	54,580
The closing deferred tax liability balances relate to the following;				
Accelerated depreciation for tax purposes	217,730	156,390	3,050	2,897
Revaluation of investment property to fair value	84,002	130,479	76,995	67,845
Employee retirement benefit liability	(12,333)	(16,883)	(11,684)	(16,161)
Impact on consolidation of associates retained earnings	(4,828)	10,887	-	-
	284,571	280,873	68,361	54,580

17.6 Reconciliation between tax expense and the product of accounting profit

For the year ended 31 March	Group		Company	
In Rs.000	2025	2024	2025	2024
Reconciliation between tax expense and the product of accounting profit				
Profit / (loss) before tax	256,644	220,876	241,442	233,315
Dividend income from group companies	(83,655)	(13,844)	(83,655)	(13,844)
Fair value change in investment properties	(30,500)	(30,000)	(30,500)	(30,000)
Share of results of associate	(32,570)	712	-	-
Other consolidation adjustments	3,330	2,250	-	-
Adjusted accounting profit /(loss) chargeable to income tax	178,389	179,995	127,287	189,472
Disallowable expenses	132,675	90,852	67,852	40,590
Allowable expenses	(77,254)	(27,706)	(20,436)	(9,075)
(Utilisation)/ un-utilisation of tax losses	-	25,269	-	-
Taxable income	233,810	268,409	174,703	220,985
Income tax charged at				
Standard rate 30%	70,143	85709	52,411	66,295
(Over)/under provision for previous years	196	(1,754)	196	(114)
Current tax charge	70,339	83,955	52,607	66,181

For the year ended 31 March	Group		Company	
In Rs.000	2025	2024	2025	2024
17.7 Reconciliation between tax expense and the product of accounting profit				
Profit / (loss) before tax	256,644	220,876	241,442	233,315
Income tax not liable for income tax	(114,155)	(43,844)	(114,155)	(43,844)
Accounting profit / (loss) chargeable to income taxes	142,489	177,032	127,287	189,471
Tax effect on chargeable profits / losses	60,074	58,979	38,186	56,850
Tax effect on non deductible expenses	20,998	11,774	16,487	8,295
Tax effect on deductions claimed	(2,034)	(1,409)	(739)	(602)
Income tax on other comprehensive income	9,150	9,000	9,150	9,000
Current and deferred tax share of associate	(5,228)	284	-	-
(Over)/under provision for previous years	196	(1,755)	196	(114)
	83,156	76,874	63,280	73,428
Income tax charged at				
Standard rate 30%	70,143	85,709	52,411	66,295
(Over)/under provision for previous years	196	(1,755)	196	(114)
Charge for the year	70,339	83,955	52,607	66,181
Deferred tax charge/(reversal) (note 17.2)	(12,817)	(7,081)	10,673	7,247
Total income tax expense	83,156	76,874	63,280	73,428

Group tax expense is based on the taxable profit of individual companies within the Group. At present the tax laws of Sri Lanka do not provide for Group taxation.

18 PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

Basis of recognition

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be reliably measured.

Basis of measurement

Property, plant and equipment except for land and buildings are stated at cost less accumulated depreciation and any accumulated impairment loss. Such cost includes the cost of replacing component parts of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred.

Buildings are measured at fair value less accumulated depreciation on buildings and impairment charged subsequent to the date of the revaluation. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statement, in which case the increase is recognised in the income statement. A revaluation deficit is recognised in the income statement, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. Where land and buildings are subsequently revalued, the entire class of such assets is revalued at fair value on the date of revaluation.

Notes to The Financial Statements

18 PROPERTY, PLANT AND EQUIPMENT (Contd.)

Derecognition

An item of property, plant and equipment is derecognised upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in the income statement in the year the asset is derecognised.

Depreciation

Depreciation is calculated by using a straight-line method on the cost or valuation of all property, plant and equipment, other than freehold land in order to write off such amounts over the estimated useful economic life of such assets.

The estimated useful life of assets is as follows:

Assets	Years
Buildings on leasehold land	over the Lease period
Plant and machinery	2-10
Equipment	6-8
Furniture and fittings	5-8
Motor vehicles	5
Computer equipment	5
Other	5

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

	In Rs.000	Buildings on Leasehold Land	Plant and machinery	Furniture and fittings	Motor vehicles	Computer equipment	Office equipment	Others	Capital work in progress	Total 2025	Total 2024
	Group										
18.1	**Cost/valuation**										
	At the beginning of the year	741,228	52,048	80,111	29,181	27,220	12,152	1,805	91,058	1,034,803	753,748
	Additions	12,920	1,300	108,170	-	4,926	1,772	-	(91,058)	38,030	98,072
	Revaluation	23,357	-	-	-	-	-	-	-	23,357	209,388
	Disposals	-	-	(7,446)	-	(3,209)	-	-	-	(10,655)	(7,017)
	Transfers	(27,183)								(27,183)	(19,388)
	At the end of the year	750,322	53,348	180,835	29,181	28,937	13,924	1,805	-	1,058,352	1,034,803
18.2	**Accumulated depreciation and impairment**										
	At the beginning of the year	(6,793)	(31,835)	(72,093)	(22,020)	(20,033)	(9,306)	(1,704)	-	(163,784)	(159,342)
	Charge for the year	(27,692)	(3,191)	(6,314)	-	(2,692)	(1,952)	(48)	-	(41,889)	(30,846)
	Disposals	-	-	7,446	-	3,209	-	-	-	10,655	7,017
	Transfer of accumulated depreciation on asset revaluation	27,183	-	-	-	-	-	-	-	27,183	19,388
	At the end of the year	(7,302)	(35,026)	(70,961)	(22,020)	(19,516)	(11,258)	(1,752)	-	(167,835)	(163,787)
18.3	**Carrying value**										
	As at 31 March 2025	743,020	18,322	109,874	7,161	9,421	2,666	53	-	890,517	-
	As at 31 March 2024	734,435	20,212	8,018	7,160	7,186	2,846	101	91,058	-	871,016

During the financial year, the Group acquired plant and equipment to the aggregate value of Rs 38.03 Mn (2024 - Rs 98.07 Mn) cash payments amounting to Rs 38.03 Mn (2024 - Rs 98.07 Mn) was made during the year for the acquisition of plant and equipment

	In Rs.'000s	Plant and machinery	Furniture and fittings	Motor vehicles	Computer equipment	Office equipment	Others	**Total 2025**	Total 2024
	Company								
18.4	**Cost**								
	At the beginning of the year	2,590	9,031	29,181	12,127	1,716	1,078	55,723	53,000
	Additions	1,300	509	-	2,407	672	-	4,888	2,719
	Disposals	-	-	-	(3,209)	-	-	(3,209)	-
	At the end of the year	3,890	9,540	29,181	11,325	2,388	1,078	57,402	55,722
18.5	**Accumulated depreciation and impairment**								
	At the beginning of the year	(855)	(3,553)	(22,021)	(8,048)	(721)	(1,078)	(36,276)	(33,044)
	Charge for the year	(578)	(1,465)	-	(1,390)	(348)	-	(3,781)	(3,230)
	Disposals	-	-	-	3,209	-	-	3,209	
	At the end of the year	(1,433)	(5,018)	(22,021)	(6,229)	(1,069)	(1,078)	(36,848)	(36,274)
18.6	**Carrying value**								
	As at 31 March 2025	2,457	4,522	7,160	5,096	1,319	-	20,554	-
	As at 31 March 2024	1,734	5,478	7,161	4,079	994	-	-	19,447

During the financial year, the Company acquired plant and equipment to the aggregate value of Rs 4.89 Mn (2024 Rs 2.72Mn) cash payments amounting to Rs 4.89 Mn (2024 Rs 2.72Mn) was made during the year for the acquisition of plant and equipment.

18.7 Carrying value of property, plant and equipment

As at 31 March	Group		Company	
In Rs.'000s	**2025**	2024	**2025**	2024
At cost	147,497	136,581	20,554	19,447
At valuation	743,020	734,435	-	-
	890,517	871,016	20,554	19,447

18.8 Revaluation of land and buildings

Accounting judgements, estimates and assumptions

The Group uses the revaluation model of measurement of land and buildings. The Group engaged independent expert valuers to determine the fair value of its land and buildings. Fair value is determined by reference to market-based evidence of transaction prices for similar properties. Valuations are based on open market prices, adjusted for any difference in the nature, location, or condition of the specific property. These valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The most recent revaluation was carried out on 31 December 2024.

The changes in fair value are recognised in other comprehensive income and in the statement of changes in equity

18.9 Details of group's buildings stated at valuation are indicated below

Property	Location	Valuation technique	Significant unobservable Inputs	Estimates for unobservable input	Sensitivity of fair value to unobservable inputs	Property Valuer	Effective date of valuation
Building on leasehold land John Keells Warehousing (Pvt) Ltd	93, 1st Lane, Mthurajawela Hendala Wattala	Depreciated replacement cost	Estimated price per sq. ft.	Rs. 2,500 to Rs. 6,000 (2024- Rs.2,500 to Rs 5,500)	Positively correlated sensitivity	Loachana I Silva - Chartered Valuers (Pvt) Ltd.	31st December 2024

Notes to The Financial Statements

18 PROPERTY,PLANT AND EQUIPMENT (Contd.)

Summary description of valuation methodology;

1. Comparable Market approach (CMA)

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

2. Depreciated replacement cost (DRC)

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

18.10 The carrying amount of revalued land and buildings if they were carried at cost less depreciation, would be as follows;

As at 31 March In Rs.'000s	Group 2025	 2024
Property, plant and equipment /Cost	151,778	151,778
Accumulated depreciation and impairment	(57,935)	(54,899)
Carrying value	93,843	96,879

19 RIGHT OF USE ASSETS, LEASE LIABILITY AND INTEREST BEARING LOANS AND BORROWINGS

Accounting Policy

Right of use assets

The Group recognises right of use assets when the underlying asset is available for use. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right of use assets are subject to impairment.

Lease liabilities

As at the reporting date all rental payments relating to SLFRS 16 leases have been paid in advance as such, there are no lease liabilities as at the reporting date.

Short-term leases and leases of low-value assets

The Group did not have any short term or low value lease assets.

19.1 Amounts recognised in the statement of financial position and income statement

Set out below, are the carrying amounts of the Group's right of use assets and the movements for the period ended 31 March 2025.

Right of use assets

As at 31 March In Rs.'000s	Group 2025	 2024
Right of use assets - lease hold properties		
Cost		
At the beginning of the year	35,846	35,846
Additions	-	-
At the end of the year	35,846	35,846
Accumulated amortisation and impairment		
At the beginning of the year	(5,445)	(4,356)
Amortisation	(1,089)	(1,089)
At the end of the year	(6,534)	(5,445)
At the end of the year	29,312	30,401

The following are the amounts recognised in profit or loss:

For the year ended 31 March	Group	
In Rs. '000s	2025	2024
Amortisation expense of right-of-use assets	1,089	1,089
Total amount recognised in profit or loss	1,089	1,089

No expenses relating to short term leases and leases of low value assets has been recognised in profit or loss.

19.2 Property

Details of right of use assets

As at 31st March In Rs. '000s	Land extent	Lease period	2025	2024
Land - Muthurajawela	A - 6 and P - 30	50 years from 1 March 2002	29,312	30,401

19.3 Interest bearing loans and borrowings

As at 31 March	Group	
In Rs. '000s	2025	2024
Movement during the year		
Balance as at beginning of the year	-	-
Loans obtained	100,000	-
Exchange Difference	-	-
Any adjustments (please specify)	-	-
Loans repaid	(33,600)	-
Balance as at end of the year	66,400	-
Repayable within one year	(33,600)	-
Repayable between one to five years	(32,800)	-
Repayable after five years	-	-

Repayment terms

As part of its capital investment strategy, the JKW secured a term loan facility amounting to rupees 100 million from Sampath Bank PLC during the financial year.

The facility is structured over a three-year tenure, with repayment through equal monthly installments of rupees 2.8 million. The interest rate is variable, pegged to the Average Weighted Prime Lending Rate (AWPLR) plus a margin of 0.5%, subject to monthly review.

Notes to The Financial Statements

20 INVESTMENT PROPERTY

Accounting Policy

Basis of recognition

Investment properties are measured initially at cost, including transaction costs.

Basis of measurement

The carrying value of an investment properties includes the cost of replacing part of an existing investment properties, at the time that cost is incurred if the recognition criteria are met and excludes the costs of day to- day servicing of the investment properties. Subsequent to initial recognition, the investment properties are stated at fair values, which reflect market conditions at the reporting date. Gains or losses arising from changes in fair value are included in the income statement in the year in which they arise. Fair values are re valuated at least every 3 years by an accredited external, independent valuer. The most recent revaluation was carried out on 31 December 2024

Derecognition

Investment properties are derecognised when disposed, or permanently withdrawn from use because no future economic benefits are expected. Any gains or losses on retirement or disposal are recognised in the income statement in the year of retirement or disposal.

Transfer of Investment properties

Transfers are made to or from investment properties only when there is a change in use for a transfer from investment property to owner occupied property or inventory (WIP), the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property or inventory (WIP), the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. Where Group companies occupy a significant portion of the investment property of a subsidiary, such investment properties are treated as property, plant and equipment in the consolidated financial statements, and accounted for using accounting policy for property, plant and equipment.

20.1 Investment Property

As at 31 March	Group		Company	
In Rs.000	**2025**	2024	**2025**	2024
At the beginning of the year	**514,250**	484,250	**514,250**	484,250
Net gain/(loss) from fair value remeasurement	**30,500**	30,000	**30,500**	30,000
At the end of the year	**544,750**	514,250	**544,750**	514,250
Rental income earned - Group and Company	**2,053**	1,958	**2,053**	1,958
Direct operational expenses incurred	-	-	-	-
Direct operating expenses that did not generate rental income	-	-	-	-

20.2

Location	Land in perches	Valuation amount Rs	Date	Name of valuer
50, Minuwangoda Road Ekala, Ja- Ela	603.90	543,500,000	31.12.2024	Loachana I Silva - Chartered Valuers (Pvt) Ltd.
58, Kirulapone Avenue Colombo 6	12.56	1,250,000	31.12.2024	Loachana I Silva - Chartered Valuers (Pvt) Ltd.
		544,750,000		

Investment properties are stated at fair value which has been determined based on a valuation performed by Loachana I Silva - Chartered Valuers (Pvt) Ltd. using the Market comparable method based on estimated price per perch and price per sq ft positively correlated to the fair value.

Location	Valuation technique	Significant unobservable inputs	Estimates for unobservable inputs	Sensitivity of fair value to un observable inputs
50, Minuwangoda Road Ekala, Ja- Ela	Market comparable Method	Estimated price per perch	Rs 900,000	Positively correlated sensitivity
58, Kirulapone Avenue Colombo 6	Book value maintained until the vacant possession of the land is obtained	Estimated price per perch	Rs 100,000	Zero correlated

Real Estate Portfolio

As at 31 March Owning company and location	No Of buildings	Buildings in (Sq. Ft)	Land in acres		Net book value at valuation	
			Freehold	Leasehold	2025	2024
PROPERTIES IN COLOMBO						
58, Kirulapone Avenue Colombo 6	1	1,200	12.56 Perches	-	1,250	1,250
PROPERTIES OUTSIDE COLOMBO						
50, Minuwangoda Road Ekala, Ja- Ela	-	-	603.9 Perches	-	543,500	513,000
93, First Avenue, Muthurajawela, Hendala, Wattala	3	146,743	-	A-6 and P-30	743,040	734,435

21 INTANGIBLE ASSETS

Accounting Policy

Basis of recognition

An Intangible asset is recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

Basis of measurement

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised, and expenditure is charged against income statement in the year in which the expenditure is incurred.

Useful economic lives, amortization and impairment

The useful lives of intangible assets are assessed as either finite or indefinite lives. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end and such changes are treated as accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement.

Intangible assets with indefinite useful lives are not amortised but tested for impairment annually, or more frequently when an indication of impairment exists either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Notes to The Financial Statements

Software license

Software license costs are recognised as an intangible asset and amortised over the period of expected future usage of related ERP systems

Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

21.1 Cost

Software licenses

For the year ended 31 march	Group		Company	
In Rs.'000s	2025	2024	2025	2024
At the beginning of the year	20,789	15,902	4,263	4,263
Additions	2,659	4,887	-	-
Derecognition	-	-	-	-
At the end of the year	23,448	20,789	4,263	4,263
21.2 Accumulated amortisation and impairment				
At the beginning of the year	(12,217)	(9,654)	(4,263)	(4,263)
Amortisation	(3,353)	(2,563)	-	-
Derecognition	-	-	-	-
At the end of the year	(15,570)	(12,217)	(4,263)	(4,263)
21.3 Carrying value				
As at 31 March 2025	7,878	-	-	-
As at 31 March 2024	-	8,572	-	-

Group Intangible assets with a cost of Rs. 3.35Mn (2024 - Rs. 2.56 Mn) have been fully amortised and continue to be in use by the Group.

Cost recognised as research and development expenditure during the period for Rs. 2.66 Mn (2024 - Rs. 4.89 Mn) has been recognised as research and development expenditure during the period.

22 INVESTMENTS IN SUBSIDIARIES

Accounting Policy

Investment in subsidiaries are initially recognised at cost in the financial statements of the Company. Any transaction cost relating to acquisition of investment in subsidiaries is immediately recognised in the income statement. Following the initial recognition, Investments in subsidiaries are carried at cost less any accumulated impairment losses.

As at 31 March		Company	
In Rs.'000s	Note	2025	2024
22.1 Carrying value			
Investments in subsidiaries			
Unquoted	22.2	158,570	158,570
		158,570	158,570

As at 31 March	Number of shares 000'	Additions	Number of shares	Effective holding %	2025 Rs. '000	2024 Rs. '000
22.2 Group unquoted investments in subsidiaries						
John Keells Stock Brokers (Pvt) Ltd.	1,140	-	1,140	76	38,570	38,570
John Keells Warehousing (Pvt) Ltd.	12,000	-	12,000	100	120,000	120,000
					158,570	158,570

23 INVESTMENTS IN ASSOCIATE

Accounting Policy

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but does not control or jointly control those policies. Associate company of the Group which has been accounted for under the equity method of accounting is:

Name	Country of Incorporation
Keells Realtors Ltd	Sri Lanka

The investments in associates are carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill relating to an associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the 'share of results of equity accounted investees' in the income statement.

The income statement reflects the share of the results of operations of the associate. Changes, if any, recognised directly in the equity of the associate, the Group recognises its share and discloses this, when applicable in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The share of profit of an associate is shown on the face of the income statement. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associate.

The Group ceases to recognise further losses when the Group's share of losses in an associate equals or exceeds the interest in the undertaking, unless it has incurred obligations or made payments on behalf of the entity. The accounting policies of associate companies conform to those used for similar transactions of the Group.

Equity method of accounting has been applied for associate financial statements using their respective 12 month financial period. Upon loss of significant influence over the associate, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in income statement.

	As at 31 March	Number of shares (000)	Holding %	Group 2025 Rs.000	Group 2024 Rs.000	Company 2025 Rs.000	Company 2024 Rs.000
23.1	**Carrying value**						
	Unquoted ordinary shares						
	Keells Realtors Ltd	2,400	32	24,000	24,000	24,000	24,000
	Share of profit as at the beginning of the year			77,763	77,266	-	-
	Cumulative profit/(loss) accruing to the group net of dividend			(37,343)	497	-	-
	Net of dividend			40,420	77,763		
	Net assets at the end of the year			64,420	101,763	24,000	24,000

Notes to The Financial Statements

As at 31 March In Rs.'000s	Company 2025	 2024
23.2 Summarised financial information of associate		
Revenue	6,264	5,593
Cost of sales	(1,078)	(870)
Gross Profit	5,186	4,723
Total operating expenses	(3,475)	(4,547)
Financial income	523	49
Change in fair value of investment property	(487)	2,000
Profit on Sale of Investment Property	1,000	-
Income tax expenses	99,035	(670)
Profit for the year	101,782	1,555
Group share of profit for the year	32,570	712
Group share of other comprehensive income	-	-
Share of results of equity accounted investee	32,570	712
Non - current assets	211,513	441,000
Current assets	6,159	4,697
Total assets	217,672	445,697
Non - current liabilities	(14,974)	(126,330)
Current liabilities	(2,123)	(2,144)
Total Liabilities	(17,097)	(128,474)
Net assets	200,575	(128,474)
Group share of net assets	64,420	101,764
Cashflow from Operating activities	(10,027)	(344)
Cashflow from Investing activities	230,000	-
Cashflow from Financing activities	(218,480)	-

The share of results of equity accounted investees in the Income Statement and the Statement of Other Comprehensive Income are shown net of all related taxes. The Group and the Company have neither contingent liabilities nor capital and other commitments towards its associates and joint ventures.

24 NON CURRENT FINANCIAL ASSETS

As at 31 March In Rs.'000s	Note	Group 2025	 2024	Company 2025	 2024
Other quoted equity investments	24.1	434,870	378,260	434,870	378,260
Other unquoted equity investments	24.2	2,501,084	2,037,993	2,501,084	2,037,993
Loans to executives	24.4	32,672	40,301	16,963	21,266
Loans and advances given to Tea Sellers	24.3	109,472	177,493	109,472	177,493
Deposits with Colombo Stock Exchange		1,000	1,000	-	-
		3,079,098	2,635,047	3,062,389	2,615,012

24.1 Other quoted equity investments

As at 31 March	Number of shares 000's	Holding %	Group 2025 Rs. '000	Group 2024 Rs. '000	Company 2025 Rs. '000	Company 2024 Rs. '000
Keells Food Products PLC						
At the beginning of the year	2,573	10.09	134,599	134,599	134,599	134,599
At the end of the year	2,573	10.09	134,599	134,599	134,599	134,599
Market Value						
Keells Food Products PLC			434,870	378,260	434,870	378,260

The market value of quoted investments amounts to Rs. 434.87 Mn (2024 - 378.26 Mn).

24.2 Other unquoted equity investments

As at 31 March In Rs.'000s	2025 Number of shares	2024 Number of shares	Group 2025	Group 2024	Company 2025	Company 2024
Ceylon Cold Stores PLC - Preference Share	1	1	1	1	1	1
Waterfront Properties (Pvt) Ltd (000's)	191,638	191,638				
At the beginning of the year			2,037,993	2,230,807	2,037,993	2,230,807
Remeasurement gain recognised for the year			463,090	(192,815)	463,090	(192,815)
			2,501,084	2,037,993	2,501,084	2,037,993

The unquoted equity investment has been fair valued using the Discounted Cash Flow Method of the investee, Waterfront Properties (Private) Limited (WPL).

The value per share of WPL as at 31st March 2025 was Rs.13.05 (2024: Rs.10.63). The valuation of WPL is carried out in LKR terms in accordance with the functional currency of WPL, which was transitioned from US Dollars to LKR given the commencement of operations of the Cinnamon Life hotel during the year.

The Company shareholding in WPL as at the reporting date was 0.96% (2024: 1.11%).

Details of the valuation as at 31st March 2025 are given below;

The valuation of the investment in WPL has been conducted based on the Discounted Cash Flow Method.

Discounted Cash Flow Method

Estimates the fair market value of the entity considering the future cash flow generation of WPL, and all its integrated components. Projected cash flows are discounted to arrive at the net present value of the investment.

Key assumptions used in the Discounted Cash Flow Method are noted below.

Forecast Horizon

Cash Flows have been forecasted for 5 years, with the terminal value based on an appropriate terminal growth rate in line with the market.

Notes to The Financial Statements

Revenue, EBITDA Margins and Cashflow Projections

Revenue and EBITDA margins have been adjusted for project specific aspects and the margin projections are based on the expected steady-state operations post ramp-up, peer comparisons and independent market studies, as applicable, and the performance of similar integrated properties regionally. The cash flows are forecasted under a base case scenario, considering all aspects and prospects of the integrated resort offering. A minority discount has also been factored in given the Company's shareholding percentage in WPL, which is relatively low on a standalone basis.

Discount Rate

The LKR cost of equity reflects the current and expected discount rates, while taking into account the long-term nature of the investment.

24.3 Other non equity investments

	Group		Company	
In Rs.'000s	2025	2024	2025	2024
Loans to executives	32,672	40,301	16,963	21,267
Loans and advances given to sellers	109,472	177,493	109,472	177,493
Deposits with Colombo Stock Exchange	1,000	1,000	-	-
	143,144	218,794	126,435	198,760

24.4 Loans to executives

	Group		Company	
In Rs.'000s	2025	2024	2025	2024
At the beginning of the year	47,407	55,052	25,342	34,768
Loans granted	4,500	19,416	4,500	4,500
Recoveries/ transfers	(10,441)	(27,061)	(9,039)	(13,926)
At the end of the year	41,466	47,407	20,803	25,342
Receivable within one year	8,794	7,106	3,840	4,075
Receivable after one year				
Receivable between one and five years	32,672	40,301	16,963	21,267
	41,466	47,407	20,803	25,342

25 INVENTORIES

Accounting Policy

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price less estimated costs of completion and the estimated costs necessary to make the sale.

The costs incurred in bringing inventories to its present location and condition, are accounted for as follows:

Other inventories - at actual cost

As at 31 March	Group		Company	
In Rs.'000s	2025	2024	2025	2024
INVENTORIES				
Consumables and spares	996	2,773	372	2,148
	996	2,773	372	2,148

26 TRADE AND OTHER RECEIVABLES

Accounting Policy

A receivable represents the Group's right to an amount of consideration that is unconditional. Trade receivables are on no interest bearing and are generally on the term of 30 to 90 days.

The Group has obtained customer deposits from major customers by reviewing their past performance and credit worthiness, as collateral. The requirement for an impairment is analysed at each reporting date on an individual basis for major customers and uses a provision matrix to calculate Expected Credit Loss (ECL) for the balance. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix was initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The Group considers a financial asset including trade and receivable to be in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

As at 31 March	Group		Company	
In Rs.000	2025	2024	2025	2024
Trade receivables	834,755	992,538	532,106	688,794
Advances and loans given to Tea/Rubber sellers	734,472	746,713	734,472	746,713
Less: allowance for loans and advances given to Tea Sellers	(461,961)	(440,263)	(461,961)	(440,263)
Other receivables	2,717	51,218	1,852	15,869
Loans to executives 24.4	8,794	7,106	3,840	4,075
	1,118,777	1,357,312	810,309	1,015,188

Significant judgements on advances and loans given to Tea sellers

The measurement of provision for impairment allowance requires judgement, in particular, the amount and timing of future cash flows and collateral values when determining impairment losses. Elements that are considered accounting judgements mainly include the length of business relationship between the Tea Sellers and Company and the global demand and anticipated production of Tea.

27 OTHER CURRENT ASSETS

As at 31 March	Group		Company	
In Rs.000	2025	2024	2025	2024
Prepayments and non cash receivable	11,928	4,870	2,756	61
	11,928	4,870	2,756	61

28 SHORT TERM INVESTMENTS

As at 31 March	Group		Company	
In Rs.000	2025	2024	2025	2024
Government securities (Less than 3 Months)	470,302	300,198	-	-
Fixed deposits (Less than 3 Months)	63,148	5,893	-	-
	533,450	306,091	-	-

Notes to The Financial Statements

29 CASH AT BANK AND CASH AND CASH EQUIVALENTS

Accounting Policy

Cash and short-term deposits in the statement of financial position comprise cash at banks and in hand and short-term deposits with a maturity of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

29.1 Favourable cash and bank balances

As at 31 March	Group		Company	
In Rs.000	2025	2024	2025	2024
Cash in hand and at bank	217,536	134,428	191,570	103,245
29.1.1 Short term investments (Less than 3 months)				
Short term investmemts	470,302	300,198	-	-
29.2 Unfavourable cash and bank balances				
Bank overdrafts	2,715	201,520	2,714	201,460
Net cash and cash equivalents	748,271	238,999	188,856	(98,215)

30 STATED CAPITAL AND OTHER COMPONENTS OF EQUITY

Accounting Policy

The ordinary shares of John Keells PLC are quoted on the Colombo Stock Exchange. Holders of ordinary shares are entitled to receive dividends as declared from time to time, and are eligible to one vote per share at the General Meeting of the Company.

Fair Value reserve of financial assets at FVOCI included changes of fair value of equity instruments

Revaluation reserve consist of the net surplus on the revaluation of property, plant and equipment and present value of acquired in - force business (PVIB).

The other capital reserve is used to recognise the value of equity - settled share based payments provided to employees, including key management personnel, as part of their remuneration.

30.1 Stated capital

As at 31 March	2025		2024	
	Number of shares '000	Value of shares Rs.000	Number of shares '000	Value of shares Rs.000
Fully paid ordinary shares				
At the beginning of the year	60,800	152,000	60,800	152,000
At the end of the year	60,800	152,000	60,800	152,000

30.2 Other components of equity

As at 31 March	Group		Company	
In Rs.'000s	2025	2024	2025	2024
Fair value reserve of financial assets at FVOCI	875,062	355,362	885,134	365,434
Revaluation reserve	499,321	482,971	-	-
Other Capital reserves	175,256	162,324	98,993	92,710
	1,549,639	1,000,657	984,127	458,144

31 SHARE BASE PAYMENT PLANS

Accounting Policy

Employees of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). The Company applied SLFRS 02 Share Based Payments in accounting for employee remuneration in the form of shares from 2013/14 financial year onwards.

Equity-settled transactions

The cost of equity-settled transactions is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and service conditions are fulfilled. The cumulative expense recognised for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in the share based payment plan note.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled award and the new award are treated as if they were a modification of the original award, as described in the previous paragraph.

Share Based Payments- Employee Share Option Scheme

Estimating fair value for share-based payment transactions require determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The John Keells Group measures the cost of equity settled transactions with employees relevant to the entire Group by reference to the fair value of the equity instruments on the date at which they are granted. The same assumptions have been used by the Company as John Keells Group's Employee Share Option Scheme applies to the Company.

The expected life of the share options is based on the historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome either.

The following information which are relevant to the John Keells Holdings PLC was used and results were generated using binomial model for ESOP

The following information were used and results were generated using binomial model for ESOP

As at 31st March	2025 Plan no 11 Award 3	2024 Plan no 11 Award 2.1	2024 Plan no 11 award 2	2023 Plan no 11 award 1	2022 Plan no 10 award 3	2021 Plan no 10 award 2
Dividend yield (%)	1.46	2.07	2.54	2.9	3.28	3.87
Expected volatility (%)	24.54	25.05	24.99	24.15	22.37	21.35
Risk free interest rate (%)	12.76	14.49	26.92	23.1	8.87	6.44
Expected life of share options (Years)	5	5	5	5	5	5
Weighted average share price at the grant date (LKR)	194	158.36	137.83	119.85	132.63	134.74
Weighted average remaining contractual life for the share options outstanding (Years)	3	3	3	3	3	3
Weighted average fair value of options granted during the year (LKR)	64.67	52.79	45.94	39.95	44.21	44.91
Exercise price for options outstanding at the end of the year (LKR)	200.74	145.59	137.86	121.91	136.64	132.86
Exercise price for options outstanding at the end of the year (LKR*)	20.03	14.53	13.76	12.17	13.64	13.26

* Post adjustment for corporate actions at JKH since the grant date

Notes to The Financial Statements

Further, The JKH Group has an Employee Share Option Scheme. Since, Share Options are potential ordinary shares, these may have a dilutive impact on the EPS. Please confirm that there is no dilutive impact from potential ordinary shares.

As at 31 March	Group		Company	
In Rs.000	2025	2024	2025	2024
Expense arising from equity-settled share-based payment transactions	15,032	11,296	6,283	4,042
Total expense arising from share-based payment transactions	15,032	11,296	6,283	4,042

Movements in the year

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	Group				Company			
As at 31st March	2025 No.	2025 WAEP Rs	2024 No.	2024 WAEP Rs	2025 No.	2025 WAEP Rs	2024 No.	2024 WAEP Rs
Outstanding at the beginning of the year	858,274	138.97	1,081,738	150.71	237,450	134.62	379,685	140.21
Granted during the year	212,100	20.03	149,210	126.13	62,100	20.03	42,700	145.90
Exercised during the year	(141,800)	-	(59,250)	137.03	(3,800)	13.76	(59,250)	137.03
Adjusted - sub division	8,160,158	N/A	-	-	2,553,687	N/A	-	-
Adjusted - warrants	-	-	-	-	-	-	-	-
Lapsed/forfeited during the year	(12,750)	13.76	(313,424)	173.25	(12,750)	13.76	(125,685)	154.10
Transfers in /(out) during the year	-	-	-	-	-	-	-	-
Outstanding at the end of the year	9,075,982	14.91	858,274	138.97	2,836,687	14.86	237,450	134.62
Exercisable at the end of the year	4,383,603	13.24	412,625	144.93	1,386,266	13.31	85,925	132.88

Fair value of the share option and assumptions

The fair value of the share options is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the share options were granted

The valuation takes into account factors such as stock price, expected time to maturity, exercise price, expected volatility of share price, expected dividend yield and risk free interest rate.

32 EMPLOYEE BENEFIT LIABILITIES

Accounting Policy

32.1 Employee Contribution Plan - EPF/ETF

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with respective statutes and regulations. The companies contribute the defined percentages of gross emoluments of employees to an approved Employees' Provident Fund and to the Employees' Trust Fund respectively, which are externally funded.

32.2 Employee Defined Benefit Plan - Gratuity

The liability recognised in the statement of financial position is the present value of the defined benefit obligation at the reporting date using the projected unit credit method. Any actuarial gains or losses arising are recognised immediately in the statement of other comprehensive income statement.

As at 31 March	Group		Company	
In Rs.000	2025	2024	2025	2024
EMPLOYEE BENEFIT LIABILITIES				
At the beginning of the year	99,630	67,892	53,871	37,272
Current service cost	5,397	5,149	2,983	2,690
Transfers	(166)	(838)	(166)	(838)
Interest cost on benefit obligation	11,629	13,274	6,464	7,268
Payments	(29,249)	(3,717)	(13,846)	(3,256)
(Gain)/loss arising from changes in assumptions or due to (over)/under provision in the previous year	(11,756)	17,870	(10,358)	10,735
At the end of the year	75,485	99,630	38,948	53,871

32.3 The expenses are recognised in the income statement in the following line items

As at 31 March	Group		Company	
In Rs.000	2025	2024	2025	2024
Cost of Sales	8,935	9,562	6,922	7,301
Administrative Expenses	7,757	8,583	2,193	2,379
Cost reimbursement for shared employees	333	278	333	278
	17,025	18,423	9,448	9,958

The employee benefit liability of listed Company and John Keells Warehousing (pvt) Ltd is based on the actuarial valuations carried out by Messrs. Actuarial & Management Consultants (Pvt) Ltd., Actuarial valuation for John keells Stock Brokers (Pvt) ltd was carried out by Smiles Global (Pvt) Ltd

32.4 The principal assumptions used in determining the cost of employee benefits were:

	Group		Company	
In Rs.000	2025	2024	2025	2024
Discount rate	11%	12%	11%	12%
Future salary increases	6%	12%	6%	12%

Retirement Age; Executive staff and sales representatives as of 17th November 2021, employees who have attained the age of;

	Group		Company	
In Rs.000	2025	2024	2025	2024
Less than 52 years	60 years	60 years	60 years	60 years
53 years	59 years	59 years	59 years	59 years
54 years	58 years	58 years	58 years	58 years
55 years	57 years	57 years	57 years	57 years

The Management tested several scenario based calculations on possible changes of the assumptions due to the prevailing macro-economic conditions. Based on those calculations, the management has concluded that there is no material impact to retirement benefit obligations liability of the Group and the Company.

32.5 Sensitivity of assumptions used

A one percentage change in the assumptions would have the following effects:

	Group				Company			
As at 31 March	Discount rate		Salary increment		Discount rate		Salary increment	
In Rs.000	2025	2024	2025	2024	2025	2024	2025	2024
Effect on the defined benefit obligation liability								
Increase by one percentage point	(3,015)	(4,389)	3,561	4,989	(1,659)	(2,441)	1,939	2,729
Decrease by one percentage point	3,270	4,823	(3,331)	(4,622)	1,806	2,686	(1,807)	(2,525)

Notes to The Financial Statements

32.6 Maturity analysis of the payments

The following payments are expected on employee benefit liabilities in future years

As at 31 March In Rs.000	Group		Company	
	2025 Defined Benefit Obligation	2024 Defined Benefit Obligation	2025 Defined Benefit Obligation	2024 Defined Benefit Obligation
Within the next 12 months	6,734	16,050	5,496	8,073
Between 1-2 years	14,856	15,365	9,310	14,532
Between 2-5 years	15,530	22,264	11,648	13,673
Between 5-10 years	34,780	40,031	9,230	11,809
Beyond 10 years	3,585	5,920	3,264	5,783
Total	75,485	99,630	38,948	53,871

The average duration of the defined benefit plan obligation at the end of the reporting period is 4.9 years for the Company (2024 - 5.3 years)

The average duration of the defined benefit plan obligation at the end of the reporting period is 5.80 years for John Keells Stock Brokers (Pvt) Ltd (2024 - 5.12 years)

The average duration of the defined benefit plan obligation at the end of the reporting period is 5.47 years for John Keells Warehousing (Pvt) Ltd (2024 - 3.4 years)

32.7 Employee benefit liabilities

As at 31 March In Rs.000	Group		Company	
	2025	2024	2025	2024
Employee defined benefit plan - gratuity (note 32.2)	75,485	99,630	38,948	53,871
At the end of the year	75,485	99,630	38,948	53,871

33 TRADE AND OTHER PAYABLES

Accounting Policy

Trade payables are the aggregate amount of obligations to pay for goods and services, that have been acquired in the ordinary course of business.

As at 31 March In Rs.000	Group		Company	
	2025	2024	2025	2024
Trade payables	1,197,190	1,159,378	684,297	755,293
Sundry creditors including accrued expenses	88,086	87,531	42,866	48,154
	1,285,276	1,246,909	727,163	803,447

Trade and other payables are normally non - interest bearing and settled within one year.

34 OTHER CURRENT LIABILITIES

Accounting Policy

Group classifies all non financial current liabilities under other current liabilities.

These include non refundable deposits and other tax payables. These liabilities are recorded at amounts expected to be set off at the reporting date.

As at 31 March	Group		Company	
In Rs.000	2025	2024	2025	2024
OTHER CURRENT LIABILITIES				
Other tax payables	3,178	14,619	1,342	13,112
Other payables	-	15,000	-	-
	3,178	29,619	1,342	13,112

35 RELATED PARTY TRANSACTIONS

Terms and conditions of transactions with related parties

Transactions with related parties are carried out in the ordinary course of business. Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Non - recurrent related party transactions

There were no non -recurrent related party transactions which in aggregate value exceeds 10 percent of equity or 5 percent of total assets which ever is lower of the Company as per 31st March 2025 audited financial statements, which required additional disclosure in the 2024/2025 Annual Report under Colombo Stock Exchange listing rule 9.14.8 and Code of Best Practice on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13 (c) of the Securities and Exchange Commission Act.

Recurrent related party transactions

There were no recurrent related party transactions which in aggregate value exceeds 10 percent of the consolidated revenue of the Group as per 31st March 2025 audited financial statements, which required additional disclosure in the 2024/2025 Annual Report under Colombo Stock Exchange listing rule 9.14.8 and Code of Best Practice on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13 (c) of the Securities and Exchange Commission Act.

35.1 Amounts due from related parties

As at 31 March	Group		Company	
In Rs.000	2025	2024	2025	2024
Ultimate parent	2,948	4,182	2,948	2,948
Parent	8,767	3,268	-	-
Companies under common control	51	2,573	51	2,573
Key management personnel	-	-	-	-
Close family members of KMP	-	-	-	-
	11,766	10,023	2,999	5,521

35.2 Amounts due to related parties

Ultimate parent	4,138	4,071	3,605	3,605
Parent	1,220	577		
Companies under common control	12,727	10,595	12,355	10,451
Key management personnel	-	4,555	-	-
Close family members of KMP	-	-	-	-
	18,085	19,798	15,960	14,056

Notes to The Financial Statements

35.3 Transactions with related parties

For the year ended 31 March In Rs.000	Note	Group 2025	Group 2024	Company 2025	Company 2024
Ultimate Parent - John Keells Holdings PLC					
Receiving of services for which fees are paid		53,900	52,240	27,072	28,118
Providing of services for which fees are received		-	-	-	-
Companies under common control					
Purchase of goods for a fee		1,374	15,956	1,374	12,786
Receiving of services for which fees are paid		36,201	39,230	17,747	24,098
Lending money for which interest is received		28,073	38,553	-	-
Renting of office space for which rent is received		(9,419)	(1,859)	(1,952)	(1,859)
Providing of services for which fees are received		(35,522)	(39,263)	(35,522)	(38,149)
Subsidiaries					
Renting of stores space for which rent is paid		-	-	7,720	7,520
35.4 Key management personnel					
Short term employee benefits		-	-	-	-
Share based payments		2,508	-	-	-
Brokerage commission earned on share transactions		5,589	3,593	-	-
35.5 Close family members of KMP					
(Receiving) / rendering of services		-	-	-	-
Companies controlled / jointly controlled / significantly Influenced by KMP and their close family members					
(Purchases) / Sales of goods		-	-	-	-
35.6 Post employment benefit plan					
Contributions to the provident fund		13,342	13,476	13,342	13,476

Key management personnel include members of the Board of Directors of John Keells PLC, its parent John Keells Holdings PLC and their subsidiary companies.

36 COMMITMENTS & CONTINGENT LIABILITIES

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

All contingent liabilities are disclosed as a note to the financial statements unless the outflow of resources is remote. A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of:

- The amount that would be recognised in accordance with the general guidance for provisions above (LKAS 37) or
- Contingent assets are disclosed, where inflow of economic benefit is probable. Contingent assets are disclosed, where inflow of economic benefit is probable

36.1 Capital commitments

The Company does not have any capital commitments as at the reporting date

36.2 Financial commitments

The Company does not have any financial commitments as at the reporting date.

36.3 Contingencies

There are no significant contingent liabilities as at the reporting date.

36.4 Assets Pledged

There are no assets pledged as security against borrowings as at 31st March 2025.

37 EVENTS OCCURRING AFTER THE REPORTING PERIOD

There have been no material events occurring after the statement of financial position date that require adjustment or disclosure in the financial statements other than following.

The Board of Directors has approved the payment of a final dividend of Rs 1.60 per share to be paid on or before 24th June 2025.As required by section 56 (2) of the Companies Act, No. 07 of 2007, the Board of Directors has confirmed that the Company satisfies the solvency test in accordance with Section 57 of the Companies Act, No. 07 of 2007, and has obtained a certificate from the auditors, prior to approving the final dividend. In accordance with LKAS 10, Events after the reporting period, the final dividend has not been recognised as a liability in the Financial Statements as at 31 March 2025.

Information to Shareholders and Investors

1. Stock Exchange Listing

The issued ordinary shares of John Keells PLC are listed with the Colombo Stock Exchange of Sri Lanka. The Audited Accounts of the Company and the Consolidated Accounts for the year ended 31st March 2025 have been submitted to the Colombo Stock Exchange.

Stock Symbol - JKPLC.N0000
ISIN - LK0093N00001

2. Distribution of Shareholdings

Categories of	31st March 2025				31st March 2024			
	Shareholders		Holdings		Shareholders		Holdings	
	No. Shareholders	%	No. Shareholders	%	No. Shareholders	%	No. Shareholders	%
Less than or equal to 1,000	1,342	77.22	225,744	0.37	1160	73.32	205,379	0.34
1,001 to 10,000	300	17.26	1,171,426	1.93	309	19.53	1,194,509	1.96
10,001 to 100,000	78	4.49	2,305,024	3.79	94	5.94	2,681,611	4.41
100,001 to 1,000,000	17	0.98	4,263,022	7.01	18	1.14	3,883,717	6.39
1,000,001	1	0.05	52,834,784	86.90	1	0.06	52,834,784	86.90
	1,738	100.00	60,800,000	100.00	1,582	100.00	60,800,000	100.00

3. Analysis of Shareholders

Categories of	31st March 2025				31st March 2024			
	Shareholders		Holdings		Shareholders		Holdings	
	Number	%	Number	%	Number	%	Number	%
Individuals	1,662	95.63	5,018,694	8.25	1,505	95.13	5,470,908	9.00
Institutions	76	4.37	55,781,306	91.75	77	4.87	55,329,092	91.00
Total	1,738	100	60,800,000	100	1,582	100	60,800,000	100
Residents	1,724	99.19	60,667,539	99.78	1,568	99.12	60,523,049	99.54
Non-residents	14	0.81	132,461	0.22	14	0.88	276,951	0.46
Total	1,738	100	60,800,000	100	1,582	100	60,800,000	100
John Keells Holdings	1	0.06	52,834,784	86.90	1	0.06	52,834,784	86.90
Public	1737	99.94	7,965,216	13.10	1,581	99.94	7,965,216	13.10
Total	1,738	100	60,800,000	100	1,582	100	60,800,000	100

No shares are held by directors and the chief executive officer at the end of the year.

4. Public Shareholdings

As at 31 March	2024/2025	2023/2024
Number of Public Shareholders	1,737	1,581
Public Holding Percentage	13.10	13.10
The Float Adjusted Market Capitalization – Rs Billion	0.59	0.52

The Company has complied with the Rule 7.13.1 (b) option 2 of the Listing Rules of the Colombo Stock Exchange governing the minimum public holding requirement of listed entities for continuous listing requirements. As at 31st March 2025, the public holding of the Company stood at 13.10 percent surpassing the minimum requirement of 10 percent, under the relevant option.

5. Share Performance at Colombo Stock Exchange

	2024/2025	2023/2024
Highest market price	89.80	74.00
Lowest market price	60.80	60.00
Closing price as at 31st of March	74.00	64.80

6. Twenty Largest Shareholders

		31st March 2025		31st March 2024	
	Name of Shareholders	No. of Shares	Holding %	No. of Shares	Holding %
1	JOHN KEELLS HOLDINGS PLC	52,834,784	86.90	52,834,784	86.90
2	PEOPLE S LEASING AND FINANCE PLC/L.P.HAPANGAMA	857,509	1.41	625,611	1.03
3	DR. H.S.D. SOYSA HENNEDIGE SRINATH DILANJAN	625,611	1.03	433,933	0.71
4	PEOPLE'S LEASING & FINANCE PLC/DR.H.S.D.SOYSA & MR PEOPLE'S LEASING & FINANCE PLC/DR.H.S.D.SOYSA & MRS.G.SOYSA	457,581	0.75	397,749	0.65
5	MRS. H.G.S. ANSELL HENNEDIGE GAYATHRI SIROMI	240,000	0.39	250,200	0.41
6	PEOPLE'S LEASING & FINANCE PLC/L.H.L.M.P.HARADASA	235,170	0.39	240,000	0.39
7	EST OF LATE M. RADHAKRISHNAN (DECEASED) MARIAPILLAI	232,800	0.38	232,800	0.38
8	MRS. M.L. DE SILVA MADUWAGE LAKSHMI	207,872	0.34	207,872	0.34
9	BANK OF CEYLON NO. 1 ACCOUNT	197,048	0.32	179,792	0.30
10	MR. A.M. WEERASINGHE AMARAKOON MUDIYANSELAGE	179,792	0.30	171,416	0.28
11	CATHOLIC BISHOPS CONFERENCE IN SRI LANKA	171,416	0.28	169,988	0.28
12	EMPLOYEES TRUST FUND BOARD	169,988	0.28	157,041	0.26
13	MISS N.S. DE MEL NILMA SONALI	137,115	0.23	137,115	0.23
14	MR. A.J.M. JINADASA ALLAN JAGATH MONESH	115,000	0.19	133,580	0.22
15	SISIRA INVESTORS LIMITED.	114,272	0.19	114,272	0.19
16	COLOMBO FORT INVESTMENTS PLC	114,000	0.19	114,000	0.19
17	MRS. G. SOYSA GOWRI	105,000	0.17	110,500	0.18
18	COLOMBO INVESTMENT TRUST PLC	102,848	0.17	105,000	0.17
19	MR. H.P.N. SOYSA HENNEDIGE PREMAN NANDALAL	100,000	0.16	102,848	0.17
20	MISS W.K. PITIYAGE WASANA KUMUDINIE	100,000	0.16	100,000	0.16
		57,297,806	94.24	56,818,501	93.44

7. Market Information on Ordinary Shares of the Company

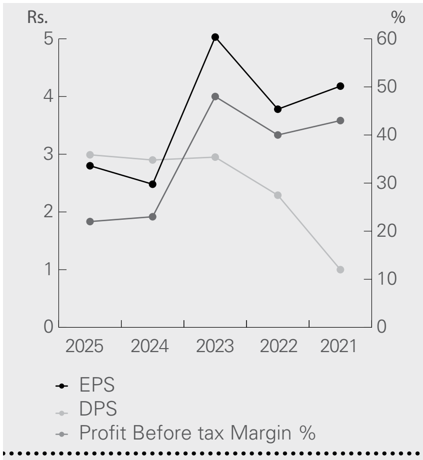
Share Information	2024/2025	Q4	Q3	Q2	Q1	2023/2024
High	89.80	88.00	89.80	71.90	73.00	74.00
Low	60.80	70.00	64.00	62.00	60.80	60.00
Close	74.00	74.00	84.80	63.00	68.00	64.80
Trading Statistics of John Keells PLC						
Number of transactions	2,756	776	1,019	272	689	1,300
Number of Shares traded	1,344,599	203,749	557,020	58,131	525,699	320,066
Value of the Shares traded (Rs. Mn)	99.19	17.12	43.01	3.72	35.34	21.27
Market Capitalisation (Rs. Mn)	4,499	4,499	5,132	3,830	4,134	3,940

Five Year Summary

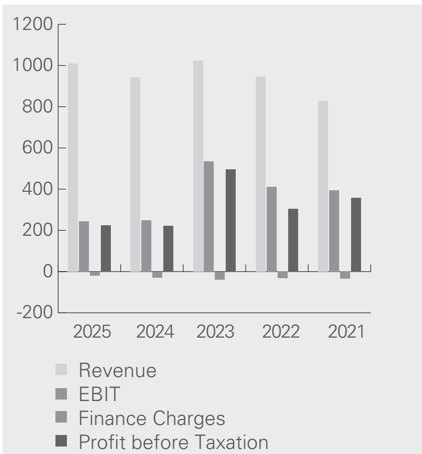
For the year ended 31st March In Rs.000	Group				
	2025	2024	2023	2022	2021
OPERATING RESULTS					
Gross Revenue	1,009,382	941,974	1,024,588	946,167	828,218
Operating Profit	159,324	144,576	360,275	301,979	328,381
Other Income	14,731	953	9,947	3,198	2,094
Dividend Income		-	-	-	-
Changes in Fair Value of Investment Property	30,500	30,000	60,270	30,195	15,085
Finance Charges	(18,080)	(28,360)	(37,989)	(32,074)	(34,217)
Finance Cost	69,290	72,993	102,341	63,264	45,897
Share of Results of Associate	879	712	548	10,896	1,292
Profit before Taxation	256,644	220,875	495,392	377,457	358,532
Taxation based thereon	(83,157)	(76,874)	(185,895)	(111,373)	(74,149)
Profit after Taxation	173,488	144,001	309,497	266,084	284,383
Non-controlling interests	(2,978)	(7,062)	(3,647)	(36,507)	(30,198)
Profit attributable to John Keells PLC	170,510	151,063	305,850	229,577	254,185
CAPITAL EMPLOYED					
Stated Capital	152,000	152,000	152,000	152,000	152,000
Revenue Reserves	3,022,206	2,904,267	2,942,215	2,887,468	2,797,294
Other components of equity	1,549,639	1,000,657	1,070,615	1,285,536	1,187,410
	4,723,845	4,056,923	4,164,830	4,325,004	4,136,704
Non-controlling interests	59,862	54,784	60,105	76,589	57,022
Total Equity	4,783,707	4,111,708	4,224,935	4,401,593	4,193,726
Total Debt		-	-	-	-
	4,783,707	4,111,708	4,224,935	4,401,593	4,193,726
ASSETS EMPLOYED					
Current Assets	1,894,453	1,815,498	1,835,899	1,853,114	7,686,528
Current Liabilities	(1,360,831)	(1,528,883)	(1,453,910)	(1,503,217)	(7,479,916)
Net Current Assets/(Liabilities)	533,622	286,615	381,989	349,897	206,614
Fixed Assets and Investments	4,642,941	4,205,597	4,129,731	4,226,326	4,161,752
Long Term Liabilities					-
Non-current liabilities	(392,856)	(380,503)	(286,785)	(174,630)	(174,640)
	4,783,707	4,111,708	4,224,935	4,401,593	4,193,726
CASH FLOW					
Net cash flows from / (used in) operating activities	526,887	7,268	362,883	286,108	660,629
Net cash flows from / (used in) investing activities	(23,214)	(101,846)	(15,717)	(8,206)	8,445
Net cash flows from / (used in) financing activities	5,600	(176,320)	(195,330)	(163,262)	(62,800)
Net increase / (decrease) in cash and cash equivalents	509,272	(270,897)	151,836	114,640	606,274

Company				
2025	2024	2023	2022	2021
510,634	563,462	650,167	355,435	354,666
119,012	198,663	370,136	72,958	144,399
2,453	200	942	1,406	617
78,297	12,750	38,000	96,960	69,280
30,500	30,000	60,270	30,195	15,085
(10,683)	(28,290)	(37,976)	(32,052)	(33,966)
21,864	19,993	42,001	35,892	25,912
	-	-	-	-
241,443	233,315	473,373	205,359	221,327
(63,280)	(73,428)	(154,417)	(44,010)	(42,456)
178,163	159,887	318,956	161,349	178,871
	-	-	-	-
178,163	159,887	318,956	161,349	178,871
152,000	152,000	152,000	152,000	152,000
2,822,931	2,698,320	2,722,265	2,612,574	2,591,138
984,127	458,144	680,369	1,021,217	958,379
3,959,058	3,308,464	3,554,634	3,785,791	3,701,517
	-	-	-	-
3,959,058	3,308,464	3,554,634	3,785,791	3,701,517
				-
3,959,058	3,308,464	3,554,634	3,785,791	3,701,517
1,008,006	1,126,163	1,079,810	996,741	801,021
(760,275)	(1,053,528)	(1,002,934)	(1,003,491)	(876,045)
247,731	72,637	76,876	(6,750)	(75,023)
3,818,636	3,344,278	3,565,583	3,843,548	3,827,493
				-
(107,309)	(108,451)	(87,825)	(51,007)	(50,953)
3,959,058	3,308,464	3,554,634	3,785,791	3,701,517
347,399	85,754	361,520	179,594	391,054
472	(1,625)	(6,097)	22,742	17,099
(60,800)	(176,320)	(183,330)	(145,262)	(50,800)
287,071	(92,190)	172,093	57,075	357,351

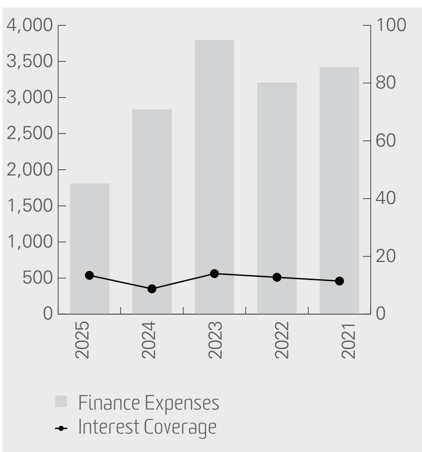
Earnings Rates-Group (Rs. 000's)



PBT Composition-Group (Rs.000's)



Utilization of Finance-Group



Key Ratios & Information

As at 31st March	Group					Company				
In Rs.000	**2025**	2024	2023	2022	2021	**2025**	2024	2023	2022	2021
KEY INDICATORS										
(A) Profitability & Return to Shareholders										
Annual Turnover Growth (%)	7.16	(8.06)	8.29	14.24	27.91	(9.38)	(13.34)	82.92	0.22	(16.02)
Net Profit Ratio (%)	17.19	15.29	30.21	28.12	34.34	34.89	28.38	49.06	45.39	50.43
Earnings per share (Rs.) *	2.80	2.48	5.03	3.78	4.18	2.93	2.63	5.25	2.65	2.94
Returns on Shareholders' Funds (%)	3.95	3.48	7.29	6.29	7.18	4.90	4.62	8.69	4.31	5.01
Return on Capital Employed (%)	5.81	5.78	12.55	8.81	8.80	6.36	7.34	14.05	5.80	6.39
Dividend per share (Rs.)*	1.00	2.90	2.95	2.29	1.00	1.00	2.90	2.95	2.29	1.00
Debt Equity Ratio (%)	1.46	4.90	2.02	7.44	7.74	0.07	5.99	2.37	8.12	7.96
(B) Liquidity										
Current Ratio (No. of Times)	1.39	1.19	1.26	1.23	1.03	1.33	1.07	1.08	0.99	0.91
Interest Cover (No. of Times)	15.20	8.79	14.04	12.77	11.48	23.60	9.25	13.47	7.41	7.52
(C) Investor Ratio										
Net Assets per share at year end (Rs.)*	77.69	67.64	68.50	71.13	68.04	65.12	55.33	58.46	62.27	60.88
Price Earning Ratio (Times)*	26.39	26.12	13.68	18.14	16.74	25.25	24.64	13.11	25.81	23.81
Enterprise Value (Rs. 000's)	5,213,871	4,178,838	4,692,936	4,518,887	4,489,418	4,688,056	3,841,625	4,177,016	3,982,713	4,010,808
Dividends (Rs. 000's)	60,800	176,320	179,360	139,232	60,800	60,800	176,320	179,360	139,232	60,800
Dividend Cover (Times)*	2.85	0.82	1.73	1.91	4.68	2.93	0.91	2.64	1.16	2.94
(D) Share Valuation										
Market price per share (Rs.)	74.00	64.80	68.80	68.50	70.00	74.00	64.80	68.80	68.50	70.00
Market Capitalisation (Rs. 000's)	4,499,200	3,939,840	4,183,040	4,164,800	4,256,000	4,499,200	3,939,840	4,183,040	4,164,800	4,256,000
(E) Other Information										
Number of Employees**	77	77	76	76	70	46	49	49	50	44
Turnover per employee (Rs.000's)	13,109	12,233	13,481	12,450	11,832	11,101	11,499	13,269	7,109	8,061
Value Added per Employee (Rs. 000's)	14,574	13,593	15,628	13,823	12,749	11,490	12,524	15,356	8,231	9,006

Note:

*Earnings per share, Dividends per share & Net Assets per share is based on 60,800,000 number of shares in issue as at 31st March 2025.

** Excluding contract Employees

Glossary of Financial Terms

ACCRUAL BASIS

Recording Revenues and Expenses in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period.

CAPITAL EMPLOYED

Shareholders' funds plus non-controlling interests and debt including lease liabilities.

CONTINGENT LIABILITIES

A condition or situation existing at the Balance Sheet date due to past events, where the financial effect is not recognized because:

1. The obligation is crystallized by the occurrence or non-occurrence of one or more future events or,
2. A probable outflow of economic resources is not expected or,
3. It is unable to be measured with sufficient reliability

CURRENT RATIO

Current assets divided by current liabilities.

DEBT/EQUITY RATIO

Debt as a percentage of Shareholders' Funds

DIVIDEND COVER

Earnings per share over dividends per share

DIVIDEND PAYOUT RATIO

Dividend paid as a percentage of Company Profits.

DIVIDEND YIELD

Dividends adjusted for changes in number of shares in issue as a percentage of the share price (diluted) at the end of the period.

EARNINGS PER SHARE (EPS)

Profit after Tax attributable to ordinary shareholding over weighted average number of shares in issue during the period.

EARNINGS YIELD

Earnings per share as a percentage of Market price per Share at the end of the period.

EARNINGS BEFORE INTEREST AND TAX (EBIT)

Earnings before interest and tax (includes other operating income)

EFFECTIVE RATE OF TAXATION

Income Tax, (including deferred tax) over Profit before Tax

ENTERPRISE VALUE (EV)

Market capitalisation plus net debt/(net cash).

INTEREST COVER

Consolidated profit before interest and tax over interest expense.

MARKET CAPITALISATION

Number of Shares in issue at the end of the period multiplied by the market price at end of period

NET ASSETS

Total assets minus current liabilities, long-term liabilities, and non-controlling interests.

NET ASSET PER SHARE

Net assets as at a particular financial year end divided by the number of shares in issue as at the current financial year end.

NET DEBT

Total debt minus cash equivalents (cash in hand and at bank plus short-term deposits).

NET TURNOVER PER EMPLOYEE

Net turnover over average number of employees

PRICE EARNINGS RATIO

Market Price per Share over earnings per share

QUICK RATIO

Cash plus short term investments plus receivables, divided by current liabilities.

RETURN ON ASSETS

Profit after Tax over average total assets

RETURN ON EQUITY

Profit attributable to shareholders as a percentage of average shareholders' funds.

RETURN ON CAPITAL EMPLOYED

EBIT as a percentage of average capital employed.

SHAREHOLDERS' FUNDS

Stated capital plus other components of equity plus revenue reserves

TOTAL ASSETS

Fixed Assets plus Investments plus Non-current Assets plus Current Assets

TOTAL DEBT

Long Term Loans plus Short Term Loans and Overdrafts

TOTAL EQUITY

Shareholders' funds plus non-controlling interest

TOTAL VALUE ADDED

The difference between revenue (including other income) and expenses, cost of materials and services purchased from external sources

WORKING CAPITAL

Capital required to finance the day-to-day operations (Current Assets minus Current Liabilities)

Notice of Meeting

Notice is hereby given that the Seventy Eighth Annual General Meeting (AGM) of John Keells PLC ('Company') will be held as a virtual meeting on 25th June 2025 at 09.00 a.m.

The business to be brought before the Meeting will be to:

1. read the Notice convening the Meeting.

2. receive and consider the Annual Report and Financial Statements for the Financial Year ended 31st March 2025 with the Report of the Auditors thereon.

3. re-elect as Director, Mr. J G A Cooray who retires in terms of Article 83 of the Articles of Association of the Company. A brief profile of Mr. J G A Cooray is contained in the Board of Directors Section on page 56 of the Annual Report.

4. re-elect as Director, Mr. A Z Hashim who retires in terms of Article 83 of the Articles of Association of the Company. A brief profile of Mr. A Z Hashim is contained in the Board of Directors section on page 56 of the Annual Report.

5. re-elect as a Director, Mr. N W R Wijewantha who retires in terms of Article 90 of the Articles of Association of the Company. A brief profile of Mr. N W R Wijewantha is contained in the Board of Directors section on page 56 of the Annual Report.

6. re-elect as Director, Mr. P D Samarasinghe who retires in terms of Article 90 of the Articles of Association of the Company. A brief profile of Mr. P D Samarasinghe is contained in the Board of Directors section on page 57 of the Annual Report.

7. re-appoint the Auditors and to authorise the Directors to determine their remuneration.

8. consider any other business of which due notice has been given in terms of the relevant laws and regulations.

The Annual Report of John Keells PLC for 2024/2025, is available on the:

(1) The Corporate Website – https://www.johnkeellstea.com

(2) The Colombo Stock Exchange website – https://www.cse.lk

For clarifications on how to download and/ or access the Annual Report and Financial Statements, please contact Rubini Sahadevan on +94 70 653 4280 during normal office hours (8.30 a.m. to 4.30 p.m.) or email investor.relations@keells.com.

Any Member who wishes to obtain a hard copy of the Annual Report, may send a written request to the registered office of the Company or fax to 011-2446223 by filling in the request form attached to the Form of Proxy. A printed copy of the Annual Report will be forwarded by the Company within eight (8) Market Days from the date of receipt of the request.

By Order of the Board
JOHN KEELLS PLC

Keells Consultants (Private) Limited Secretaries

26 May 2025

Notes:

i. A Member unable to attend the Meeting is entitled to appoint a Proxy to attend and vote in their place.

ii. A Proxy need not be a Member of the Company.

iii. A Member wishing to vote by Proxy at the Meeting may use the Form of Proxy enclosed herein.

iv. Members are encouraged to vote by Proxy through the appointment of a member of the Board of Directors to vote on their behalf and to include their voting preferences on the resolutions to be taken up at the Meeting in the Form of Proxy

v. In order to be valid, the completed Form of Proxy must be lodged at the Registered Office of the Company at No. 117, Sir Chittampalam A. Gardiner Mawatha, Colombo 02 or forwarded to the email address: keellsconsultants@keells.com or Fax No.011 2439037 not less than 48 hours before the Meeting.

vi. A vote can be taken on a show of hands or by a poll. If a poll is demanded, each share is entitled to one vote. Votes can be cast in person, by proxy or corporate representatives. In the event an individual Member and their proxy holder are both present at the meeting, only the Member's vote is counted. If the Proxy holder's appointor has indicated the manner of voting, only the appointor's indication of the manner to vote will be used

Notes

Form of Proxy

I/We..of.. being a Member/s of John Keells PLC hereby appoint..of or, failing him/her

Mr. Krishan Niraj Jayasekara Balendra	or, failing him
Mr. Joseph Gihan Adisha Cooray	or, failing him
Mr. Ahamed Zafir Hashim	or, failing him
Ms. Anandhiy Krisnajina Gunawardhana	or, failing her
Mr. Charitha Nissanka Wijewardane	or, failing him
Ms. Bodiyabaduge Arundathi Indira Rajakarier	or, failing her
Mr. Naiemana Widanage Ravi Wijewantha	or, failing him
Mr. Pravir Dhanoush Samarasinghe	

as my/our proxy to represent me/us and vote on my/our behalf at the Seventy Eighth Annual General Meeting of the Company to be held on Wednesday, 25 June 2025 at 9.00 a.m. and at any postponement or adjournment thereof, and at every poll which may be taken in consequence thereof.

I/We, the undersigned, hereby direct my/our proxy to vote for me/us and on my/our behalf on the specified Resolution as indicated by the letter "X" in the appropriate cage:

	FOR	AGAINST	ABSTAINED
To re-elect as a Director, Mr. J G A Cooray, who retires in terms of Article 83 of the Articles of Association of the Company	☐	☐	☐
To re-elect as a Director, Mr. A Z Hashim, who retires in terms of Article 83 of the Articles of Association of the Company.	☐	☐	☐
To re-elect as a Director, Mr. N W R Wijewantha, who retires in terms of Article 90 of the Articles of Association of the Company	☐	☐	☐
To re-elect as a Director, Mr. P D Samarasinghe, who retires in terms of Article 90 of the Articles of Association of the Company	☐	☐	☐
To re-appoint the Auditors and to authorise the Directors to determine their remuneration	☐	☐	☐

Signed on this .... day of Two Thousand and Twenty-Five

Signature/s of Shareholder/s

NOTE: INSTRUCTIONS AS TO THE COMPLETION OF THIS FORM OF PROXY ARE NOTED ON THE REVERSE

Form of Proxy

INSTRUCTIONS AS TO COMPLETION OF PROXY

1. Please perfect the Form of Proxy by filling in legibly your full name and address, signing in the space provided and filling in the date of signature.
2. The completed Form of Proxy should be deposited at the Registered Office of the Company at No. 117, Sir Chittampalam A. Gardiner Mawatha, Colombo 2 or forwarded to the email address: keellsconsultants@ keells.com or Fax No.011 2439037, not later than 48 hours before the time appointed for the holding of the Meeting.
3. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should accompany the completed Form of Proxy for registration, if such Power of Attorney has not already been registered with the Company.
4. If the appointor is a company or corporation, the Form of Proxy should be executed under its Common Seal or by a duly authorised officer of the company or corporation in accordance with its Articles of Association or Constitution.
5. If this Form of Proxy is returned without any indication of how the person appointed as Proxy shall vote, then the Proxy shall exercise their discretion as to how they vote or, whether or not they abstain from voting

Please fill in the following details:

Name : ....

Address : ....

....

....

Jointly with : ....

Share Folio No/ CDS account no : ....

National Identity Card No : ....

CORPORATE INFORMATION

Name of Company:

John Keells PLC

Company Registration Number:

PQ 11

Name of Subsidiaries

John Keells Stock Brokers (Pvt) Limited
John Keells Warehousing (Pvt) Limited

Name of Associate Company:

Keells Realtors Limited

Legal Form:

Public Limited Liability Company listed on the Colombo Stock Exchange (Incorporated in Sri Lanka in 1960)

Registered Office:

No. 117,
Sir Chittampalam A. Gardiner Mawatha Colombo 2, Sri Lanka
Tel: 0094 11 2306000
Telefax: 0094 11 2342456

Business Address:

No. 186, Vauxhall Street, Colombo 2.

Directors:

Mr. K N J Balendra
Mr. J G A Cooray
Mr. A Z Hashim
Mr. N W R Wijewantha
Ms. B A I Rajakarier
Mr. C N Wijewardane
Ms. A K Gunawardhana
Mr. P D Samarasinghe

Secretaries & Registrars:

Keells Consultants (Pvt) Limited No. 117,
Sir Chittampalam A. Gardiner Mawatha Colombo 2.

Auditors:

Messrs. Ernst & Young Chartered Accountants
P.O. Box 101, Colombo.

Principal Bankers (in alphabetical order):

Bank of Ceylon
Commercial Bank of Ceylon PLC
Deutsche Bank
DFCC Vardhana Bank
Hatton National Bank
Hongkong & Shanghai Banking Corporation Ltd.
Nation's Trust Bank
National Development Bank PLC
Sampath Bank PLC
Seylan Bank PLC

Designed & produced by
emagewise
Printing by Printage (Pvt) Ltd

JOHN KEELLS PLC

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