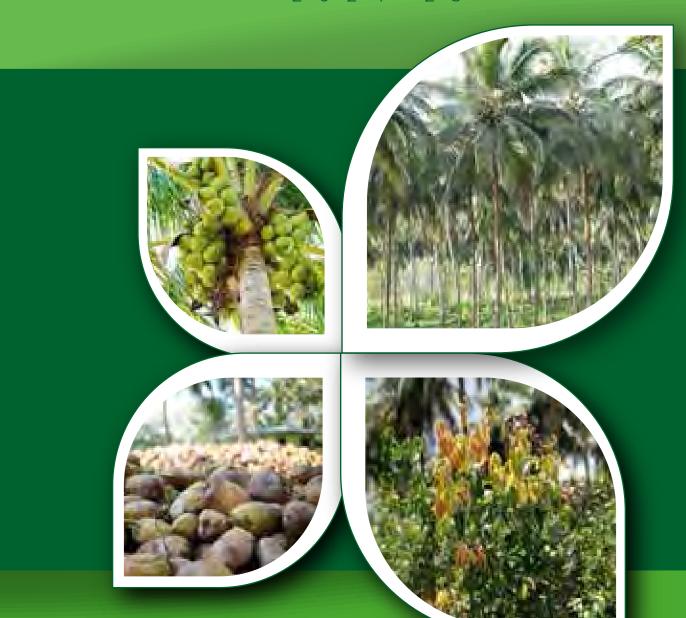


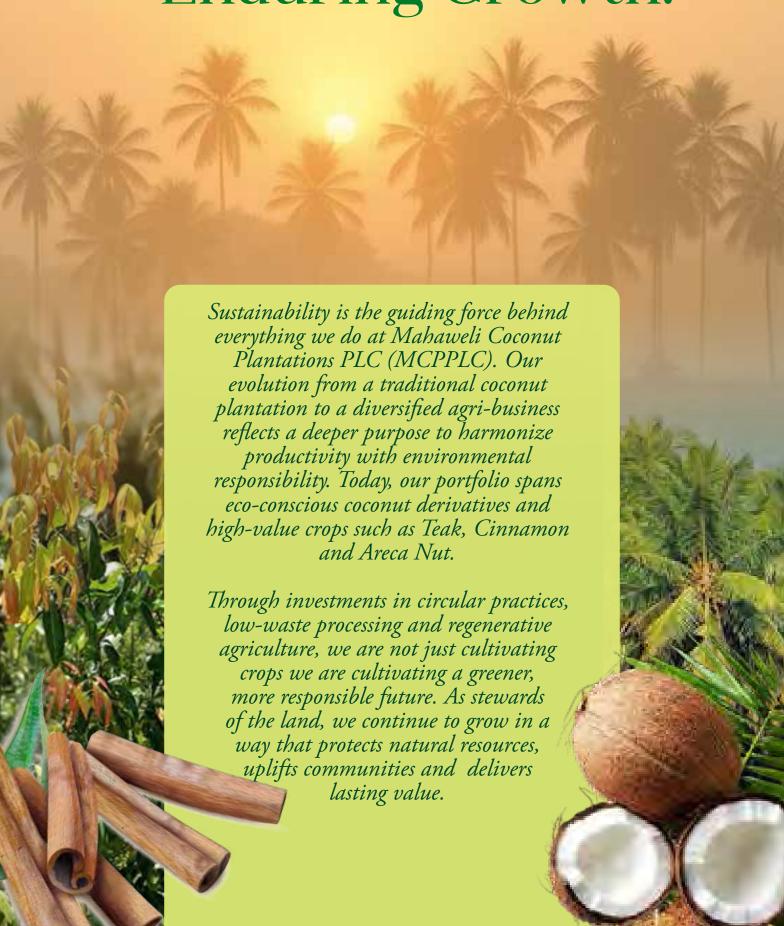
Sustainable Roots. Enduring Growth.

ANNUAL REPORT

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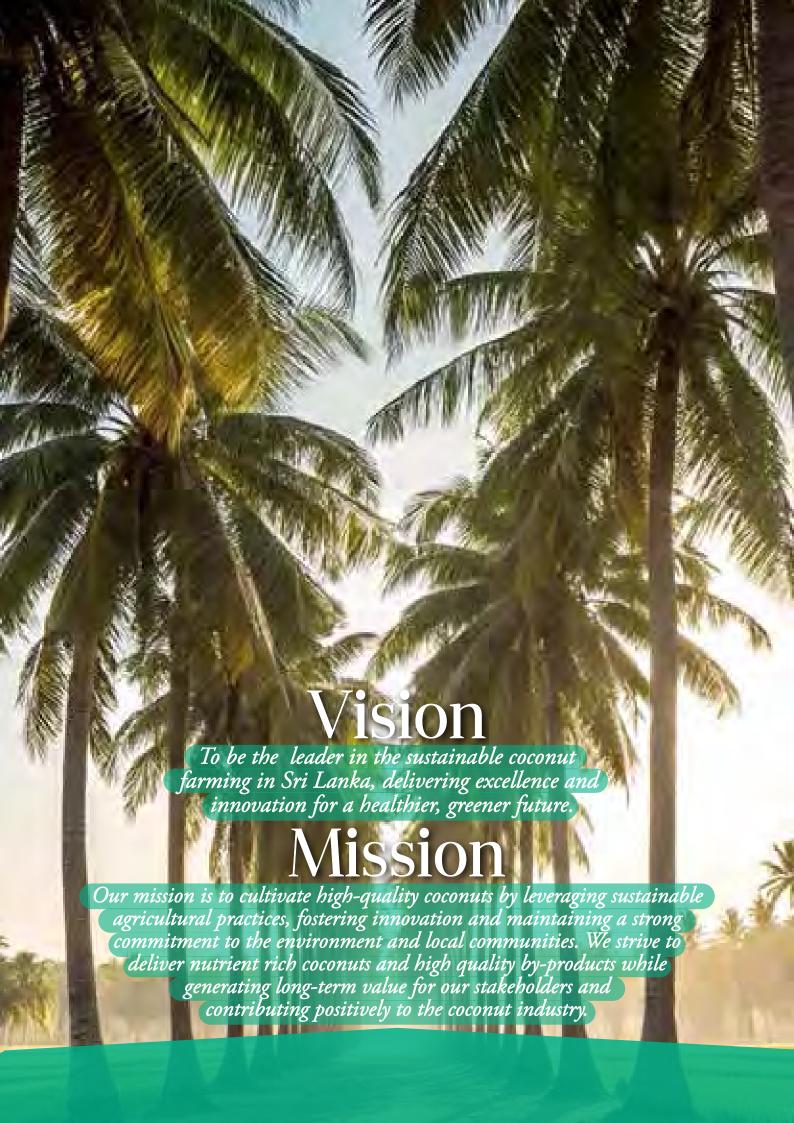
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Tracing Our Roots

Incorporation and Listing

MCPPLC is a Limited Liability Company domiciled in Sri Lanka, incorporated on 29th October 1996, under the Companies Act No. 17 of 1982. It was re-registered on 6th February 2008, under the Companies Act No. 7 of 2007. The Company was listed on the Diri Savi Board of the Colombo Stock Exchange (CSE) on 3rd June 2019 and was the first purely Coconut Plantation Company to be listed on the CSE.

Founding Vision

In the mid-1990s, a group of entrepreneurs involved in the desiccated coconut processing industry foresaw a potential shortage of coconuts due to the lack of a national strategy for plantation development. Their proactive approach led to productive discussions with policymakers, culminating in the establishment of a Company to undertake a large-scale plantation project on uncultivated land in the Mahaweli zone. The project used uncultivated leasehold land of 551.38 hectares in Pimburettewa Aralaganwila, in Polonnaruwa District, with the lease term ending in November 2028.

Initially conceived as a public-private joint venture, the project evolved into a Limited Liability Company with government support. Capital was raised from a special levy collected from desiccated coconut manufacturers, forming the share capital of MCPPLC. These manufacturers became shareholders in proportion to their export volumes.

Founding Objectives

The Company's objectives include:

- Acquiring land and buildings on lease or other modes from the Mahaweli Authority.
- ► Taking overall rights, powers, privileges and interests related to properties.
- Cultivating and producing coconut, coir, coco chips, coco peat and other agricultural products.
- ► Conducting research and development projects.
- ▶ Breeding and farming livestock and other organisms.
- ▶ Managing and exploiting land, water, wind and solar resources.
- ▶ Marketing and selling the Company's products.

Current Business Activities

MCPPLC currently harvests an annual crop ranging from 3.5 to 4.5 Mn coconuts, which are sold to Sri Lankan companies for the production of desiccated coconut, coconut cream, coconut milk and coconut water for export markets. In addition to coconuts, the Company also sells teak trees, which are planted primarily as windbreakers on the plantation.

The fiber substrate initiatives at MCPPLC have shown significant progress during the 2024/25 financial year. With the global fiber market experiencing growing demand, both revenue and sales volume have increased. To further boost revenue, MCPPLC introduced coco chip to its product lineup midway through the financial year. Accordingly, revenue from this project rose by 58%, reaching Rs. 14.4 Mn, up from Rs. 9.1 Mn.

Following the success of the experimental cinnamon plantation, the Company expanded its efforts by cultivating 3,413 cinnamon plants. Furthermore, during the financial year 2024/25, 50 mango plants were cultivated as part of the ongoing diversification strategy.

Challenges and Innovations

One of the Company's biggest challenges is securing adequate water for its plantation, as the Mahaweli lands are located in the dry zone where rainfall is scarce. To overcome this, MCPPLC has invested significant resources in various irrigation systems to ensure sufficient water supply to the coconut trees. In a pioneering move, MCPPLC made history by successfully tackling water scarcity through the introduction of a drip irrigation system, developed in consultation with an Israeli Company possessing advanced expertise in this technology. Experts visited the plantation and implemented drip irrigation across major areas, marking the first use of such a system in Sri Lanka's coconut industry. Additionally, MCPPLC employs husk pits between coconut trees as an innovative technique to retain soil moisture. The Company has also invested continuously in solar-powered water systems to maintain consistent moisture levels. Ongoing modifications to the irrigation infrastructure are regularly made to further enhance water use efficiency.

Coconut pests and diseases pose significant threats to Sri Lanka's coconut industry, substantially contributing to crop declines. The major concerns include:

- Red Weevil: A serious pest that damages coconut palms, leading to yield loss and even tree death.
- ► Coconut Whitefly: This pest damages palms by sucking sap from the leaves, causing yellowing and premature leaf drop. Severe infestations can weaken trees and facilitate the spread of crop viruses.
- ▶ Lethal Yellowing: A phytoplasma disease transmitted by planthoppers, characterized by yellowing leaves and premature nut fall.
- ▶ Bud Rot: A fungal infection affecting the heart of the palm, causing wilting and discoloration. Prevention relies on proper drainage, regular monitoring and fungicide application.



MAHAWELI COCONUT PLANTATIONS PLC Annual Report 2024/25



Tracing Our Roots (Contd.)

Despite these challenges, MCPPLC's management has implemented innovative control strategies that have nearly eradicated these pests and diseases, achieving close to 100% elimination. For a detailed discussion on these management practices, refer page on 19.

Recognition

In November 2019, MCPPLC was honored with second place for the Best Mahaweli Entrepreneur in the Agriculture Sector, Large Category at the inaugural Mahaweli Entrepreneur's Presidential Awards Ceremony. This award recognized the Company's dedication, efforts and hard work towards advancing coconut cultivation in Sri Lanka.

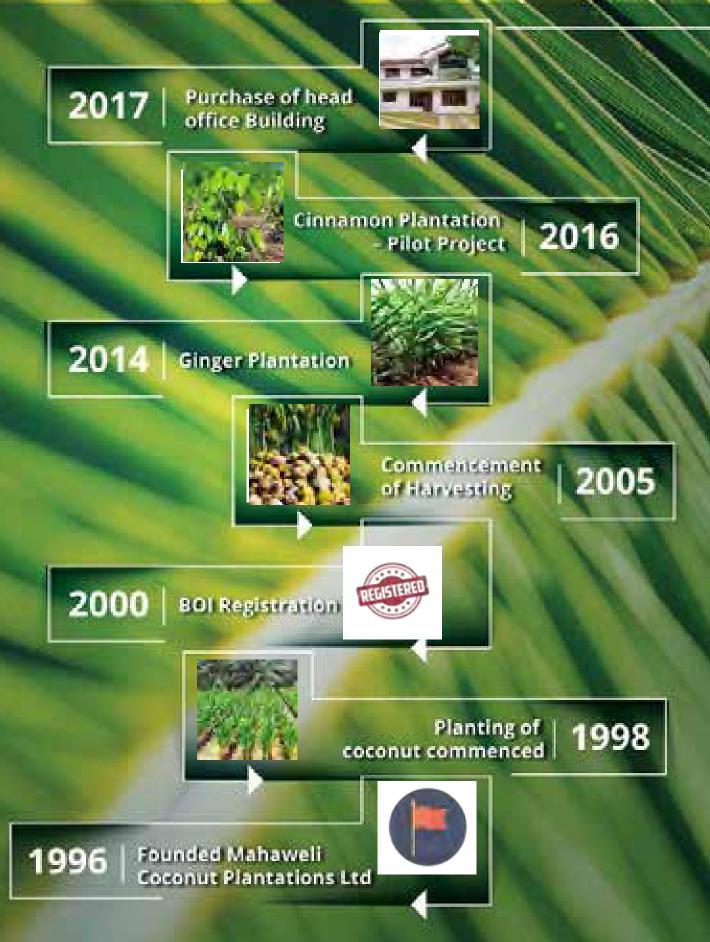
Further highlighting its industry leadership, in 2020/21, MCPPLC's coconut plantation was selected by the Coconut Research Institute to supply coconut seed nuts, supporting national efforts to improve coconut yields across the country.

In 2024, MCPPLC received the Bronze Award for Financial Reporting Excellence under the plantation sector at the TAGS Awards, organized by the Institute of Chartered Accountants of Sri Lanka, in the category for group turnover up to Rs. 5 Bn. Additionally, the Company earned a Certificate for Corporate Governance Disclosure under Non-Financial Services and maintained compliance certificates in 2022 and 2023.



for the Annual Report - 2023/24 under the plantation sector at the TAGS awards 2024 conducted by the Institute of Chartered Accountants of Sri Lanka.

Landmarks of Success



2019 Register

Registered in Colombo Stock Exchange





Selected by CRI to Supply Coconut Seedlings

2020

2021

Commenced Constructing a Building for the Fiber Substrate Project Commenced Mahufatturing of Organic Fertilizer



Received TAGS Certificate from ICASL for Compliance under Plantation sector





Commenced fibur substrate project

2022

2023

Received TAGS
Certificate from ICASL
for Compliance under
Plantation sector





Started to Harvest Teak Trees

Reported all-time High Revenue of Rs. 415 Mn





Won Bronze Award for Financial Reporting Excellence at the TAGS Awards.

2024



At a Glance: Financial Summary

		2024/25	2023/24	% Change
Earnings Highlights				
Revenue	Rs.	415,692,479	278,950,900	49%
Gross Profit (GP)	Rs.	201,898,642	87,454,469	131%
Profit from Operations	Rs.	175,539,004	88,416,362	99%
Profit before Tax (PBT)	Rs.	201,434,619	127,390,066	58%
Tax Expense	Rs.	(61,044,411)	8,589,945	-811%
Profit/(Loss) after Tax (PAT)	Rs.	140,390,208	135,980,011	39
Dividends	Rs.	(69,992,230)	(52,494,173)	339
Retained Earnings	Rs.	470,888,011	401,983,270	179
Financial Position Highlights		<u> </u>	<u></u>	
Total Assets	Rs.	1,110,561,284	979,084,535	139
Total Debt (Lease Liabilities)	Rs.	24,881,387	28,351,382	-12%
Total Shareholders Fund	Rs.	871,925,282	803,020,541	99
No. of Shares in Issue	Nos.	34,996,115	34,996,115	09
Cash Flows Highlights				
Operating Activities	Rs.	182,698,072	54,352,825	2369
Investing Activities	Rs.	(90,938,912)	19,840,336	-5589
Financing Activities	Rs.	(76,579,023)	(52,494,173)	469
Total Net Cash Flow for the Year	Rs.	15,180,137	21,698,988	-309
Cash & Cash Equivalents at the End	Rs.	77,854,364	62,674,227	249
Key Indicators per Ordinary Shares			•	
Earnings per Share (EPS)	Rs.	4.01	3.88	39
Net Assets per Share	Rs.	24.91	22.95	99
Dividend per Share (DPS)	Rs.	2.00	1.50	33%
Closing Market Price per Share (MPS)	Rs.	37.20	27.60	359
Key Ratios				
Gross Profit Margin (GPM)	%	48.57	31.35	55%
Operating Profit Margin (OPM)	%	42.23	31.70	33%
Net Profit Margin	%	33.77	48.75	-31%
Interest Cover	Times	46.57	21.42	1179
Return on Equity (ROE)	%	16.10	17.00	-5%
Return on Assets	%	12.64	13.89	-99
Dividend Cover	Times	2.01	2.59	-23%
Debt/Equity (Book Value)	%	2.85	3.53	-199
Equity/Asset	%	77.04	80.35	-49
Debt/Asset	%	2.24	2.90	-239
Dividend Payout Ratio	%	49.86	38.60	299
Current Ratio	Times	5.41	10.59	-499
Quick Asset Ratio	Times	4.74	9.33	-49%











Chairman's Message



We remain focused on maintaining a healthy Financial Position and ensuring that profitability is underpinned by sustainable growth rather than short-term gains

Dear Valued Shareholders,

It is with great pleasure that I present to you the Chairman's Report for the financial year ended 31st March 2025.

The past year has been one of solid progress and strategic advancement for the Company. Our operational efficiency, diversification efforts and disciplined management have enabled us to maintain stability and pursue new avenues for growth.

This plantation, having now reached maturity, is being sustainably harvested, marking the realization of a long-term strategic investment. The timber yield is expected to substantially enhance the Company's profitability and exemplifies our commitment to making full use of our land assets while adhering to responsible environmental practices.

In addition, we have continued to strengthen our core business activities through improved processes, workforce training and targeted capital investments aimed at boosting productivity and quality.

The Company has delivered a stable financial performance, with steady revenues and an improved cost structure. The anticipated gains from the teak harvest are expected to be reflected in the next reporting period, contributing positively to our earnings outlook.

We remain focused on maintaining a healthy Financial Position and ensuring that profitability is underpinned by sustainable growth rather than short-term gains.

Looking ahead, we are pursuing a strategy centered on responsible growth, innovation and value optimization. Our focus areas include:

- ► Enhancing operational efficiency across all business units. Unlocking value from underutilized assets.
- Exploring opportunities for diversification within complementary sectors
- Strengthening our ESG commitments through sustainable practices.

The integration of resource-based initiatives such as the teak harvest demonstrates how we are aligning environmental stewardship with commercial outcomes.

On behalf of the Board of Directors, I would like to express my sincere gratitude to our employees for their dedication and professionalism, to our shareholders for their continued support and to our management team for their steadfast leadership.

We approach the coming year with confidence, anchored by our strong fundamentals and guided by a clear strategic vision.

Mr. S.D.W. Asitha Gunasekera

Chairman

14th August 2025



Managing Director's/CEO's Message



We achieved a PBT of Rs. 201.4 Mn which is the highest in our history and the average selling price of coconut increased to Rs. 112.22 from 64.39 in the previous year. During the year we have fertilized 62,998 trees at a cost of Rs 72.38 Mn. This should increase our yield from 2027/28 onwards.



It is my pleasure to present the performance of the Company for the year ended 31st March 2025. The year 2024 marked the lowest coconut yield in Sri Lanka in many years. The annual crop of 2,791Mn nuts was lower than the previous year by 10%. Sri Lanka is still feeling the impact of the fertilizer ban and the exorbitant fertilizer price thereafter. In-spite of lower yield Sri Lanka earned



USD 856.39 Mn from exports due to the high prices in the World Market. The low yield in other countries and increased demand in the World Market would no doubt augurs well for the Sri Lankan Coconut Plantation Industry. In the year we achieved a PBT of Rs. 201.4 Mn which is the highest in our history. Now with the lifting of the tax exemption on agricultural profit from 1st April 2024 our profit after tax was Rs. 140.4 Mn which is a mere increase of 4.5 Mn or 3% above 2023/24.

Coconut

As much as the decline in the coconut yield in the country ours too declined from 4,336,608 to 3,756,889. The average yield of 54 nuts per tree in 2023/24 declined to 47 in the current year. However, we can derive satisfaction that 47 nuts per tree was much higher than the yield of 36 – 40 nuts in the coconut triangle during this period.

During the year we have fertilized 62,998 trees at a cost of Rs 72.38 Mn. It is Rs. 1,149/- per tree on fertilizing alone and the application was limited to 60% of the normal requirement. However, considering the importance of fertilizer requirement we have decided to apply full quantity of fertilizer in the current financial year. This should increase our yield from 2027/28 onwards.

We had the fortune of increased coconut prices during the second half of the current year. The average selling price of coconut increased to Rs. 112.22 from 64.39 in the previous year. The increase of 74.28% over last year negated the impact of the lower yield.



Managing Director's Message (Contd.)

Teak

The Teak valuation as at 31st March 2025 increased from 213.3 Mn to 233 Mn, contributing Rs.19.7 Mn to our profit. We lost few trees during the year due to elephant attacks, lightening and blowing. As usual, in the valuation, trees with girth below 15 inches were not considered. In the coming year it's envisaged to obtain the necessary approvals to harvest more Teak Trees.

Other Crops

We continuously increase the area under cinnamon cultivation based on the number of plants issued by the Agriculture Department. It is expected to commence harvesting of Cinnamon planted in 2021/22 in the current year. We continue with other crops such as Paddy, Cashew & Areca-nuts in a small scale. The Cashew Crop was extremely low. In the current year in our plantation and in the country as well.

Coco Peat Project

This project which commenced operation in August 2022 had to operate at a loss due to depression in the World Market and also the inability to sell fibre which was left to perish. However, toward the end of 2023/24 demand for fibre products improved and we could sell the by-product in manufacturing Coco Peat. As a result, the Company was able to earn a profit of Rs. 153,922/- from the project in the current year. We expect the demand to continue in the year and hope to increase the floor area of our yard.

Prospects and Looking Forward

The country has recovered and is inching towards normalcy. Sri Lanka has completed the election process and now it's up to the elected personnel to lead the country to prosperity in the coming years. The re-payment of loans is expected to commence in 2028 and proper handling of the economy in the next few years is essential. The much-feared American Tariffs has now been reduced to 20% for imports from Sri Lanka. The disparities of the Tariffs mentioned in the original declaration has now been adjusted and we are very much on par with our competitors. Now Sri Lanka would be able to export the normal quantities to the USA without any major setback.

In comparison to last year the price of coconut products have improved in the World Market and is expected to maintain high levels this year too. In Sri Lanka, the unplanned expansion of the factories during the last few years, without considering the availability of raw material, the coconut, has resulted in the manufacturing sector being hit by the shortage of coconuts and its clamour for the import of coconuts. Whilst appreciating the hardship of the factories, the import of coconuts should be the last resort and even if it's done, the import should be handled prudently to ensure no major hiccup to the plantation sector.

We hope to improve and expand our irrigation system continuously. The improvements to the drip irrigation system using discarded plastic bottles have shown desired results. Further investment on solar powered pumps would reduce our fuel costs.

The high coconut prices have brought in a difficulty in the security situation in the coconut plantation all over the country. This would reach alarming levels unless we receive the co-operation of the law enforcing authorities. It is very important that the situation is brought under control as further aggravation would result in neglect of plantation by the owners. The wild elephant problem is continuing to affect our plantation. The crop damages by other animals such as monkeys and squirrels too should be considered.

Dividends

The Board of Directors has recommended a Dividend of Rs.3/subject to approval of the Shareholders at the AGM. This would be the highest paid by the Company so far in its history.

Appreciation and Acknowledgement

During the year Prof. T.S. Gamini Fonseka and Mr.N.A. Lalith Cooray retired in keeping with the CSE rules. I wish to thank them for the valuable contribution made by them and wish them well in their retirement. I also wish to welcome Mrs. Gillian Edwards and Mr. W.V.J.T. Fernando in to the Board and look forward to their valuable contribution in the years ahead.

I would like to thank the Chairman and the Directors for the support and co-operation extended to me during the year. I also extend my heart-felt appreciation to our entire MCPPLC team both at Head Office and the Plantation.

Lastly, I would like to thank the shareholders for their trust and confidence in the Board of Directors and the management team. With the co-operation of all we look forward to another year of progress and success.

Mr. J. F. Fernandopulle Managing Director/CEO

14th August 2025



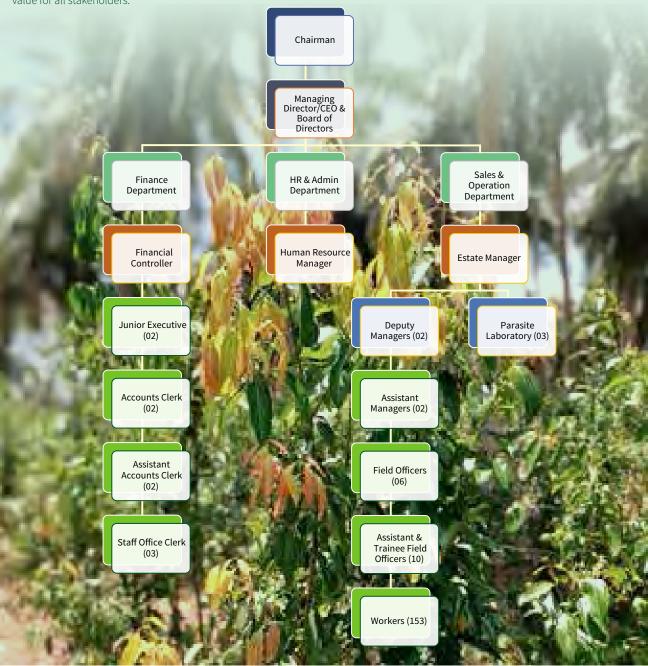
Organizational Structure

Introduction

Our organizational structure is designed to deliver strong governance, operational efficiency and strategic alignment across all areas of the business. Under the guidance of the Managing Director/CEO, the Company functions through three core divisions: Finance, Human Resources & Administration and Sales & Operations. Each division is led by experienced professionals who are supported by skilled teams, ensuring seamless coordination, accountability and a commitment to performance excellence.

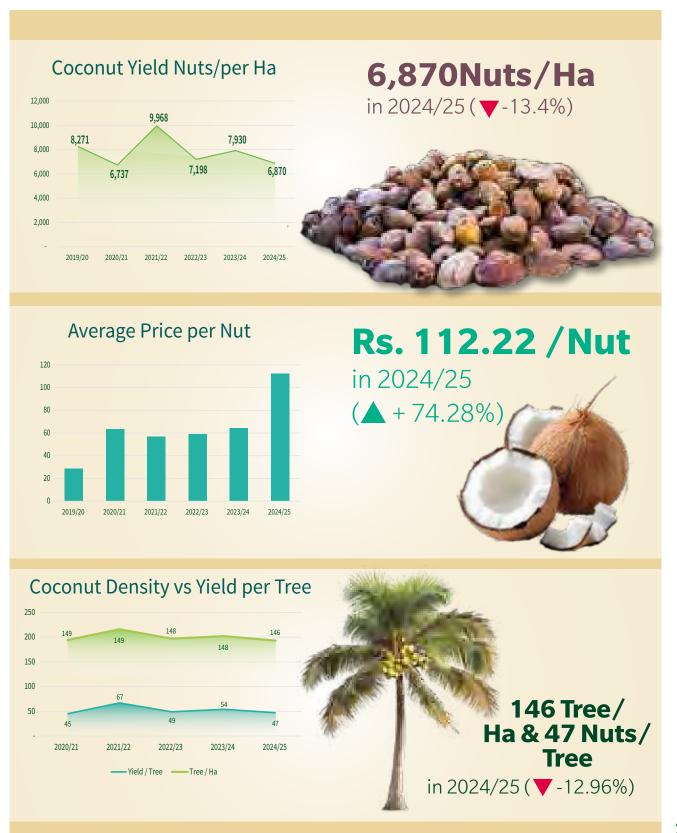
Plantation operations, the backbone of our business, are managed by a Plantation Manager, supported by Deputy and Assistant Managers, Field Officers and their teams, alongside dedicated clerical staff and a committed workforce. This well-defined hierarchy is particularly suited for our plantation operations, enabling effective supervision of field activities, strengthening communication between management and operational teams and fostering a culture of responsibility and continuous improvement.

Through this structure, we are well-positioned to respond to operational challenges, drive sustainable growth and create long-term value for all stakeholders.





Plantation Sector Highlights









Coconut Crop Performance over last 10 Years



Field No.	Field Name	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Total
1	Dharmasena Farm	267,395	348,338	303,847	322,320	303,708	292,901	298,365	234,547	288,322	257,949	2,917,692
2	Goat Farm	321,630	452,649	395,626	403,290	371,047	331,166	414,760	317,617	358,991	317,340	3,684,116
3	Horticulture-A & B	269,180	425,384	318,070	411,497	380,218	263,468	422,759	323,324	303,208	251,138	3,368,246
4	Block 4 & Block 2	532,607	659,053	527,799	732,584	535,485	487,593	713,891	460,776	531,330	350,066	5,531,184
5	Block-05	336,371	377,673	327,929	440,089	373,106	341,434	384,858	256,610	342,936	266,299	3,447,305
6	Block-83	222,558	357,419	297,083	331,318	280,252	238,884	343,253	280,705	272,397	205,218	2,829,087
7	Block-01	339,892	380,815	395,630	449,016	388,342	354,287	392,004	345,951	379,160	283,000	3,708,097
8	Block-85	376,772	514,203	483,012	496,542	423,195	363,656	464,057	361,297	404,078	248,352	4,135,164
9	Kotawewa-01	121,837	264,951	144,881	220,517	212,337	105,289	294,054	189,629	184,969	193,768	1,932,232
10	Kotawewa-02	119,252	280,549	160,847	287,065	272,337	162,986	335,980	186,815	271,128	208,662	2,285,621
11	Kotawewa-03	158,322	276,422	157,865	259,177	228,788	146,814	305,737	191,414	225,050	159,739	2,109,328
12	Weerana-01	139,604	266,503	96,051	319,482	241,082	196,968	352,156	230,858	279,914	302,578	2,425,196
13	Weerana-02	157,521	329,544	132,976	386,472	282,294	188,129	411,553	285,300	257,163	352,662	2,783,614
14	Weerana-03	165,917	300,083	116,109	369,781	231,009	210,748	317,931	271,523	238,229	360,118	2,581,448
	Total	3,528,858	5,233,586	3,857,725	5,429,150	4,523,200	3,684,323	5,451,358	3,936,366	4,336,875	3,756,889	43,738,330





Discussion on Crop Performance

Sri Lanka experienced a severe coconut shortage in 2024, according to data from the Department of Census and Statistics and the Coconut Development Authority. The Central Bank of Sri Lanka's Agriculture Bulletin (November 2024) revealed a significant drop in production, with September coconut output falling by 17.8% year-over-year. From January to September 2024, total coconut yield declined by 4% to 2.28 Bn nuts, compared to the same period in the previous year. The situation worsened toward the end of the year, with production plummeting by 33.1% in December 2024. This downward trend continued into the new year, with a further 32.3% decline in January 2025.

The Coconut Research Institute reported that the country's annual coconut production in 2024 increased by 3% compared to the forecast for that year, reaching a total of 2,754 Mn nuts. However, this production level remains significantly lower than the actual outputs in previous years, with 3,044 Mn nuts produced in 2023 and 3,352 Mn nuts in 2022. Overall, the coconut crop in 2024 experienced a decline of 9.5% compared to 2023 and 18% compared to 2022, underscoring the ongoing challenges faced by the sector.

The coconut shortage has significantly disrupted the local market. Prices have risen, with the cost of coconuts ranging between Rs. 200 and Rs. 210. This reduced production has adversely affected both export and domestic markets, creating a supply gap that has made it necessary to import coconuts to meet demand. In the 2024/25 season, MCPPLC harvested 3.75 Mn nuts a 13% decrease from 2023/24 and a 5% drop compared to 2022/23. This decline is largely attributed to the fertilizer ban introduced in 2021.

Since then, the subsidized price of a 50-kg bag of fertilizer has soared from Rs. 1,500/- to Rs. 19,500/- severely limiting accessibility. As a result, only about 70% of trees received fertilization and even then, only at 60% of the required level. This inadequate fertilization over recent years has led to deficiencies in key nutrients, including macronutrients like nitrogen, phosphorus and potassium, as well as critical micronutrients such as magnesium and boron, all essential for healthy coconut growth and optimal yields.

During 2024/25, the average price of a 50-kg bag of fertilizer was Rs. 11,500. MCPPLC had planned to fertilize the entire plantation during the year. However, the target was not fully achieved due to weather challenges, including a dry spell in September followed by heavy rains from October to December 2024. To address potential delays caused by labour shortages, MCPPLC continues to invest in machinery to ensure timely fertilizer application. Despite these unfavourable weather conditions, MCPPLC successfully fertilized 62,998 trees in 2024/25, representing 79% of the total trees, a 22% increase compared to the previous year.

In addition to fertilization efforts, several other critical criteria contribute to a successful coconut crop. These significant factors have enabled MCPPLC to maintain yields above the industry average despite challenges in recent years.

▶ Soil Quality

Well-draining soils with a pH range of 5.5 to 6.5 are ideal for coconut cultivation. At MCPPLC, the plantation soil pH ranges from 6.75 to 7.25. This is slightly above the optimal range necessitating careful soil and nutrient management. To ensure optimal plant health and productivity, MCPPLC collaborates closely with CIC Agri Business, conducting regular soil testing and applying fertilizers based on expert recommendations. This proactive approach helps maximize crop performance and maintain long-term soil health.

Climate and Weather

Coconut palms thrive in temperatures between 20°C and 32°C and require annual rainfall ranging from 1,500 to 2,500 mm for optimal growth. MCPPLC is proud to be the first Company to successfully cultivate coconuts in Sri Lanka's dry zone. To support healthy growth and consistent yields in this challenging climate, MCPPLC has implemented targeted water management practices, especially during dry periods. These efforts were supported by a recorded 2,325 mm of rainfall during the 2024/25 financial year, contributing positively to future crop performance.

► Pest and Disease Management

Effective pest and disease management is critical to safeguarding coconut plantation. Pests such as rhinoceros beetles, red palm weevils and coconut mites must be controlled proactively to prevent significant damage. Likewise, diseases including bud rot, leaf blight and root wilt require regular monitoring and timely intervention to minimize crop losses. MCPPLC has implemented a comprehensive pest and disease control strategy, detailed on page 19. Furthermore, the Company collaborates closely with the Coconut Research Institute to strengthen disease prevention and enhance overall plant health.

► Pruning and Maintenance

Regular removal of dead or damaged fronds and inflorescences enhances palm health and encourages better fruiting. Additionally, consistent cleaning of the palm base and surrounding areas helps reduce the incidence of insect infestations and diseases, contributing to overall crop vitality.

► High-quality seed nuts

MCPPLC is actively engaged in replanting vacant areas and replacing damaged trees with nuts sourced from superior mother palms, ensuring better germination rates and healthier plantation. In addition to internal replanting efforts, MCPPLC also supplies high-quality seed nuts to the Coconut Cultivation Board, playing a significant role in boosting coconut cultivation not only within the Company's plantation but also at the national level.



Discussion on Crop Performance (Contd.)

► Plantation Management

Crop monitoring is a vital component in maintaining the health and productivity of plantation. At MCPPLC, a structured coconut picking program ensures harvesting occurs six times annually. To support this, the Company maintains a competent workforce at both plantation and management levels. Regular crop inspections help detect early signs of pests, diseases and nutrient deficiencies, allowing for timely and effective interventions. Additionally, systematic record-keeping of

planting, harvesting and crop management activities enables informed, data-driven decision-making to enhance long-term sustainability and yield.

By focusing on these critical factors, MCPPLC can enhance coconut crop yields, minimize losses and promote sustainable production. This proactive approach not only strengthens plantation performance but also supports long-term agricultural resilience and profitability.





Pest and Disease Monitoring/ Integrated Control Measures

The health and productivity of our coconut plantation rely heavily on the timely and effective management of pests and diseases. MCPPLC implemented a robust Integrated Pest and Disease Management (IPDM) framework, designed to address major threats such as the Red Palm Weevil and caterpillar infestations. This comprehensive strategy integrates both chemical and biological control methods, with a strong emphasis on labour safety, strategic innovation and environmental responsibility.

The Red Palm Weevil continues to pose a significant threat to mature coconut palms. To manage this, our field supervisors and staff conduct daily inspections across the plantation to detect early signs of infestation such as chewed tissues, oozing sap and wilting fronds. Upon confirmation of weevil damage, a targeted control procedure is activated. This involves the precise injection of 40 ml of Monocrotophos into the affected area after carefully drilling into healthy tissue.

The injection is performed using a controlled applicator and the drilled hole is immediately sealed with clay or a suitable sealing compound to prevent reinfestation. To ensure labour safety, only trained personnel handle Monocrotophos. These workers are equipped with full personal protective equipment and are regularly monitored for exposure.

In parallel, we have expanded the use of Bracon hebetor, a biological agent effective in controlling caterpillar populations, to reduce reliance on chemical pesticides. Bracon wasps are reared in-house under controlled laboratory conditions. The process begins with preparing insect-rearing containers containing corn flour and Ass moth eggs, which support larval development over 30 days. Mature larvae are then introduced into observation containers with female Bracon wasps, which parasitize the larvae by laying eggs on or in them.

These parasitized larvae are transferred to paper strips for pupation and within four days, adult Bracon wasps emerge. Once mature, these wasps are released into caterpillar-affected coconut plots, especially during peak infestation periods. This internal rearing program reduces dependency on external suppliers and contributes to biodiversity conservation. Importantly, the Bracon production process uses no dangerous chemicals, ensuring safe, inclusive working environments for our female laboratory staff.

Strategically, our IPDM approach is guided by a sustainability-first philosophy. We are committed to reducing pesticide residues and chemical dependency through integrated chemical-biological control practices while ensuring high yields and plant health. To support the Social and Governance aspects of ESG, we have introduced local training programs that upskill field workers in pest identification, early intervention techniques and agrochemical safety, empowering the workforce and promoting responsible labour practices. From a governance perspective, all pest management activities are monitored in line Company policies, ensuring transparency and compliance.









Looking forward, this approach enhances traceability, ensures rapid intervention and supports our long-term environmental stewardship. Additionally, all interventions are designed to maintain soil health, protect non-target species and preserve ecological balance, aligning with our broader environmental goals under ESG.

Through this integrated and proactive approach, we reinforce our commitment not only to sustainable agriculture but also to the core ESG values that define our operational integrity, community impact and long-term resilience.



Our Value Creation Eco System

Value Creation Model

Our value creation model describes how we generate and distributes value to our stakeholders through our business process.

Input

FINANCIAL CAPITAL

to achieve our future ambitions and the same are vital for the growth of the organization.

Shareholder's Fund - Rs. 871.92 Mn Lease Liability - Rs. 24.88 Mn

BIOLOGICAL & MANUFACTURED CAPITAL

All the income are generated directly by our biological assets. Machinery & Equipment are used to transform raw materials in to finished goods.

Bearer Biological Assets - Rs. 89.97 Mn Consumable Biological Assets - Rs. 233 Mn Machinery & Equipment - Rs. 43.51 Mn

HUMAN CAPITAL

Human capital represents our team of well experienced staff from the top management to bottom level.

Total Employees - 188

SOCIAL AND RELATIONSHIP CAPITAL

We have cultivated robust relationship with our customers and communities we

INTELLECTUAL CAPITAL

Tacit knowledge of our employees is important to increase our capacity and ris management.

NATURAL CAPITAL

Land, water, energy and sunlight are the main natural resources that we are using for our cultivation and manufacturing

Water charges – Rs. 143,126 Electricity charges – Rs. 434,901 Solar energy investment - Rs. 4,436,39













FINANCIAL CAPITAL

Financially we are in a strong position and continue to offer

Retained Earnings - Rs. 470.88 Mn Profit after Tax - Rs. 140.39 Mn Earnings Per Share - Rs. 4.01 Market Value Per Share - Rs. 37.20 Dividend Distributed to Shareholders - Rs. 69.99 Mn

BIOLOGICAL & MANUFACTURED CAPITAL

Efficiency of maintenance, cultivation, fertilization and harvesting results in good yield.

Yield per Tree – 47 Nuts Sale of Coconut & Copra - Rs. 401.28 Mn. Sale of Coco Peat, Coco Chips & Coir – Rs. 14.41 Mn.

HUMAN CAPITAL

Employee Remuneration – Rs. 30.60 Mn New Recruits in 2024/25 - 14 Employee Retention Rate - 97%

SOCIAL & RELATIONSHIP CAPITAL

Female Representation Rate - 48%

Payment of Government Taxes - Rs. 8.77 Mn Total Donation - Rs. 135,793

INTELLECTUAL CAPITAL

NATURAL CAPITAL

Preserved water through Drip Irrigation System to minimize water consumption and maximize yield. Invested in Solar Power project to minimize the use of nonrenewable energy.

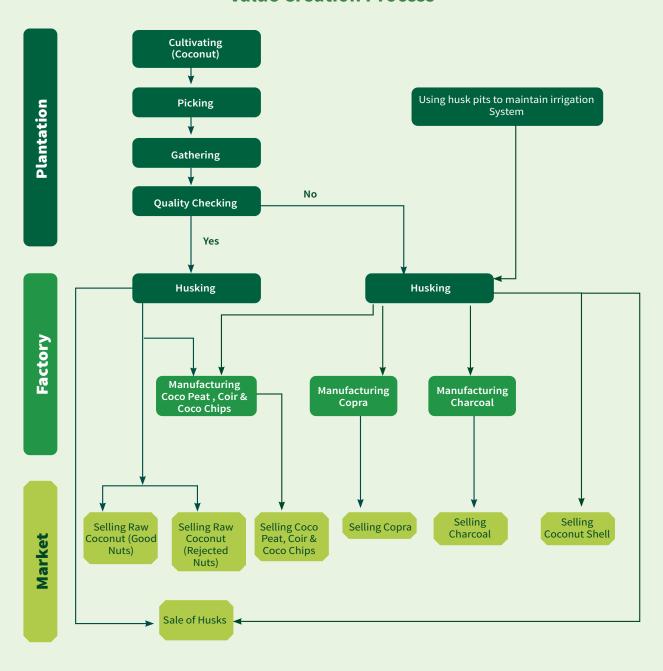






Value Creation Model (Contd.)

Value Creation Process





Financial Capital

Overview

At MCPPLC, financial capital represents the foundation upon which our operational strength, strategic investments and long-term value creation are built. Comprising equity contributions and retained earnings, it is the lifeblood that sustains our core operations, fuels diversification and strengthens our competitiveness in an evolving agribusiness landscape.

In the current financial year, our financial capital management was centered on optimizing returns while preserving stability. We adopted a disciplined, forward-looking approach to capital deployment, ensuring that every rupee invested aligned with our broader strategy for sustainable growth, resilience and operational excellence

Astute financial decision-making anchored in strong governance, compliance and prudent risk management allowed us to maintain a robust balance sheet. We focused on strategic reinvestment, strict cost containment and efficient working capital management, while simultaneously improving internal control systems and liquidity buffers. This holistic approach helped us reduce inefficiencies, enhance productivity and strengthen our financial position to withstand economic volatility and market shifts.

Management Strategy & Framework

Our approach to financial capital management is guided by the following core principles:

Strategic Capital Allocation

Investments are made based on long-term strategic priorities, including value chain development, crop diversification and capacity building.

► Robust Governance & Compliance

We adhere to Sri Lanka Accounting Standards (SLFRS/LKAS), the Companies Act No. 07 of 2007 and regulatory frameworks under the Colombo Stock Exchange (CSE) and the Securities and Exchange Commission (SEC). This ensures integrity, transparency and compliance.

► Cost Efficiency & Budgetary Discipline

Through strong financial controls, we maintain expenses within budgeted limits while continuously evaluating spending across all operations to eliminate waste and non-value-added activities.

► Risk & Liquidity Management

Financial risks are actively managed through liquidity planning and scenario-based stress testing to preserve business continuity and maintain healthy cash flow

Operational Financial Excellence

Day-to-day financial functions are managed with rigorous oversight of inventory, procurement, debtor control and treasury operations.

Value Creation through Financial Capital

Focus Area	Strategic Action	Value Outcome
Investment in Diversification	Funding high-yield crops and value-added processing	Revenue growth and multi-stream income generation
Operational Efficiency Improvements	Reducing non-essential expenditure and overheads	Improved profit margins and cost competitiveness
Strategic Reinvestment	Allocating retained earnings to mechanization and innovation	Enhanced productivity and long-term competitiveness
Strengthened Controls & Compliance	Embedding strong internal systems and financial discipline	Investor confidence and regulatory assurance

Strategic Responses

To safeguard and leverage financial capital, our strategic responses included:

► Cost Rationalization Programs

Introduced across both plantation and head office operations to streamline spending and improve EBITDA margins.

► Focus on Working Capital Efficiency

Strengthened receivables management, inventory turnover and procurement processes to improve cash conversion cycles.

► Investor-Focused Reporting

Continued transparent financial disclosures and performance updates to build long-term investor confidence and value.

Financial Performance

Revenue

MCPPLC delivered an exceptional performance during the Financial Year 2024/25, achieving the highest-ever revenue in the Company's history at Rs. 415 Mn, reflecting a remarkable 49% increase compared to the previous financial year. This impressive top-line growth was largely driven by a significant surge in coconut prices during the year, which offset the impact of a 13% decline in crop yield compared to the prior year. The results underscore the Company's ability to navigate challenges and leverage favourable market conditions to deliver record-breaking financial performance.

The Company's revenue for the year was derived mainly from coconut sales, alongside contributions from copra, coco peat, coir, coco chips and husk. The coconut segment remained the dominant contributor, accounting for nearly 95% of total revenue. During the year, MCPPLC sold 3,393,363 coconuts at an average price of Rs. 112.22 per nut, which represents a 74.28% increase compared to the average price of Rs. 64.39 per nut in 2023/24. In addition, the Company sold 219,212 second-quality nuts, generating Rs.



11.56 Mn in revenue. These nuts, which were previously used for copra production in prior years, were instead sold directly to local buyers, enabling the Company to reduce processing costs.

Revenue from copra declined significantly from Rs. 21.1 Mn in 2023/24 to Rs. 6.8 Mn in 2024/25, primarily due to the strategic decision to sell second-quality nuts directly rather than process them for copra production. This shift in strategy resulted in a reduction in copra manufacturing costs from Rs. 5.1 Mn to Rs. 2.1 Mn, delivering savings of Rs. 3.4 Mn. This approach not only minimized production expenses but also allowed for the more efficient utilization of the workforce, thereby improving operational productivity across the plantation.

Meanwhile, revenue from fibre-based products, including coir, coco peat and coco chips, recorded an impressive 58% growth, increasing to Rs. 14.4 Mn during the year. This performance reflects the success of the Company's efforts to enhance its value-added product portfolio, optimize processing capacity and respond to increasing market demand for fibre-based products.

The combination of higher average selling prices for coconuts, cost optimization in copra production and revenue diversification through fibre-based products enabled MCPPLC to achieve record revenue despite a decline in overall crop yield. These results reinforce the Company's resilience in adapting to market fluctuations and maintaining strong financial performance even in the face of operational challenges.

Looking ahead, MCPPLC is focused on consolidating its growth momentum while mitigating risks associated with yield fluctuations and market volatility. The Company plans to stabilize crop yields through replanting initiatives, soil enrichment programs and improved irrigation practices, which will strengthen the long-term sustainability of coconut production.

Revenue 450 400 350 300 250 200 150 100 50 0 20/21 21/22 22/23 23/24 24/25

Gross Profit

The Company's gross profit recorded a significant improvement during the year under review, increasing from Rs. 87.45 Mn in 2023/24 to Rs. 201.89 Mn in 2024/25. This represents a robust 131% growth over the previous year, marking the highest gross profit achieved in recent years. Primary reasons for the exceptional growth are as follows;

- ► The improvement was largely attributable to strong sales performance, supported by favourable market demand and strategic pricing adjustments in response to the coconut price
- ► Inflation resulted from market supply shortages.
- ▶ On the other hand, direct costs have surged only by 12% in 2024/25, compared to the previous year. One major reason for the increase is the cost incurred for fertilization.

In 2023/24, Company incurred Rs. 49.99 Mn for fertilization whereas the cost incurred in 2024/25 was Rs. 72.38 Mn (45% increase). Expenditure on fertilization was increased with a long-term view of increasing the crop yield and harvest. Except for fertilization and infrastructure costs, the Company has effectively managed to contain all other direct costs, mainly due to the Company's cost optimisation initiatives and efficiency enhancements.

5 Years Gross Profit Analysis



Operating Profit

The Company's operating profit demonstrated a commendable improvement during the year under review, rising from Rs. 88.41 Mn in 2023/24 to Rs. 175.53 Mn in 2024/25. This reflects a notable 99% year on year growth, underscoring the effectiveness of the Company's strategic initiatives and operational discipline.

The increase was backed by higher gross profit contributions, despite decline in other income and fair value gain and increase in admin costs.



5 Years Operating Profit Analysis

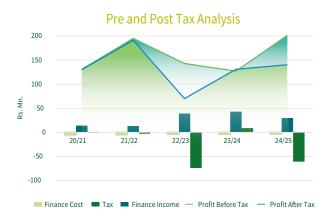


Pre Tax Profit

The Company's profit before tax was remarkably increased from Rs. 127.39 Mn in 2023/24 to Rs. 201.43 Mn in 2024/25. The growth in pre tax profit 58% was driven by higher revenue contributions and improved gross profit and operating profit margins, despite the reduction in finance income. This strong operating performance highlights the Company's ability to deliver sustainable earnings growth, reinforcing its commitment to creating long term value for shareholders while maintaining a balanced approach to risk and return.

In relation to finance income, compared to 2023/24, there is a drop of 31% in 2024/25. The Company managed to earn only Rs. 29.66 Mn interest revenue during the year, despite an additional investment of Rs. 99.78 Mn in Fixed Deposit. Major cause for the decline is the significant drop in the interest rates in 2024/25, compared to 2023/24.

Finance cost mainly represents lease interest on the leasehold land obtained from Mahaweli Authority and as the interest rates were predetermined, there were no major fluctuations in Finance Cost.



Post Tax Profit

The growth in profit after tax was moderate, rising from Rs. 135.98 Mn in 2023/24 to Rs. 140.39 Mn in 2024/25. This represents only a 3% growth rate. The comparatively lower increase in profit after tax was mainly influenced by changes in the effective tax laws in relation to agricultural income.

This outcome shows the Company's ability to generate higher earnings from its operations, while also highlighting the impact of fiscal obligations on the net results attributable to shareholders.

Financial Position

Gearing

As at the reporting date, the Company's capital structure remained exceptionally strong with a debt-to-equity ratio of just 2.85%. This low gearing level reflects the Board's continued commitment to maintaining a prudent and resilient financial position, with operations funded predominantly through shareholders' equity rather than external borrowings.

The only interest bearing liability at year end comprised the lease liabilities of Rs. 24.88 Mn, against a substantial equity base of Rs. 871.92 Mn, this conservative gearing profile provides significant headroom for strategic investment, while safeguarding the Company's capacity to withstand potential economic or market driven headwinds.

The strength of the Financial position helps the Company to pursue future growth opportunities with confidence, while ensuring long term value creation for shareholders through disciplined capital management and controlled financial risk exposure.

5 Years Gearing





Liquidity Management

Liquidity Management



The liquidity position of MCPPLC witnessed a significant adjustment during the financial year 2024/25, reflecting the Company's evolving asset allocation and working capital dynamics. The current ratio declined to 5.41 from 10.59 in 2023/24, reflecting a decrease in the overall buffer available to meet short-term liabilities. A similar trend was observed in the quick ratio, which stood at 4.74 (2023/24 9.33), indicating a lower proportion of liquid current assets excluding inventories. The cash ratio, a more stringent measure of liquidity, reduced to 0.77x compared to 1.35x in the previous year, pointing to a contraction in immediately available cash and cash equivalents.

This decline in liquidity ratios mainly attributed due to increased income tax liability because of the withdrawal of tax exemption on agricultural income. Despite the downward trend, the ratios remain sufficient to cover up its current liabilities, reflecting a relatively healthy short-term financial position. The Company continues to actively manage its liquidity to ensure operational flexibility while aligning cash flow management with business expansion and investment objectives.

Cash Flow

During the financial year 2024/25, MCPPLC generated a robust net cash inflow from operating activities of Rs. 182.69 Mn, significantly higher than the Rs. 54.35 Mn recorded in 2023/24, reflecting improved operational efficiency and enhanced working capital management. Net cash outflow used in investing activities amounted to Rs. 90.93 Mn in 2024/25 compared to a net inflow of Rs. 19.84 Mn in the prior year, mainly due to increased capital expenditures and Rs. 99.78 Mn investment in fixed deposits. Financing activities recorded a net outflow of Rs. 76.57 Mn in 2024/25, up from Rs. 52.49 Mn in 2023/24, attributable to lease repayment and dividend distributions. Accordingly, cash and cash equivalents at year-end increased to Rs. 77.85 Mn from Rs. 62.67 Mn in the previous year, underscoring the Company's ability to sustain healthy liquidity despite substantial investment and financing outflows. This reflects a strong operating performance, prudent financial management and a focus on long-term growth.





Manufactured Capital

Overview

At MCPPLC the manufactured capital forms the backbone of our operations. It encompasses the tangible assets from processing facilities and machinery to plantation infrastructure that drive the production of coconuts, coco peat, coir and coco chips. These assets are not merely tools of production; they are strategic enablers that enhance efficiency, strengthen our market positioning and support our long-term growth ambitions.

In the financial year under review, we sharpened our focus on optimizing and expanding our manufactured capital base to unlock higher levels of productivity and resilience. With operations across 14 fields, we executed a well-structured CAPEX plan to ensure that investments were directed toward areas delivering the greatest operational and financial impact. Key initiatives included purchasing machinery, expanding coir processing capacity to meet increasing domestic and international demand. In keeping with our sustainability commitments, we incorporated environmentally conscious practices into our manufacturing processes, aligning growth objectives with responsible stewardship of natural resources.

A notable development during the year was the construction of an Executive Bungalow within the plantation premises, aimed at strengthening on-site management and improving operational oversight. Concurrently, we undertook routine maintenance and rehabilitation of our existing buildings and facilities to safeguard asset integrity, optimize resource utilization and ensure continuity of high-quality production.

Value Creation through Manufactured Capital

Our manufactured capital investments are deliberate and designed to create enduring value for all stakeholders. By strengthening processing capabilities and adopting modernized production systems, we have increased operational efficiency and improved cost structures, directly contributing to enhanced profitability. These advancements also underpin our product diversification strategy, enabling us to offer a broader portfolio of value-added coconut products that cater to evolving market preferences.

Equally important is our integration of sustainable production practices. By embedding eco-conscious processes into our operations, we are reducing our environmental footprint while enhancing operational resilience. This dual focus on efficiency and sustainability ensures that our manufactured capital not only supports immediate operational needs but also positions MCPPLC for long-term value creation in a dynamic and competitive market environment.

Strategic Responses

The financial year 2024/25 presented both challenges and opportunities. We prioritized expanding processing capacity and improving productivity across our operations.

Infrastructure development remained a key priority, with the Executive Bungalow project reflecting our commitment to improving plantation-level management and accelerating decision-making processes. Simultaneously, we continued to integrate sustainability into our operations, adopting production methods that are both resource-efficient and environmentally responsible.

Through these measures, MCPPLC has reinforced its competitive advantage, safeguarded its operational continuity and positioned itself for sustained revenue growth. Our focus remains clear to leverage manufactured capital as a catalyst for superior financial performance, stakeholder confidence and long-term corporate resilience.

Acquisition of Machinery and Equipment

The acquisition of machinery and equipment plays a pivotal role in ensuring the smooth and efficient functioning of our operations. We place strong emphasis on acquiring durable, highquality assets and follow a comprehensive evaluation process that considers both financial and non-financial factors. Our approach goes beyond cost considerations, taking into account long-term value creation, energy efficiency, emission reduction and enhanced safety features, which collectively contribute to responsible and sustainable business practices.

To maintain transparency and consistency, our procurement process adheres to well-defined procedures and guidelines. For smaller-scale purchases, we obtain a minimum of three quotations to ensure competitive pricing and quality assurance. In the case of significant or bulk acquisitions, decision-making authority rests with the Board of Directors, enabling a higher level of scrutiny and strategic oversight.

By engaging with reputable and reliable suppliers, we are able to secure equipment that meets our operational requirements while aligning with our broader sustainability objectives. This methodical and carefully managed approach allows us to balance operational efficiency with environmental responsibility, thereby reinforcing our commitment to sustainable growth and long-term value creation.

Biological Assets	As at 31st March 2025 Carrying Value
Bearer Biological Assets – Coconut	89,977,437
Consumable Biological Assets – Teak	233,040,000
Fixed Assets/ Tangible assets	
Buildings	93,485,039
Motor Vehicles	6,441,787
Furniture & Fittings	722,670
Machinery and Equipment	69,249,997



Looking forward, MCPPLC will continue to invest in upgrading and expanding its manufactured capital to meet rising demand and improve efficiency. We will prioritize sustainable and resource-efficient practices to reduce environmental impact and enhance resilience.













Human Capital

Overview

The long-term success of MCPPLC is built on our ability to attract, retain and develop a highly skilled and engaged workforce. We are committed to fostering a culture of innovation, continuous learning and shared growth while providing a safe, inclusive and fulfilling work environment. By enhancing the technical and intellectual capabilities of our employees and prioritizing their well-being, we drive productivity, strengthen organizational resilience and ensure sustainable business performance over time.

Human capital has been the cornerstone of MCPPLC's growth journey, enabling us to reach key milestones across our history. Our human resource practices emphasize fairness, respect and the continuous enhancement of individual talents and capabilities. This approach has resulted in a workforce that evolves in step with the Company's vision and objectives, ensuring that our people remain our most significant competitive advantage.

Management Approach

Our employees are at the core of our success as a plantation Company. We cultivate a safe, collaborative and inclusive work environment where individuals are valued irrespective of race, ethnicity, gender, religion, or political beliefs. MCPPLC strictly complies with all applicable labour laws and regulations, upholding the highest standards of ethical and responsible employment practices.

We invest in employee empowerment by offering opportunities for personal and professional growth, equipping them with the skills and adaptability required in today's dynamic business environment. Our initiatives focus on leadership development for management teams, targeted skill-building for plantation workers and continuous training to drive operational excellence across our plantation and coir factory.

Recognizing the deep connection between our operations and the communities we serve, we also prioritize building strong relationships with employees' families and local communities, fostering mutual growth and shared prosperity. Through collective bargaining agreements, we ensure freedom of association for plantation personnel and strictly prohibit child labour and forced labour in our operations.

Description	2024/25	2023/24
New Recruits	14	06
Female Representation	48%	49%
Crop per Employee (Nuts)	19,983	23,068
Employee Retention Rate	97%	97%
Revenue per Employee	Rs. 2.2 Mn	Rs. 1.5 Mn
Employee Remuneration	Rs. 30.6 Mn	Rs. 27.3 Mn

Value Creation through Human Capital

At MCPPLC, people are at the heart of our value-creation journey. Our workforce forms the backbone of every stage of our operations from cultivating coconuts to processing and selling value-added coconut products. As a plantation Company, our employees play a vital role in ensuring operational excellence and enhancing the sustainability of our business.

We recognize that investing in our people creates long-term value not only for the organization but also for our stakeholders and the communities in which we operate. Through continuous training, skill development and employee engagement initiatives, we foster a motivated and capable workforce aligned with our strategic goals and by providing a safe, inclusive and growth-oriented work environment, we empower our employees to contribute meaningfully to the Company's success.

Our people-centric approach ensures that employees remain our greatest asset, enabling MCPPLC to build resilience, strengthen stakeholder trust and deliver sustainable value across the value chain

Strategic Responses

Focus Area	Description	Expected Outcome
Workforce Development & Skills Enhancement	Introduce structured training on sustainable plantation management, value-added processing and leadership development.	Increased productivity, improved operational efficiency and development of future leaders.
Employee Engagement & Retention	Launch recognition programs, strengthen communication channels and implement feedback-driven engagement initiatives.	Higher employee satisfaction, reduced turnover and improved morale.
Community- Centered Employment Initiatives	Prioritize hiring from local communities and provide family support (education, health).	Stronger community relationships, enhanced loyalty and improved corporate reputation.
Occupational Health & Safety (OHS)	Strengthen safety protocols and conduct regular awareness programs for plantation and factory workers.	Safer work environments, fewer workplace accidents and compliance with OHS standards.
Inclusive & Equitable Work Environment	Promote gender diversity, ensure fair wages and create equal opportunities for all employee categories.	Greater inclusivity, improved workplace culture and enhanced employer



Our Team Profile

At MCPPLC, our team of 188 employees represents a diverse mix of skills, commitment and experience. We are proud to maintain almost balanced gender composition, with 48% female and 52% male employees, reflecting our commitment to inclusivity and equal opportunity across all roles.

Employee Composition

By Age

Under 30 years	21
Between 31–50 years	87
Over 50 years	80

By Employment Type

Workers	140
Staff	40
Executives	8

By Gender

Male	98
Female	90

Remuneration & Benefits

At MCPPLC, we are committed to fostering a fair, equitable and supportive workplace that ensures the financial security and overall well-being of our employees. We invest significantly in our workforce, going well beyond statutory requirements, as we firmly believe that a motivated and satisfied team is central to our long-term success.

We operate under collective agreements for workers and plantation staff and adhere to all regulatory guidelines set forth by the Wages Board, ensuring our employees are protected from economic vulnerability. Our wage structure reflects a commitment to providing a sustainable livelihood for all team members.

In line with the recently approved National Minimum Wage Act, Sri Lanka's Parliament raised the minimum monthly wage from Rs. 17,500 to Rs. 27,000 and the daily wage from Rs. 700 to Rs. 1,080, effective from 01st April 2025 to 31st December 2025, with a further increase scheduled to Rs. 30,000 per month and Rs. 1,200 per day from 01st January 2026.

However, MCPPLC has proactively implemented these increased wage levels ahead of schedule, ensuring that from 01st April 2025, our employees receive Rs. 1,300 per day and Rs. 30,000 per month, underscoring the value we place on our workforce. Importantly, equal pay principles are strictly maintained, with every employee receiving the same wage for equal work, regardless of gender or other demographic considerations.

In addition to wages, our employees enjoy a comprehensive range of benefits that enhance their quality of life:

Benefit	Executives – Plantation	Executives - Head Office	Staff – Head Office	Staff – Plantation
Medical Insurance / Medical Funds / Health Care	√	√	√	√
Coconut Allowance	√	✓	√	✓
Mobile Allowance	√	✓	-	-
Fuel /Vehicle Benefits	√	-	-	-
Water / Gas Allowance	√	-	-	-
Electricity Allowance	✓	-	-	-
Accommodation / Quarters	√	-	-	-
Maternity Leave and Benefits	√	√	√	√

Occupational Health & Safety

Ensuring the health, safety and well-being of our workforce remains one of our highest priorities. MCPPLC has established dedicated Health & Safety Committees at plantation, comprising representatives from the field, factory and divisional levels, under the guidance of plantation executives.

Employees are trained and strongly encouraged to wear personal protective equipment including boots, gloves and helmets especially during high-risk activities such as coconut harvesting and plantation operations. Regular inspections and awareness programs are conducted to reinforce safe work practices.

We adhere to the guidelines of the World Health Organization (WHO) and local health authorities to ensure a safe and compliant workplace. Employees are actively involved in identifying and reporting hazards and any critical concerns are escalated to the plantation superintendent for immediate action.

We provide a comprehensive range of health and safety coverages to safeguard our employees and their families:

- Maternity Benefits Ensuring adequate leave and support for new mothers.
- ▶ Death Grants Offering financial assistance to families in the event of an employee's death.
- ► Medical Aid Scheme Supporting employees in accessing quality healthcare.
- Workmen's Compensation Insurance Providing financial protection in case of workplace injuries.

Regular health & safety review meetings are conducted to address emerging risks and continuously improve our occupational safety framework. We remain committed to fostering a safe, inclusive and supportive work environment where our employees can thrive.





Looking ahead, MCPPLC will continue to strengthen its human capital by expanding training programs, enhancing leadership development and promoting greater inclusivity across the workforce. We remain committed to improving employee engagement, retaining top talent and ensuring a safe, supportive work environment. By deepening community-focused employment initiatives and adopting global best practices in occupational health and safety, we aim to build a future-ready, resilient and empowered workforce that drives sustainable growth.





Intellectual Capital

Introduction

At MCPPLC, our competitive advantage is founded not only on our land and produce but also on the collective expertise, values and knowledge that underpin our coconut plantation operations. Our intellectual capital encompasses a deep-rooted corporate culture, sound governance practices and time-tested agricultural techniques that have sustained our plantation over the years. We emphasize the preservation of institutional knowledge, optimization of processes and a steadfast commitment to transparency and accountability to secure the long-term sustainability of our plantation.

Sustainable agricultural practices form the cornerstone of our approach, focusing on conserving biodiversity, maintaining soil health and ensuring the vitality of our plantation for future generations. Building and nurturing trust with our employees and local communities fosters collaboration and shared progress, which are vital for enduring success.

Value Creation through Intellectual Capital

Our intellectual capital enables MCPPLC to continually enhancing cultivation methods and operational efficiencies to meet the highest quality standards. Strong governance frameworks guide ethical decision-making and reinforce our reputation for reliability and accountability.

We also invest in workforce training, skills development and employee welfare programs to cultivate a motivated and capable team, which contributes to talent retention and operational excellence. Furthermore, our engagement with local communities through livelihood support and social development initiatives ensures that the value we create delivers positive, lasting impacts on both stakeholders and the environment.

Strategic Initiatives

To protect and enhance our intellectual capital, MCPPLC prioritizes the development of people and the sharing of knowledge while safeguarding the unique expertise integral to our plantation operations. We continuously improve governance structures to align decision-making with our sustainability objectives and promote a culture of collaboration, inclusivity and ongoing learning. Our sustainability-driven strategy includes adopting agricultural practices that improve soil fertility, minimize waste and conserve natural resources.

Management Approach

The management of our intellectual capital is anchored in ethical, transparent business practices led by seasoned professionals skilled in coconut cultivation and plantation management. Continuous skills enhancement, operational expertise and adherence to sustainable farming and labour standards underpin our strategy for sustainable growth.

By nurturing intangible assets such as collective knowledge, workforce capabilities and robust governance, we strengthen operational efficiency and resilience. Regular staff training, knowledge sharing and a performance-oriented environment support continuous productivity improvements. Strategic and operational decisions are informed by market insights and performance monitoring, ensuring alignment with our long-term goals and responsible stewardship of our plantation.

Pillars of Intellectual Capital

In today's knowledge-driven economy, MCPPLC recognizes three critical components of intellectual capital:

- Human Capital: Our employees' extensive experience, diverse expertise and continual training fuel innovation, enhance productivity and ensure the delivery of premium coconut products.
- ▶ Relational Capital: Strong, trusted relationships with investors, employees, plantation communities, government bodies and regulators underpin our reputation and strategic partnerships.
- ► Structural Capital: Robust governance systems, corporate culture and management frameworks institutionalize best practices and promote transparency across the organization.

Looking ahead, MCPPLC aims to further strengthen its intellectual capital by deepening its investment in employee development, enhancing governance frameworks and advancing sustainable agricultural practices. We will continue to integrate innovative cultivation techniques and knowledge-sharing initiatives to improve productivity and resilience across our plantation. By fostering stronger community partnerships and promoting a culture of inclusivity and continuous learning, we seek to build a future-ready organization that delivers enduring value to stakeholders while safeguarding the long-term sustainability of our coconut plantation.









Social and Relationship Capital

Overview

At MCPPLC, we understand that our success is inseparable from the well-being of the communities we serve, the people we employ and the environment we depend upon. Our social capital represents the trust, collaboration and shared value created through our relationships with stakeholders, which form the foundation of our long-standing operations.

By fostering meaningful connections with the communities surrounding our coconut plantation, we have created an ecosystem of mutual growth where both our business and our stakeholders can thrive. This approach allows us to strengthen our social license to operate while ensuring that our business practices remain responsible and inclusive.

Value Creation through Social and Relationship Capital

We view social capital as a strategic asset that drives long-term value creation for all stakeholders. Through active engagement with communities, investment in employee welfare and stewardship of the natural environment, we create shared prosperity that benefits society at large while reinforcing our own sustainability. By providing educational resources to students, promoting community resilience and developing opportunities for skill enhancement, we empower individuals to improve their livelihoods

Our environmental initiatives, such as biodiversity restoration, water conservation and waste management, safeguard the natural resources essential to our business. These collective efforts generate tangible and intangible value, contributing to economic growth, social development and environmental preservation.

Strategic Initiatives

During 2024/25, we deepened our commitment to social and environmental stewardship by advancing a series of integrated initiatives. We expanded our support for education by providing essential learning resources to children in surrounding communities, recognizing education as a pathway to long-term community development. To ensure the sustainability of our plantation, we introduced water management systems such as rainwater harvesting and drip irrigation, which optimize resource use while reducing our environmental footprint.

Our biodiversity restoration efforts have focused on protecting and enhancing the natural habitats within our plantation, enabling native flora and fauna to flourish. Additionally, we strengthened our waste management systems and took a decisive step toward energy sustainability by investing in solar power, with a long-term goal of achieving 100% renewable energy consumption.

Management Approach

Our management approach to social capital and CSR is holistic and forward-thinking. We integrate social responsibility into our core business strategy, ensuring that every action we take contributes to our broader mission of sustainable growth. This includes proactively engaging with stakeholders to understand their needs, embedding sustainability into operational processes and measuring the long-term impact of our initiatives. By aligning community, environmental and employee welfare objectives with our business goals, we create a unified framework for delivering shared value. This approach reflects our belief that responsible business practices are not an obligation but a key driver of resilience and long-term success.

Looking ahead, MCPPLC remains dedicated to strengthening social capital as a pillar of our corporate strategy. We aim to expand our community development programs, further our investments in renewable energy and scale up our biodiversity and conservation efforts













Natural Capital

Overview

Our plantation operations are deeply dependent on natural capital, encompassing water, soil, air, biodiversity and renewable energy sources that form the foundation of our agricultural productivity. We rely on rainwater and water allocated by the Mahaweli Authority for irrigation, while solar energy increasingly contributes to meeting our electricity requirements. During extended drought periods, diesel-powered pumps are used as a contingency measure to sustain irrigation needs. By safeguarding these resources, we aim to strengthen the resilience of our plantation and contribute to the well-being of the communities that rely on them.

Value Creation Through Natural Capital

Responsible stewardship of natural resources delivers lasting value for our business and stakeholders. Our investment in solar energy has significantly reduced operational costs, while the installation of a capacitor bank at our coir factory has enhanced power factor correction, improving overall energy efficiency. Water management practices, which integrate rainwater harvesting and regulated allocations, ensure sustainable agricultural production and conserve vital ecosystems. These initiatives not only enhance operational profitability but also reinforce our commitment to environmental responsibility, positioning us as a leader in sustainable plantation management.

Strategic Initiatives

Our strategic priorities are aligned with enhancing the sustainable use of natural capital to strengthen both operational efficiency and environmental performance. We continue to invest in

expanding solar power capacity to further reduce dependency on non-renewable energy sources. Water management remains a central focus, with efforts directed at optimizing rainwater usage and improving irrigation efficiency, while diesel-powered systems are maintained only as emergency measures. In addition, we implement practices that protect soil health, promote biodiversity conservation and manage waste responsibly. These integrated measures ensure that our plantation remain productive while maintaining the ecological balance of the regions in which we operate.

Management Approach

We maintain strict compliance with Sri Lanka's environmental regulations and the standards set by the Central Environmental Authority. Environmental considerations are embedded within our corporate strategies and plantation-level practices, supported by significant annual investments in sustainability initiatives. Continuous monitoring of water use, energy consumption, material usage, waste generation and climate-related risks enables us to proactively manage and mitigate environmental impacts. By aligning operational practices with long-term sustainability goals, we ensure that our plantation contribute positively to both the environment and the communities we serve.

Non-Renewable material used

Fertilizer - 344,150 Kgs

Fuel & energy consumption

Diesel - 52,800 L

Renewable and Non-Renewable sources

Electricity consumption - 43,892 Kwh Average water consumption - 218 Mn L





Our Value Creation Eco System (Contd.)

Energy Management

Energy management is a cornerstone of our sustainability framework and enabling cost reduction. We prioritize the use of renewable energy through the continued expansion of solar power across our plantation and processing facilities. At the coir factory, the capacitor bank has enhanced energy utilization and reduced electricity costs. While diesel-powered pumps remain necessary during severe droughts, our long-term goal is to further minimize reliance on non-renewable energy sources through increased adoption of renewable solutions and energy-efficient methods. Regular audits of electricity and fuel use guide targeted improvements in energy performance.

Water & Effluent Management

Water is a critical resource for sustaining plantation productivity and supporting the surrounding communities. Our approach combines rainwater harvesting with allocations from the Mahaweli Authority to maintain a consistent and reliable water supply. During drought conditions, diesel-powered pumps are used as a temporary solution to secure irrigation needs. Effluent

generated from processing operations is treated and discharged in compliance with the Central Environmental Authority's guidelines to safeguard the surrounding ecosystems. These efforts reflect our commitment to water conservation, soil health preservation and the protection of natural habitats essential for long-term agricultural sustainability.

Future Outlook

Looking ahead, we aim to further strengthen our natural capital management by expanding the use of solar energy across plantation. We planned to expand husk pits irrigation method to enhance water-use efficiency and resilience against lengthy droughts. Soil conservation programs and biodiversity enhancement initiatives will be scaled up to ensure long-term agricultural viability and ecological balance. By advancing these initiatives, we intend to create lasting value for our stakeholders while contributing to the broader environmental and social well-being of our operating regions.





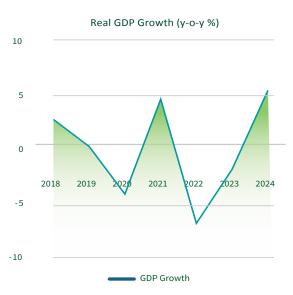
Management Discussion and Analysis

OPERATING ENVIRONMENT

Macro-Economic Analysis

GDP Growth

Sri Lanka experienced a broad-based economic revival in 2024, marking a significant turnaround from the severe crisis faced just few years back. After two consecutive years of economic contraction, the economy rebounded strongly, recording a real GDP growth rate of 5.0% in 2024. This recovery was consistent throughout the year, with all four quarters posting positive GDP growth for the first time since 2017. The growth was primarily driven by the industry sector, particularly the revival of manufacturing and construction activities. The Services sector also played a major role, supported by sustained momentum in accommodation and transport services. In addition, Agriculture made a positive contribution to overall growth, reinforcing the economy's broad-based recovery.



Source: CBSL

A combination of effective fiscal and monetary policy measures, implemented since mid-2022, contributed to a more stable economic environment and laid the groundwork for sustained growth. This economic recovery has been further supported by the ongoing International Monetary Fund (IMF) Extended Fund Facility (EFF) program. On 3rd July 2025, the IMF Executive Board completed the fourth review of the 48-month EFF arrangement with Sri Lanka. As a result, the country received immediate access to approximately USD 350 Mn in support of its continued economic reforms and policy implementation.

Geopolitics

The 20% tariff imposed by the United States in August 2025 has created both challenges and opportunities for Sri Lanka's coconut industry. On the negative side, it has reduced price competitiveness and placed pressure on annual exports, with potential implications for farmer incomes and employment. However, as the rate is lower than the initially proposed 44% and 30%, it provides some relief and time for adjustment. In response, the industry, together with the Government, is focusing on diplomatic engagement, efficiency improvements and market diversification to safeguard long-term resilience and capture new growth opportunities.

Debt Restructuring

The year 2024 marked a pivotal milestone for Sri Lanka, as the country moved toward the near-completion of its debt restructuring process, effectively ending its debt stand still status. A major breakthrough occurred in June 2024, when Sri Lanka signed a Memorandum of Understanding (MoU) with the Official Creditor Committee (OCC) co-chaired by Japan, France and India and finalized a debt treatment agreement with the Export-Import Bank of China, concluding nearly two years of complex negotiations. Since then, bilateral discussions have been ongoing to formalize country-specific agreements, enabling the resumption of debt servicing. The agreement with official creditors encompasses significant debt relief measures, including:

- Maturity extensions,
- ► Capital repayment grace periods until 2028,
- ► Reduced interest rates and
- ► A progressive amortization structure, with final repayments due by 2043.

Further momentum was achieved in external debt restructuring through the successful exchange of International Sovereign Bonds (ISBs) in December 2024, followed by the restructuring of liabilities to the China Development Bank (CDB).

Inflation

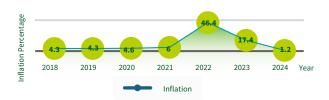
The positive impact of Sri Lanka's corrective policy measures is now clearly evident across all major sectors of the economy. The Central Bank's efforts to achieve its core mandate of maintaining domestic price stability are yielding tangible results. During the height of the crisis, record-high inflation imposed severe burdens on households, businesses and the broader economy. However, a combination of tight monetary policy, fiscal consolidation and favourable global price movements have led to a marked disinflationary trend since 2023.

Following an initial rise, inflation steadily declined throughout 2024, reaching deflationary levels from September onward. Although Value Added Tax (VAT) increases, the removal of VAT exemptions on various consumer items and elevated food prices contributed to a temporary inflationary uptick in early 2024, these effects were offset by the moderation of global commodity prices



and the appreciation of the Sri Lankan rupee. According to the Colombo Consumer Price Index (CCPI), the headline inflation rate stood at -0.6% in June 2025, down from -0.7% in May 2025, marking a continuation of negative annual inflation. This trend underscores the effectiveness of macroeconomic stabilization policies, though deflation also signals a need for careful policy calibration to avoid dampening future growth momentum.

Inflation (CCPI, Annual Average, Percentage)

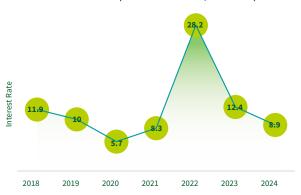


Source: CBSL

Interest Rate

Accommodative monetary policy in Sri Lanka has led to a broadbased decline in market interest rates, stimulating credit growth for both household consumption and business investment. As a result, private sector lending by financial institutions increased notably, particularly during the second half of 2024. The downward momentum in market interest rates continued throughout 2024, underpinned by monetary policy easing initiated in June 2023. Since then, the Central Bank of Sri Lanka (CBSL) has implemented a cumulative policy rate reduction of approximately 775 basis points, including around 125 basis points in 2024. This includes a 50-basis point effective reduction in late November 2024, coinciding with the introduction of the Overnight Policy Rate (OPR). The Average Weighted Call Money Rate (AWCMR) also declined over the year, in line with a looser monetary policy stance and improved liquidity conditions in the domestic money market. Following the introduction of the OPR, the AWCMR gradually adjusted downward and stabilized at around 8.00% by year-end. In May 2025, the Central Bank undertook its first policy easing of the year, reducing the benchmark interest rate to 7.75%, reaffirming its commitment to a 5% inflation target while continuing to support economic recovery. Simultaneously, the Standing Lending Facility Rate and the Standing Deposit Facility Rate were lowered to 8.25% and 7.25%, respectively.

Interest Rate (End of the Year, AWPR%)



Source: CBSL

Exchange Rate

The Sri Lankan rupee appreciated in 2024, marking the second consecutive year of gains. This appreciation aligned with current account surpluses and a steady net inflow of foreign currency into the domestic foreign exchange market, which enhanced foreign exchange liquidity. These inflows were largely driven by workers' remittances, tourism earnings, revenues from other service exports and merchandise exports.

At the same time, outflows including those from merchandise imports, service-related payments and other current account transactions remained moderate, helping to sustain a favourable external balance. To bolster official reserves and manage excessive volatility, the Central Bank of Sri Lanka conducted net foreign exchange purchases amounting to USD 2,846 Mn in 2024 (based on trade date), the highest annual net purchase on record. It is noteworthy that the rupee's appreciation could have been even stronger if not for these strategic interventions by the Central Bank.

Exchange Rate (End of the Year, LKR/USD)



Source: CBSL



External Sector

Sri Lanka's external sector demonstrated increased stability in 2024, despite ongoing challenges in the global economic environment. This resilience was supported by the near completion of the external debt restructuring process and the continued successful implementation of the IMF Extended Fund Facility (EFF) program, both of which contributed to strengthening external sector fundamentals. While the trade deficit widened due to a rebound in merchandise imports, this was offset by strong performances in tourism earnings and workers' remittances. As a result, Sri Lanka recorded a current account surplus for the second consecutive year, a significant achievement for the recovering economy. Robust foreign exchange inflows helped enhance liquidity in the domestic foreign exchange market.

Fiscal Policy

On the fiscal front, revenue collection improved, enabling the government to achieve a positive primary balance in 2024. The combined progress in fiscal consolidation, debt restructuring and macroeconomic stabilization contributed to an upgrade in Sri Lanka's sovereign credit ratings by international rating agencies. These developments have helped restore investor confidence and strengthened the country's credibility among international creditors.

The management is of the view that there are no material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. The Company has experienced a positive impact on profitability, supported by favourable economic conditions. The Company's risk management strategies related to interest. rate and inflation risks are detailed in Note 32 of the financial statements. In addition, the management of MCPPLC continues to actively monitor all potential risks that could affect the continuity of the business. As part of this process, macroeconomic variables are regularly assessed and are taken into account when making critical assumptions and judgments in the preparation of the financial statements.

Industry Analysis

World Coconut Industry Analysis

The global coconut industry has witnessed significant growth in recent years, primarily fueled by rising consumer demand for coconut-based products across various sectors including food and beverages, cosmetics and pharmaceuticals. In 2024, the overall coconut industry was valued at approximately USD 17.92 Bn, with projections indicating it will reach USD33.78 Bn by 2033, growing at a compound annual growth rate (CAGR) of 7.3% from 2025 to 2033. Furthermore, the coconut products market which includes processed items such as coconut oil, milk, water, flour and cosmetics was valued at USD 21.7 Bn in 2024 and is expected to grow to USD 53.4 Bn by 2033, reflecting a faster CAGR of 10% over the forecast period.

This robust growth is driven by several key factors:

- Increasing consumer awareness of the health benefits associated with coconut products.
- Growing demand for plant-based and vegan alternatives, where coconut serves as a popular ingredient.
- Expanding industrial applications across the food, beverage, cosmetic and pharmaceutical sectors.
- ► The rising popularity of coconut oil as a healthier substitute for traditional cooking oils.

The Asia Pacific region dominates the coconut products market, fueled by abundant coconut production and high consumption in countries such as the Philippines, Indonesia and India. Meanwhile, North America is emerging as a rapidly growing market, driven largely by increasing health consciousness and a rising demand for plant-based alternatives. Europe also represents a significant market, with expanding demand for coconut products, particularly in the food and beverage sector.

The coconut products market presents robust growth opportunities, driven by shifting consumer preferences and evolving industry trends. Key factors contributing to market expansion include the increasing demand for natural and organic products, the health benefits associated with coconut-based derivatives and the rising popularity of plant-based diets.

Growth Opportunities

Health & Wellness Trends

Coconut products are widely recognized for their health benefits, including improved heart health, weight management and skin nourishment. These attributes have strengthened their appeal among health-conscious consumers.

Plant-Based and Non-Dairy Alternatives

The global surge in plant-based diets has significantly increased the demand for non-dairy alternatives. Coconut milk, yogurt and cream are being increasingly incorporated into food and beverage formulations, catering to lactose intolerant and vegan consumers alike

Cosmetics and Pharmaceutical Applications

Coconut oil and its derivatives are gaining popularity in the cosmetics and pharmaceutical industries due to their moisturizing, anti-inflammatory and antimicrobial properties. This expanded application scope creates new revenue streams for manufacturers.

Sustainability and Ethical Sourcing

The sustainability aspect of coconut farming enhances the market's attractiveness. Characterized by low chemical input and full utilization of the crop (e.g., water, husk, shell), coconut farming aligns well with the values of environmentally conscious consumers. The growing adoption of organic farming methods and certification of sustainable sourcing practices is expected to further boost market appeal.



Eco-Friendly Consumer Preferences

As consumers become more eco-conscious, there is increasing demand for products that are environmentally friendly and ethically sourced. Coconut products, especially those with traceable and transparent supply chains, benefit from this trend.

Market Challenges and Restraints

Price Volatility and Supply Chain Disruptions

The market is highly dependent on specific coconut-producing regions such as the Philippines, Indonesia, India and Sri Lanka. This geographic concentration makes the supply chain vulnerable to:

- ► Climatic changes and natural disasters
- ▶ Geopolitical instability
- ▶ Labour shortages and infrastructure constraints

Global Trade and Geopolitical Tensions

The recent tariffs imposed by the United States could potentially trigger trade tensions, affecting export dynamics for major coconut-producing countries. Ongoing conflicts, such as the Iran-Israel tensions, may also have indirect effects on global shipping and trade logistics, causing supply delays and cost escalations.

Competition from Other Plant-Based Alternatives

Almond, soy, oat and other plant-based products offer strong competition, often with more established supply chains and diversified applications. These alternatives can potentially limit the growth of coconut products in certain segments unless innovation and differentiation are prioritized.

Even though, the coconut products market faces several challenges, including supply volatility and competitive pressures, the long-term outlook remains positive. The alignment of coconut products with health, sustainability and plant-based trends offers significant potential to grow the industry.

Sri Lankan Coconut Industry

The Sri Lankan coconut industry is governed by the Coconut Development Act No 46 of 1971 and is monitored by the Coconut Research Institute, the Coconut Cultivation Board (CCB) and the Coconut Development Authority (CDA). In addition, the coconut industry is protected by the Plant Protection Ordinance (1981), Plant Protection Act No 35 (1999) and the Coconut Land Fragmentation Control Act No. 20 (2005).

The major portion of coconut holdings in Sri Lanka (nearly 75%) belong to smallholders while the rest belong to the plantation sector where both private and government companies hold ownership. Even though the contribution of the smallholding sector to the total is significant, this sector is not yet organized well and is thus managed far below optimal levels. This has resulted in imports of coconut oil. According to the Sri Lanka Export Development Board, total land area under cultivation is 443,528 hectares in 2023.

Sri Lanka is the fourth largest coconut producer in the world. Among the country's traditional tree crops, coconut stands out as the most profitable, generating an average annual income of Rs. 175,000 per hectare significantly higher than tea and rubber, which yield Rs. 45,000 and Rs. 50,000 respectively (Daily News, 2021). According to the Coconut Research Institute, the coconut industry supports the livelihoods of approximately 700,000 people and provides direct employment to around 135,000 more than double the number employed in the apparel sector.

According to the Sri Lanka Export Development Board, the country's annual coconut production ranges between 3,000 to 3,300 Mn nuts. However, to meet the combined demand of domestic consumption and the processing industry, Sri Lanka must reach an annual production target of 4,000 Mn nuts to adequately supply both local and export markets. Local consumption alone accounts for 1,800 to 1,900 Mn nuts annually in the form of fresh coconuts. Additionally, the country's oil requirement stands at approximately 180,000 metric tons, which is equivalent to around 1,500 Mn nuts. The export industry also has the capacity to absorb 700 Mn nuts. This results in a significant shortfall in supply to meet total demand. Moreover, the government's ban on palm oil imports has further increased the pressure on coconut production to fulfill domestic oil needs.

Coconut Cultivation Board (CCB) Chairman Dr. Sunimal Jayakody, in a statement to The Sunday Morning Business, highlighted several challenges hampering coconut production in Sri Lanka. Among these the failure to achieve the anticipated yield for 2024, which reached only around 2,750 Mn nuts falling short of the 3,000 Mn targets by approximately 250 Mn nuts. Of this total, 70% was allocated for domestic consumption, with the remainder directed toward value addition and exports. The reduced output has affected both local availability and export potential, leading to discussions on the possibility of importing coconuts to meet demand.

Dr. Jayakody also warned that reaching the 3,000 Mn nut target in 2025 remains uncertain, with current projections estimating a slightly lower yield of around 2,900 Mn nuts. Despite the CCB's continued efforts, many of the factors causing the decline such as climate variability and pest issues persist. To address these challenges, the CCB has implemented several key initiatives. These include nationwide fertilizer distribution programs and an ambitious plantation drive targeting the cultivation of one Mn new coconut plants in the northern triangle and 1.5 Mn in the rest of the country, totaling 2.5 Mn plants. Additional efforts are focused on combating pests, diseases and damage caused by wild monkeys, all of which contribute to reduced yields.

Coconut prices have already begun to decline. As of late February 2025, the farmgate price was around Rs. 185 -190 per nut. However, market expectations indicate a further decrease, with average prices projected to fall to the range of Rs. 100 - 125. This downward trend is also evident in the coconut auction market, where the current price per nut has dropped to approximately Rs. 120 highlighting a significant and concerning reduction in value.



According to the Sri Lanka Export Development Board, coconut-based exports generated USD 864.30 Mn in 2024, marking a significant 20.90% increase from USD 715.11 Mn recorded in 2023. The primary contributor to this revenue was coconut kernel products, which accounted for approximately 53% of total exports. This was followed by coconut fiber products contributing 28% and coconut shell and other products comprising the remaining 19%. The United States was the leading importer of Sri Lankan coconut products in 2024, with imports valued at USD 161.9 Mn representing 18.73% of total coconut-based export earnings. Furthermore, the coconut sector made a notable contribution to Sri Lanka's overall merchandise exports, accounting for 7.19% of total export revenue in 2024.

Despite recent growth, Sri Lanka's coconut export sector faces significant challenges that threaten its goal of reaching USD 1.5 Bn in export revenue by the year 2027.

A major concern is the recent tariff increase imposed by the United States the largest importer of Sri Lankan coconut products. The recently imposed tariff has an additional financial burden on Sri Lankan exporters and posing a serious threat to the industry's long-term competitiveness in this key market. Production is also under pressure due to multiple agronomic and environmental factors. Key constraints include widespread pest infestations such as whitefly, leaf wilt disease and rhinoceros beetle as well as climate-related stresses including prolonged droughts and increasing soil salinity. Additionally, many coconut trees are aging, leading to lower productivity across large areas of cultivation.

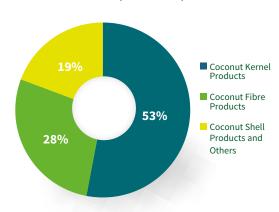
Export volumes are further at risk due to domestic supply shortages, limiting Sri Lanka's ability to fulfill international demand. On top of this, the implementation of an 18% VAT on fertilizers has significantly increased production costs. Moreover, the VAT on coconut-based products raises export prices, making Sri Lankan products less competitive compared to those from other major producers such as Indonesia, the Philippines and India. The recent increase in minimum wages has further reduced Sri Lanka's cost competitiveness in global markets.

The ongoing crisis in Sri Lanka's coconut industry stems from a combination of environmental, economic and policy-related factors. Addressing these challenges requires a multi-pronged approach, including immediate, short-term and long-term strategies to ensure the sustainable growth of the coconut export sector.

Immediate and Short-Term Measures

Subsidies for farmers are essential to mitigate rising production costs. Financial assistance is needed for critical inputs such as moisture conservation tools, fertilizers and pest control measures. Notably, Sri Lanka recently received a 27,500 metric ton fertilizer grant from Russia, which the government has allocated specifically for coconut cultivation. These resources can help stabilize yields in the short term and support struggling farmers.

Composition of Exports Coconut Sector - (in USD Mn) - 2024



Long-Term Sustainability Measures

To build resilience in the sector, investments are needed in renewable energy (particularly solar power), modern irrigation systems and agricultural research aimed at improving productivity and climate adaptability. Enhancing farming practices through technology and scientific innovation will be key to counteracting the effects of climate change and pest outbreaks.

Government Policy and Support Initiatives

Government intervention remains critical to reversing the decline in coconut yields. Several initiatives have already been implemented

Kapruka Jaya Isura Loan Scheme:

Offers subsidized credit of up to Rs. 10 Mn for coconut producers. Over 750 producers and 636 exporters have registered under this program.

Whitefly Control Program

Over 1 Mn trees have been treated and thousands of awareness campaigns conducted. Approximately 700 sprayers have been distributed to affected regions.

Coconut Triangle Expansion

In the Northern Province, nearly 490,000 new coconut trees have been planted under expansion initiatives to enhance future supply and improve rural livelihoods. Together, these interventions reflect a proactive effort to stabilize the industry, though sustained investment, coordination and innovation will be essential to meet export targets and ensure long-term growth.

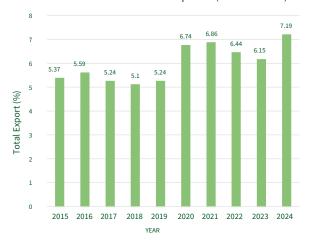
The rapid growth in global demand for coconuts and coconut-based products has created significant business and investment opportunities within Sri Lanka's coconut industry. However, this surge in demand has also placed considerable pressure on the domestic supply, as the country struggles to balance local consumption needs with export commitments. To sustain the industry and meet export targets, Sri Lanka may eventually be compelled to import coconuts or processed coconut products. While this may help bridge supply gaps, it could also reduce the profitability of local exports by increasing production costs.

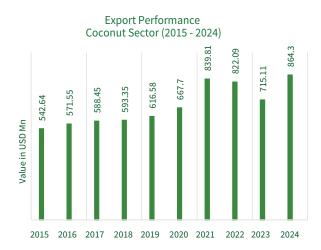


One strategic solution is to promote the local production and consumption of processed coconut products such as coconut milk powder, desiccated coconut and ready-to-use coconut milk. This approach can help reduce domestic reliance on fresh coconuts, thereby freeing up more of the fresh supply for the export market. Encouraging value addition at the local level not only supports supply management but also enhances the industry's competitiveness and profitability.

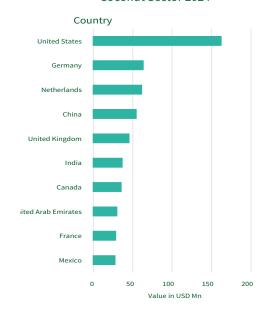
Sri Lanka's coconut industry stands at a critical crossroads. While export performance is achieving record levels, the domestic supply of raw materials is strained by lower yields, pest infestations, labour challenges and adverse climate conditions. The government is addressing these issues through both short-term measures such as imports and subsidies and long-term strategies including new plantings, disease control and financial support programs. With continued and coordinated efforts, Sri Lanka can stabilize supply, increase export value and successfully pursue its ambitious growth targets.

Percentage of Coconut Contribution to Total Merchandise Exports (2015 - 2024)





Coconut Sector 2024



Sri Lankan Teak Industry

Teak (Tectona grandis) is a tropical hardwood species and is a large, deciduous tree that occurs in mixed hardwood forests. It is particularly valued for its durability and water resistance and is native to south and southeast Asia, mainly India, Sri Lanka, Indonesia, Malaysia, Thailand, Myanmar and Bangladesh but is naturalised and cultivated in many countries in Africa and the Caribbean. This was introduced to Sri Lanka by Dutch in the 17th century.

Although there is a demand for teak in the world, it can be cultivated only in small areas of equatorial countries such as Burma, Malaysia, India, Sri Lanka and some parts of South America. In Sri Lanka, Dambulla, Anuradhapura, Puttalam, Batticaloa and Polonnaruwa are the most suitable areas for teak plantation. Soil conditions make the trees grow rapidly. Teak is found in a variety of habitats and climatic conditions from arid areas with only 500 mm of rain per year to very moist forests with up to 5,000 mm of rain per year. Typically, though, the annual rainfall in areas where teak grows averages 1,250-1,650 mm with a 3-5 months dry season. In Sri Lanka Teak is mainly found in dry zone and intermediate zone. Due to its remarkable qualities, including being resistant to rot, fungus, termites and fire, teak has an established role in the production of many high-end products. It is commonly used as the hardwood of choice to make top-quality outdoor furniture known to last for centuries. Additionally, teak is the preferred wood used in the production of boats, specifically to make the decks. In Sri Lankan market, teak is commonly used in furniture and housing projects.

Sources: http://www.sadaharitha.com/products/teak/ & http:// www.sundaytimes.lk/000813/plus7.html)



Internal Operational Review

Coconut Plantation

MCPPLC proudly stands as the first Company to successfully establish and operate a coconut plantation in Sri Lanka's dry zone. Traditionally, coconut cultivation is concentrated within the coconut triangle, where climatic conditions such as adequate rainfall and moderate temperatures favour optimal growth. The dry zone, by contrast, is characterized by higher temperatures and limited rainfall, conditions generally unfavourable for coconut farming. This pioneering project was initiated with the strategic advantage of assured irrigation water supply from the Mahaweli development scheme, enabling cultivation on irrigable uplands unsuitable for paddy cultivation.

During the financial year 2024/25, the Company recorded a total harvest of 3.75 Mn nuts, a slight decrease from 4.3 Mn nuts in the previous year. The yield per coconut tree declined by 12.96%, primarily impacted by adverse weather conditions and fertilizer issues. The subsidized price of a 50-kg bag of fertilizer has soared from Rs. 1,500 to Rs. 19,500, severely limiting accessibility, although the price has now decreased to Rs. 11,500, it remains significantly higher than the price that prevailed before the ban. As a result, only about 70% of trees received fertilization and even then, only at 60% of the required level. Nevertheless, the Company made a significant investment of Rs. 72.62 Mn in inorganic fertilizers during the year, applying treatment to 62,998 trees, marking a notable increase compared to prior years.

The dry zone received a total rainfall of 1,954.5 mm in 2023/24 and 2,325 mm in the 2024/25 financial year, providing vital moisture that supported crop development. To mitigate the risk of drought-related tree mortality, the Company allocated Rs. 17 Mn toward irrigation infrastructure and invested Rs. 4.08 Mn in a solar-powered water pump system, underscoring its commitment to sustainable water management.

The average production per hectare was recorded at 6,870 nuts for 2024/25, compared to 7,930 nuts per hectare in the previous year. Similarly, the average yield per coconut tree decreased by 12.96%, with 47 nuts produced per tree in 2024/25 versus 54 nuts per tree in 2023/24.

Despite operating in a challenging environment, the Company's performance remains commendable when compared to plantation situated in the traditionally favourable coconut triangle region. However, the plantation continues to face persistent challenges from elephant incursions. The ongoing deforestation and habitat fragmentation in surrounding areas have exacerbated this issue, leading to increased human-wildlife conflict. The Company has proactively constructed an elephant fence and intends to expand this protective barrier in the coming year. We urge relevant government and wildlife authorities to collaborate on long-term solutions to mitigate this challenge.













Teak Plantation

In addition to its core coconut cultivation, MCPPLC has maintained a substantial teak plantation, which was established as part of the Company's integrated land-use strategy. The teak trees were originally planted 22 to 26 years ago across all fields, primarily to serve as wind breakers and provide long-term commercial value. Over the years, these trees have matured steadily and a significant number have now reached the stage of commercial viability.

During the year under review, the Company continued its efforts to manage and optimize the teak plantation as part of its broader agroforestry strategy. The focus remained on selective harvesting and value realization, in line with regulatory compliance requirements. Subject to obtaining the necessary regulatory approvals, the Company aims to continue the sale of mature trees, thereby contributing positively to both revenue generation and land resource management.

As at 31st March 2025, the teak plantation was valued at Rs. 233 Mn, reflecting a 9.25% increase in value compared to the previous financial year. This growth is attributable to the increased maturity profile of the trees and prevailing market conditions.

The plantation presently comprises 22,594 teak trees, with girth measurements ranging from 6 cm to 109 cm. For valuation purposes, only merchantable trees with a girth of 15 cm and above were considered. Accordingly, the total number of merchantable trees included in the valuation stood at 18,479. Trees falling below this threshold are considered non-merchantable and were excluded from the valuation process.



Coconut Fibre and Substrate Products

As part of its broader strategy to diversify operations and maximize value addition from coconut-based raw materials, MCPPLC initiated its coconut fibre and substrate project in 2022. This project leverage coconut husks a by-product of coconut harvesting to produce high-demand, eco-friendly products such as coco peat, coir and more recently, coco chips.

Coconut fibre is a natural biodegradable fibre found between the hard shell and the outer skin of the coconut. The fibre extraction process involves submerging the husks in freshwater tanks for a period of 4 to 6 weeks, allowing the fibres to loosen naturally before they are mechanically separated. This environmentally sustainable approach provides not only an additional revenue stream but also supports global demand for renewable and organic agricultural inputs.









During the financial year 2024/25, MCPPLC's coconut fibre and substrate segment demonstrated notable growth and operational success. In response to increasing demand in the international natural fibre markets, the Company continued to scale up production while ensuring product quality and consistency. Midway through the financial year, MCPPLC expanded its product portfolio by introducing coco chips a coarse moisture retaining substrate increasingly used in commercial agriculture and landscaping.

The financial and operational performance of this segment reflects the success of these strategic initiatives. Revenue from fibre-based products increased by 58% during the year, rising to Rs. 14.4 Mn from Rs. 9.1 Mn in 2023/24. This growth was driven by both increased output and enhanced market penetration.

MCPPLC sold 118,725 kgs of coco peat and 86,205 kgs of coir fibre to a local exporter in 2024/25, compared to 103,315 kgs and 19,968 kgs, respectively, in 2023/24. Additionally, the Company successfully sold 19,780 kgs of coco chips during the current year, an entirely new revenue stream that is expected to grow further in the coming years.

These results underline the Company's ability to identify and capitalize on emerging market opportunities while maintaining sustainable operations. The management remains focused on expanding its fibre-based operations through enhanced capacity, product development and new market exploration, particularly export markets, where demand for natural, biodegradable substrate materials continues to grow.

Other Plantation

During the financial year 2024/25, the Company sustained its strategic investments in agricultural development with a focus on long-term sustainability and revenue diversification. As part of our ongoing efforts, we successfully planted 3,413 cinnamon plants on 1 acre of land, expanding our cinnamon cultivation footprint. Additionally, 50 mango saplings were introduced over 0.33 acres, further diversifying our crop portfolio.

We continue to adopt a mixed-crop cultivation strategy to optimize land use, enhance biodiversity and mitigate agricultural risks. As of the reporting period, our plantation include:

 Cinnamon Plants
 25,693

 Pepper Trees
 1,120

 Areca Nut Trees
 880

 Mango Trees
 50

While current volumes are modest, we anticipate substantial yield improvements and enhanced revenue generation in the medium to long term, as the plantation mature and reach optimal production capacity.



Future Outlook of MCPPLC

Looking ahead, the Company remains dedicated to enhancing agricultural productivity through targeted fertilization programs, the implementation of water-efficient irrigation technologies and the continued adoption of sustainable farming practices. These efforts are central to our strategy to improve crop yields while minimizing environmental impact.

To bolster economic resilience, the Company will continue to diversify its product portfolio and actively pursue value addition opportunities across its crop segments. These initiatives are expected to strengthen the plantation's revenue base and open new market avenues.

Management remains firmly committed to sustainable development and environmental stewardship. We place a strong emphasis on the wellbeing of both our plantation ecosystems and the surrounding communities, ensuring that our growth is inclusive and responsible.

In line with our long-term diversification strategy, MCPPLC is working to further integrate the coconut fibre segment into the broader plantation value chain. This will allow for optimal utilization of raw materials and contribute to revenue stability through expanded downstream applications.

We are also committed to sustainable forestry management. Continuous monitoring of the health, growth and timber quality of our teak holdings ensures that our forestry assets provide enduring ecological and economic value for all stakeholders.

With ongoing investments in crop management, irrigation systems and soil health initiatives, the Company anticipates a positive trend in both productivity and profitability. Our unwavering focus remains on environmentally responsible agriculture, long-term stakeholder value creation and consistent, sustainable crop performance.



Risk Management

Risk management is the process of identifying, assessing and mitigating potential risks or uncertainties that may affect an organization, project, or individual. The goal of risk management is to proactively reduce the negative impacts of uncertain events while maximizing potential opportunities. MCPPLC recognizes the importance of Risk Management within the organization and its operational environment since management of risks against returns is a critical trade off decision. The Board of Directors assumes the overall responsibility of formulating policy and implementing effective systems of control in financial and operational objectives of the Company and in complying with legal regulations enforced by statutory bodies.

Risk Management Approach

The risk management approach refers to the overall strategy and methodology used by an organization or individual to identify, assess, respond to and monitor risks. It outlines the principles, processes and tools that will be employed to manage risks effectively within a specific context. The risk management approach varies from one organization to another and depends on factors such as the nature of the business, industry regulations and risk tolerance levels.

The MCPPLC has established an integrated risk management process to identify the types of risk specific to the industry in which we operate, to measure those potential risks and to develop strategies to mitigate them. Risk management is an essential element of our corporate governance structure and strategic development process. Therefore, appropriate systems, policies and procedures are in place in all areas of operations and they are periodically reviewed to ensure adequacy and adherence.

Risk management, being an integrated discipline, plays a pivotal role in balancing strategic planning with business execution and compliance. This facilitates informed decision making and a conscious evaluation of opportunities and risks. The Company's overall risk management process is overseen by the Board through the Audit Committee as an important part of corporate governance.

However, we also recognize that risk management is a shared responsibility of all employees of the Company, rather than being a separate and stand-alone process. Hence it is integrated into overall business and decision making processes including strategy formulation, business planning, business development, investment decisions, capital allocation, internal control and day-to-day functions.

Having the right people to execute strategies is imperative for the success in new and diverse opportunities emerging in growth markets. The Board recognizes the crucial role of human capital since talent, culture and work attitude are arguably the biggest drivers of competitive advantage. The Board plays an important role in ensuring that the leadership stays focused on building the talent strategy.

Identification of Risks

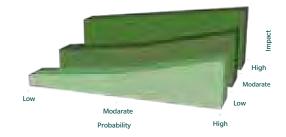
Risk identification is the process of identifying potential risks and uncertainties that could affect the objectives, projects, or operations of the Company. The aim is to proactively recognize and document possible events or conditions that may have adverse consequences or present opportunities. It's essential to involve a diverse group of people in the risk identification process, as different perspectives can lead to a more comprehensive understanding of potential risks. Risks in respective areas are identified in each level of the MCPPLC from bottom line to top level. However, major risks are communicated bottom line to top level while minor risks (operational risks in plantation) are mitigated at the bottom level.

Risk Management Process



Risk Assessment

Analyzing identified risks to determine their potential impact and likelihood of occurrence is the crucial step in the risk management process. It is helping organizations to prioritize risks and allocate resources effectively to address the most significant threats or opportunities. Probability and impact of the risks are analyzed and prioritized by the top level of the MCPPLC based on their technical and industrial knowledge.



Risk Mitigation Plans

A risk mitigation plan outlines the specific actions and strategies an organization will implement to reduce the impact or likelihood of identified risks. Major strategic decisions to mitigate the prioritized risks are taken by the top level of the MCPPLC.

Implementation and Monitoring

Strategic decisions are implemented by the top level of the MCPPLC with the support of the bottom level. The expected outcomes and actual results are analyzed continuously.

Review and Update Risk Plan

Risk mitigation plan is updated regularly to face the micro and macro environment changes.



Risk Management (Contd.)

Risk	Risk Level	Risk Description	Risk Mitigation
Operational Risk			
Climate Change			
Risk of increasing production cost due to dynamic climate changes	High	The change in weather pattern would result in loss of revenue since the weather conditions are becoming more and more unpredictable globally due to the effects of climate change. As a result, the production of Coconut becomes more vulnerable to the changing weather conditions. This will have a negative impact on the cost of production. Further, extreme weather conditions could result in natural disasters, which would disrupt the crop formation process and cause physical damages to fields.	Maintaining flood irrigation system to effectively manage irrigation. Continuous improvements in solar power are being made, which will reduce fuel and energy costs. Using husk pits to maximize benefits from climate change.
Human Capital			
Risk of labour shortages	High	Since the beginning of the economic crisis, labour unavailability has increased dramatically since the majority of workers have relocated to foreign nations, making it difficult to retain skilled employees. Furthermore, a lack of skilled employees on the plantation results in low productivity.	Ensure compliance with all regulatory requirements benefited to plantation workers. Constantly organizing and attending workshops organized by the Coconut Research Institute. Paying encouragement payment to employees to motivate them. Continue to introduce machines to increase worker productivity at the plantation.
Production Risk			
Risk of low yield due to adverse weather conditions, pest attacks and diseased	High	Production risks relate to the possibility of yield or output levels become lower than projected. Major sources of production risks arise from adverse weather conditions such as drought, freezes, or excessive rainfall at harvest or planting stage. Production risks may also result from damage due to insect pests and disease despite control measures employed and from failure of equipment and machinery such as irrigation pump. Coconut plantations are affected by different pests and diseases. Some major epidemics have been observed in past years.	Improve efficiency of Drip Irrigation System. Using parasites to control pest attacks. Use of monocrotophos to control Red Weevil and Caterpillar problems. To prevent the Mealy Bug attack, spray Kohomba oil in accordance with the recommendations of the CCB authorities



Risk Management (Contd.)

Risk	Risk Level	Risk Description	Risk Mitigation
Elephant Attacks			
Risk of trees being damaged by elephants	High	Wild elephants were active in the plantation area during the financial year, resulting in damage to coconut trees.	We have already installed elephant fences to cover 1.5 Km in Field No 01,2.35 Km in field No 03, 4.405Km in Field No 04 and 07, 2.261 Km in Field No 05, 1.3 Km in Field No 06, 2.565 Km in Field No 08, 2 Km in Field No 11 and 2.52 Km in Field No 13 and 14. We are hoping to install more in the coming years.
			A systematic program by the Wild life Department to drive away the elephants in to jungle area would mitigate this risk. Installation of an elephant fence in the plantation would minimize the damage to the plantation.
			The CRI Officers have manufactured an elephant chasing alarm. Currently, this has been used in our plantation on experimental basis.
			MCPPLC experimented with creating elephant fences using new techniques with the help of technicians, in which lights up when the elephant contacts the fence.
Risk of low yield due to high cost of fertilizer	High	Coconut trees grow well in a variety of soils as long as it is well draining. They do need an average temperature of 79 F to 86 F (26C – 30C) and annual rainfall of 1250mm – 2500mm. However, Mahaweli Coconut Plantation is located in a dry zone which is not coming under coconut triangle of	The Company has done soil and different fertilizer recommendations (DFR) tests during the year with CIC Agri Businesses (Private) Limited and according to their instruction MCPPLC applies the fertilizer, to maximize the usage of inorganic fertilizer.
		Sri Lanka. Further, the trees are at risk to nitrogen deficiency, which is characterized by yellowing of the oldest leaves to the entire canopy. Therefore, it is important to fertilize coconut trees at several stages during their growth to thwart or combat potential mineral deficiencies.	Effort is being made to convert the plantation waste into fertilizer with the use of multi crusher. further, use husk pits as an organic fertilizer and which help to maintain the moisture level as well. Maintaining a strong bond with the supplier
		During the financial year 2024/2025, we spent Rs. 72.62 Mn on inorganic fertilizer, which was applied to 62,998 trees. Fertilizer costs have risen dramatically after the ban was lifted, with the Company spending Rs. 167.58 Mn on fertilizer over the last three financial years. Further, the 18% VAT on fertilizer also increase the cost of production.	allowed us to obtain fertilizer at a far lower price than the market rate.



Risk Management (Contd.)

Risk Level	Risk Description	Risk Mitigation
Moderate	At present water supply is obtained from the Mahaweli Authority for the irrigation purposes. If additional costs are incurred on irrigated water, it might have an adverse impact on the cost of production	Maintain good relationship with Mahaweli Authority to maintain water supply cost at a lower level.
Low	Coconut prices are dependent on a range of external factors including weather conditions, demand conditions labour productivity and changes in policy by the government.	Maintain good relationship with customers to ensure consistent sales orders. Continuously strive to minimize production cost.
High	Several modifications were made to the Inland Revenue Act including the removal of VAT exemptions, lowering the threshold for the VAT and SSCL acts, amendments to the Income Tax and changes to the payment method. The government is eager on collecting as much tax revenue as possible and the sale of agro-farming produce will be subject to income tax beginning 1st April 2024, thus the Company will be required to pay 30% income tax on liable turnover	MCPPLC closely monitors the changes in the tax rates and other regulations and adopt the changes required by the Inland Revenue Department with the help of tax consultants.
	Moderate	Moderate At present water supply is obtained from the Mahaweli Authority for the irrigation purposes. If additional costs are incurred on irrigated water, it might have an adverse impact on the cost of production Low Coconut prices are dependent on a range of external factors including weather conditions, demand conditions labour productivity and changes in policy by the government. High Several modifications were made to the Inland Revenue Act including the removal of VAT exemptions, lowering the threshold for the VAT and SSCL acts, amendments to the Income Tax and changes to the payment method. The government is eager on collecting as much tax revenue as possible and the sale of agro-farming produce will be subject to income tax beginning 1st April 2024, thus the Company will be required to pay 30%

Finance related risk management strategies are discussed in detail in Note 32 on Page $\,$ 124 to 126.





Board of Directors







02 Mr. Joseph Felix Fernandopulle (Managing Director & Chief Executive Officer, Non-Independent Director)







Mr. Samankumara Dias Senerath
Gunesekera
(Non-Executive Non-Independent Director)





Board of Directors (Contd.)



05 Mr. Gamamedaliyange Joseph Lalith Neomal Perera (Non-Executive Non-Independent Director) Mr. Ashok Jerom Shamendra Jayakody (Non-Executive Non-Independent Director)



Mr. Madurawalage Don John Pradeep Nilantha Perera
(Non-Executive Non-Independent Director)



Mr. Munaweera Aratchige Chithral Hilarian Munaweera
(Non-Executive Independent Director)



Board of Directors (Contd.)





Mrs. Gillian Edwards

(Non-Executive Independent Director)



10

Mr. Wickramarathne Vidhanalage Jude Tiller Fernando

(Non-Executive Independent Director)

Mr. Senarath Dias Widhanaralalage Asitha Gunasekera – BSc. (Business Administration)

(Chairman, Non-Executive Non-Independent Director)

Mr. S.D.W. Asitha Gunasekera, is currently working as the Chairman/ Managing Director of Boyagane DC Mills (Pvt) Limited and Boyagane Apparels (Pvt) Limited. He has been in the coconut industry since 1984. He is a holder of BSc in Business Administration.

2. Mr. Joseph Felix Fernandopulle - FCA, FCMA

(Managing Director & Chief Executive Officer, Non-Independent Director)

Mr. J.F. Fernandopulle is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and Fellow Member of Certified Management Accountants of Sri Lanka.

He is a Non-Independent Non-Executive Director of Richard Pieris & Company PLC and is the former Chairman of Richard Pieris Finance Ltd. He also serves as an Independent Non-Executive Director at National Credit Guarantee Institute Ltd. He had also worked in the capacity of Finance Director at Mahaweli Coconut Plantations Ltd prior to becoming the Managing Director. He was also the Managing Partner of Kudawewa DC Mills.

He served on the Board of Chilaw Finance PLC after the takeover by Richard Pieris Finance Ltd until the merger. He has served as a Director of the Coconut Development Authority and Coconut Research Institute and has also served on the Advisory Committee on Coconut at the Ministry of Plantation Industries and Coconut Industries. He has represented Sri Lanka's Desiccated Coconut Manufacturers Association at the Asian & Pacific Coconut Council.

3. Mr. Sunil Jayalath Watawala

(Non-Executive Non-Independent Director)

Mr. S.J. Watawala is the Founder Chairman and Managing Director of MCPPLC and held office for 10 years in that capacity. He is the Managing Partner of Siriyangani DC Mills and has been attached to Siriyangani DC Mills for the past 50 years. He has held office as District Governor of Lions Club 306A and was an international Director of the Lions International for 04 years.

4. Mr. Samankumara Dias Senerath Gunesekera Barrister -at-Law (ACT)

(Non-Executive Non-Independent Director)

Mr. S.D.S. Gunesekera is a Barrister-at-Law (ACT.) and a Director of Beligala Coconut Products (Pvt) Ltd. He is also a former Director General of National Chamber of Exporters of Sri Lanka and a former president and secretary of Sri Lanka Desiccated Millers Association.

Mr. Gamamedaliyange Joseph Lalith Neomal Perera - MBA (Non-Executive Non-Independent Director)

Mr. G.J.L. Neomal Perera was a Sri Lankan parliamentarian from year 2000-2015. He was a Deputy Minister of External Affairs during the period of November 2010 – January 2015, Deputy Minister of Fisheries & Aquatic Resources during the period of January 2007 – January 2010 and Deputy Minister of Co-operatives & Internal Trade during the period of April 2010 – November 2010. He is the Managing Director in St. Anne's Salt Daluwa (Pvt) Ltd, St. Anne's Factory & St. Anne's Enterprises



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Board of Directors (Contd.)

6. Mr. Ashok Jerom Shamendra Jayakody

(Non-Executive Non-Independent Director)

Mr. A.J. Shamendra Jayakody, currently working as the Managing Director of Jayakody Mills (Pvt) Ltd. He has been employed in the coconut industry since 1992 which counts over 33 years of experience in this field.

7. Mr. Madurawalage Don John Pradeep Nilantha Perera -BA.Economics

(Non-Executive Non-Independent Director)

Mr. M.D.J.P. Nilantha Perera is a holder of BA in Economics. He is a Partner at Baththuluoya Mills, manufacturers of desiccated coconut and all kernel related products and the Chairman of Sinha Auto Services (Pvt) Ltd-Lanka IOC fuel station. He is a Former Director/ Chairman at Chilaw Finance PLC.

Mr. Munaweera Aratchige Chithral Hilarian Munaweera MBA, M.Sc. (Agric Enterprise & Technology Mgt) B.Sc. (Plantation Mgt), PGDBM, Dip. Agriculture, Dip. Biodiversity & Ecosystem Mgt

(Non-Executive Independent Director)

Mr. M. A.C.H. Munaweera holds a Master's Degree in Business Administration (MBA) from the Wayamba University of Sri Lanka, a Master's Degree in Agri -Enterprise & Technology Management (M. AETM) and a BSC in Plantation Management from the Wayamba University of Sri Lanka. Further he also possesses a Post Graduate Diploma in Business Administration (WUSL) a Diploma in Biodiversity & Ecosystem Management (Ruhuna University), a Diploma in Agriculture from the Aquinas College of Higher studies and a National Diploma in Plantation Management, awarded by the National Institute of Plantation Management.

A Fellow Member of Association of Chartered Professional Managers of Sri Lanka and a Member of the Sri Lanka Institute of Agriculture (SLIAG). As a career agriculturist specialized in Livestock integrated plantation with a wide range of work experience in the semi-government and corporate sector, Mr. M. A.C.H. Munaweera held several top managerial posts in both private and government organizations. He is an Ex-General Manager of the National Livestock Development Board and the CEO/Director of the Mahaweli Livestock Enterprises. He also served as the CEO of the Ambewela Dairy Complex of Lanka Milk Foods (CWE) PLC. He currently functions as a senior consultant to the All-Island Dairy Association and a Director of the Agriculture Sector Skills Development Council of Sri Lanka and a Exco member of the agriculture sector Committee of the Ceylon Chamber of Commerce.

9. Mrs. Gillian Edwards – MBA, ACMA, Post Graduate Executive Diploma in Bank Management IBSL.

(Non-Executive Independent Director)

Mrs. Gillian Edwards is a career banker with over 36 years of experience in the Sri Lankan Banking Sector. She has accumulated over 11 years of experience at the senior corporate management level at DFCC Bank PLC and Seylan Bank PLC. Her experience encompasses transformative years

in Retail Banking. Under her Leadership, Personal Financial Services / Retail Banking were established at DFCC Vardhana Bank PLC and she progressed to head the Consumer Banking at DFCC Bank PLC.

With her previous roles as Senior Vice President of Consumer Banking at DFCC Bank PLC and Assistant General Manager of Personal Banking at Seylan Bank PLC, Mrs. Gillian Edwards has gained extensive experience across all areas of retail banking, including small and medium enterprises (SMEs) and micro, small and medium enterprises (MSMEs).

Mrs. Gillian Edwards holds a Masters in Business Administration from University of Southern Queensland, Australia, a Post Graduate Executive Diploma in Bank Management from the Institute of Bankers of Sri Lanka and is an Associate Member of the Certified Management Accountants, Australia. She was honoured for her achievements in the Banking Sector at the "Top 50 Professional and Career Women Awards Sri Lanka and Maldives, 2020".

She currently serves on the Board of Commercial Credit and Finance PLC as Independent Non-Executive director and is the Chairperson of the Board Related Party Transactions Review Committee and the Board Human Resource and Remuneration Committee of Commercial Credit and a member of the Board Audit Committee, Board Integrated Risk Management Committee and Board Nomination and Governance Committee.

Mrs. Gillian Edwards also serves on the Board of Seylan Developments PLC in the capacity of an Independent Non-Executive Director and is the Chairperson of the Board Audit Committee and Board Remuneration Committee and is a member of the Board Related Party Transactions Review Committee and functions as a Trustee/Treasurer of The Federation of Environmental Organizations.

10. Mr. Wickramarathne Vidhanalage Jude Tiller Fernando (Non-Executive Independent Director)

Mr. W.V.J.T. Fernando is currently functioning as the Chief Executive Officer of National Credit Guarantee Institution Limited (NCGIL), a public private partnership between the Government of Sri Lanka (GOSL) and thirteen leading Financial Institutions, also a national initiative supported by Asian Development Bank, with an objective of providing credit guarantees to the Financial Institutions to partly secure their lending to Micro, Small and Medium Entrepreneurs (MSMEs) in the country.

He has also served at the Palladium Group SL (Private) Limited an international consultancy firm funded by USAID. He had been attached to Hatton National Bank PLC for 35 years and was a Deputy General Manager- SME/Mid-Market at the time of retirement.



Board of Directors (Contd.)

Directors' other Directorships

The details pertaining to the names of the Companies (in Sri Lanka other than MCPPLC) in which the Directors serve as a Director or Key Management Personnel is given below.

Name of the Director	Classification of the Directorship	Companies
Mr. S.J. Watawala	Managing Director	Siriyangani DC Mills
Mr. J.F. Fernandopulle	Non-Independent Director Independent Director	Richard Pieris & Company PLC National Credit Guarantee Institute Ltd
Mr. S.D.S. Gunesekera	Director	Beligala Coconut Products (Pvt) Ltd
Mr. S.D.W. Asitha Gunasekera	Chairman/ Managing Director	Boyagane DC Mills (Pvt)Limited and Boyagane Apparels (Pvt) Limited
Mr. G.J.L. Neomal Perera	Managing Director	St. Anne's Salt Daluwa (Pvt) Ltd, St. Anne's Factory and St. Anne's Enterprises
Mr. M.D.J.P. Nilantha Perera	Chairman	Sinha Auto Services (Pvt) Ltd and Baththuluoya Mills
Mr. A.J. Shamendra Jayakody	Managing Director	Jayakody Mills (Pvt) Ltd
Mrs. Gillian Edwards	Independent non-Executive Director Independent Non-Executive Director	Commercial Credit and Finance PLC Seylan Developments PLC
Mr. W.V.J.T. Fernando	Chief Executive Officer	National Credit Guarantee Institution Limited
Mr. M. A.C.H. Munaweera	Director	Agriculture Sector Skills Development Council of Sri Lanka (Government Organization).



Corporate Governance Report

MCPPLC is committed to the highest standards of Corporate Governance, recognizing its importance to the sustainability of our business. Guided by a robust governance framework, the Board ensures transparent, ethical and balanced management in the best interests of the Company and its stakeholders.

Framework and Structure

Our governance framework is bound by external regulations and internally formulated policies that define how we do business.



The governance framework of the Company provides clear directions on decision making which facilitates the progress of the Company whilst promoting a culture of openness, productive dialogue, constructive dissent, employee empowerment and engagement and creating value to all stakeholders.

Corporate Governance Structure





Board Composition and Skills

The Board comprises of ten (10) members as at 31st March 2025. A brief profile of each of the Directors are given on pages 50 - 53. The Board comprises of eminent professionals in their respective fields. Nine of the Directors are non-Executive, of whom three are deemed Independent. Sufficient balance of power minimizes the tendency for one or few members of the Board to dominate the Board's processes or decision making. The Board is diverse in its experience, age and expertise contributing varied perspectives to

Boardroom deliberations and exercising independent judgment to bear on matters set before them. The Board brings in a wealth of diverse exposure in the fields of management, business administration, finance, economics and human resources. All Directors possess the skills, expertise and knowledge needed, complementing a high sense of integrity and independent judgement. Managing Director/CEO is a fellow member of the Institute of Chartered Accountants Sri Lanka and a fellow member of Certified Management Accountants of Sri Lanka.



Directors Independence

Directors exercise their independent judgement, promoting constructive Board deliberations and objective evaluation of the performance of the Company. Independence of Directors is determined by the Board, based on annual declarations submitted by Directors and having considered the possibility of any impairment in independence due to extended Board tenures, where applicable.

Determination of Directors' independence, is discussed and evaluated by the Board prior to nomination of Board members for re-election.

Mrs. Gillian Edwards - The Board is of the view that the period of service of Mrs. Gillian Edwards as a Board Member, which is not exceeding one year, does not compromise her independence and objectivity in discharging her functions as a director. Therefore, the Board has determined that Mrs. Gillian Edwards is 'Independent' as per the Listing Rules.

Mr. W.V.J.T. Fernando - The Board is of the view that the period of service of Mr. W.V.J.T. Fernando as a Board Member, which is not exceeding one year, does not compromise his independence and objectivity in discharging his functions as a director. Therefore, the Board has determined that Mr. W.V.J.T. Fernando is 'Independent' as per the Listing Rules.

Mr. M.A.C.H Munaweera - The Board is of the view that the period of service of Mr. M.A.C.H. Munaweera as a Board Member, which exceeds six years does not compromise his independence and objectivity in discharging his functions as a director. Therefore, the Board has determined that Mr. M.A.C.H. Munaweera is 'Independent' as per the Listing Rules.

Appointment, Re-Election and Resignation

Directors are appointed by the shareholders at the Annual General Meeting (AGM), following a formal process and recommendations provided by the NAGC to the Board. Recommendations are made on consideration of the combined skills, knowledge, experience and diversity of the Board and any gaps thereof. In compliance with the Articles of Association, at each AGM, one third of the Directors who are due for retirement, or, if their number is not two or a multiple of two, then the number nearest shall retire from office and the Directors to retire in every year shall be those who have been the longest in office since their last election and shall be eligible for re-election. Further, the Company, at the meeting at which a director retires may fill the vacated office by electing a person who may either be the retired director who offered himself for the re-election or the person recommended by the Board of Directors, unless at such meeting, it is expressly resolved not to fill such vacated office.

Accordingly,

- -To re-elect Mr. G.J.L. Neomal Perera who has consented to be reappointed for the position of Director.
- -To re-elect Mr. A.J. Shamendra Jayakody who has consented to be re-appointed for the position of Director.
- -To re-elect Mr. M.D.J.P. Nilantha Perera has who consented to be re-appointed for the position of Director.

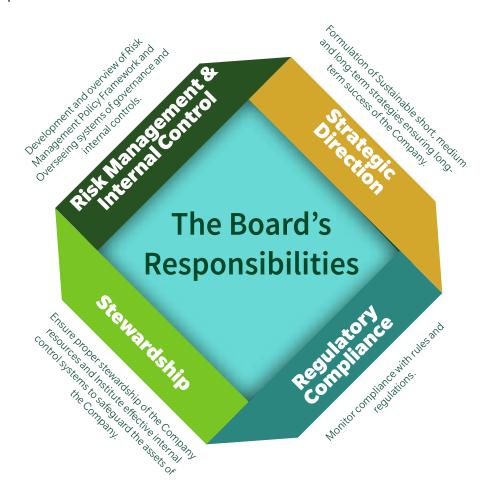
Appointments communicated to the shareholders through due notice to Colombo Stock Exchange. These communications include a brief résumé of the Director disclosing relevant expertise, key appointments, shareholding and whether he is Executive, Independent or Non-Independent.



Resignations or removal, if any, of Directors and the reasons thereof are informed promptly to the Colombo Stock Exchange together with a statement confirming whether or not there are any matters that need to be brought to the attention of shareholders.

- Prof. T. S. Gamini Fonseka has resigned the position of Director.
- Mr. N. A. Lalith Cooray has resigned the position of Director.

The Board's Responsibilities



Roles of Chairman and Managing Director/CEO

The role of Chairman is separate from that of the Managing Director/CEO ensuring no one Director has unfettered power and authority. The Chairman leads the Board, preserving good corporate governance and setting the ethical tone for the Board and Company. The Managing Director leads the executive management and is accountable to the Board for the performance of the Company.

Delegation of Authority

The Board is responsible for the overall governance, conduct and implementation of sound business strategies for the Company. The Board exercises its ordinary and extraordinary powers in carrying out its duties within the relevant laws/regulations of the country, regulatory authorities, professional institutes and trade associations to achieve the corporate objectives of the Company. The Board assesses the effectiveness of the Management Team through periodic review of their performance and compliance to best corporate practices.

Board's Access to Information and Resources

Directors have unrestricted access to management and organization information, as well as to resources required to carry out their duties and responsibilities, independently and effectively. (Executive Management makes regular presentations with regard to the business environment and in relation to the Company's operations. Access to independent professional advice, coordinated through the Company Secretary, is available to Directors at the Company's expense).



Board Meetings

During the year under review eleven (11) Board meetings were convened. The Directors are provided with relevant information and background materials as per the agenda prior to every meeting to enable them to make informed decisions. Board papers are submitted in advance on Company performance, new investments, capital projects and other issues which require specific Board approval.

Director	Date of Appointment	Date of Resignation	24-04-2024	28-05-2024	26-06-2024	25-07-2024	29-08-2024	26-09-2024	24-10-2024	04-12-2024	16-01-2025	20-02-2025	27-03-2025	Attendance
Independent Non-Ex	cecutive Directors (N	ED – I)												
Prof. T.S. Gamini Fonseka	26-09-2024 (Re-Appointment)	31-12-2024	√	√	-	√	√	√	√	√	N/A	N/A	N/A	7/8
Mr. N.A. Lalith Cooray	26-09-2024 (Re-Appointment)	31-12-2024	√	√	√	-	√	√	√	√	N/A	N/A	N/A	7/8
Mr. M.A.C.H. Munaweera	26-09-2024 (Re-Appointment)		√	√	√	√	√	√	√	1	√	√	√	11/11
Mrs. Gillian Edwards	31-12-2024 (Appointment)		N/A	√	√	√	3/3							
Mr. W.V.J.T. Fernando	31-12-2024 (Appointment)		N/A	√	√	√	3/3							
Non-Executive Direc	tors (NED)	'												
Mr. S.D.W. Asitha Gunasekera	26-09-2024 (Re-Appointment)		-	√	√	√	√	√	√	1	√	√	V	10/11
Mr. S.D.S. Gunesekera	26-09-2024 (Re-Appointment)		V	√	√	√	√	√	√	√	-	√	√	10/11
Mr. A.J. Shamendra Jayakody	28-09-2022 (Re-Appointment)		1	-	-	-	-	√	√	1	√	√	1	7/11
Mr. G.J.L. Neomal Perera	28-09-2022 (Re-Appointment)		√	√	-	√	√	√	-	-	√	√	1	8/11
Mr. M.D.J.P. Nilantha Perera	27-09-2023 (Re-Appointment)		√	-	√	√	-	√	√	-	√	√	-	7/11
Mr. S.J. Watawala	26-09-2024 (Re-Appointment)		-	-	-	-	-	-	-	-	-	-	-	0/11
Executive Director (I	ED)	1	,	,	,	,				,				
Mr.J.F. Fernandopulle	26-09-2024 (Re-Appointment)		√	√	√	√	√	√	√	√	√	√	V	11/11
Attendance			8/10	7/10	6/10	7/10	7/10	9/10	8/10	7/10	8/10	9/10	8/10	

Note:

N/A = Not applicable (not a member at meeting date)

Agenda and Board papers are sent before the meeting, allowing members sufficient time to review the same. The Company's secretary sets the Board Meeting Agenda.

All Board minutes are circulated to members and formally approved at the subsequent Board meeting. Resolutions concerning business matters are passed by circulation, within regulations. However, if a Director deems it necessary that such resolution must be decided at a Board meeting not by circulation, the Director shall put the resolution to be decided in a meeting.



MAHAWELI COCONUT PLANTATIONS PLC Annual Report 2024/25



Corporate Governance Report (Contd.)

Board Committees

The Board has delegated some of its functions to the Subcommittees, whilst retaining the rights of final decision. Members of these Subcommittees are able to focus on their designated areas of responsibility and impart knowledge and oversight in areas where they have greater expertise. The Directors dedicate sufficient time at such meetings to review respective documentation relating to the meeting and call for additional information for any further clarification, in addition to familiarising themselves with the economic factors, legal and political risks and changes.

The Board Subcommittees comprise predominantly independent Non-Executive Directors. The committees are provided with all resources to empower them to undertake their duties in an effective manner. The Company Secretary acts as secretary to these committees. The minutes of each committee meeting are circulated to all Directors on completion.

Board Committee	Areas of Oversight	Composition	Chaired By	Report Reference
Audit Committee (AC)	Financial Reporting Internal Controls Internal Audit External Audit	3 NED-Is 2 NEDs	Mrs. Gillian Edwards (NED-I)	Pages 74 - 75
Remuneration Committee (RC)	Formulating Remuneration Policy for Directors and Formulating HR Policy	3 NED-Is 2 NEDs	Mr. M.A.C.H Munaweera (NED-I)	Page 76
Related Party Transactions Review Committee (RPTRC)	Review of Related Party Transactions	3 NED-Is 2 NEDs	Mr. W.V.J.T. Fernando (NED-I)	Pages 77 - 78
Nomination and Governance Committee (NAGC)	Review the structure and composition of the Board	3 NED-Is 1 NED	Mr. M.A.C.H Munaweera (NED-I)	Pages 79 - 81
Risk Committee (RKC)	Risk Management	3 NED-Is 1 NED	Mrs. Gillian Edwards (NED-I)	Page 82

NED-I - Non-Executive Director - Independent

NED – Non-Executive Director

The Managing Director/CEO and the Financial Controller attend the meetings by invitation and the Company Secretary serves as the Secretary to the Committee.

Responsibilities of Board Sub Committees

Committee	Responsibilities
Audit Committee	 Review of quarterly and annual financial statements, including the quality, transparency, integrity, accuracy and compliance with Sri Lanka Accounting Standards.
	► Ensure compliance with Companies Act No. 07 of 2007, Listing Rules of the Colombo Stock Exchange, Code of Best Practice of Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka and Securities and Exchange Commission of Sri Lanka and other relevant laws and regulations
	 Ensure independence of both External and Internal Auditors and recommendation of re- appointment of External Auditors.
	► Review of the adequacy and effectiveness of the internal audit arrangements.
Remuneration Committee	▶ Determining and agreeing with the Board a framework for remuneration of Directors and Management Team, considering industry benchmark principles for any performance-related schemes to determine total remuneration package.
	 Evaluation of employee performance based on key performance indicators including financial and non-financial measures of performance.
	► Link part of pay to individuals and the Company's performance.



Committee	Responsibilities
Related Party Transactions Review Committee	► Ensure on behalf of the Board, the compliance with Code on Related Party Transactions, that all related party transactions are undertaken and disclosed in a manner consistent with the Code on Related Party Transactions.
	▶ Develop and recommend a policy for adoption by the Board on RPTs of the Company with its related parties which is in line with the Operating Model.
	▶ Update the Board on related party transactions following the reporting templates, specifying recurrent and non-recurrent transactions which require discussion in detail.
	► Introduction of a process whereby periodic reporting of the Company is required, with a view to ensuring compliance with the Code, that shareholder interests are protected and that fairness and transparency is maintained at all times.
Nomination and Governance Committee	► Ensuring the Board's effectiveness through proper composition, succession planning and performance evaluation.
	▶ It recommends appointments and re-appointments of Directors, assesses their independence and oversees Board and senior management succession.
	► The Committee monitors the Company's corporate governance framework, ensures compliance with regulatory requirements and recommends enhancements to governance practices.
	► It also supports Director induction and continuous development while overseeing transparent governance disclosures to stakeholders.
Risk Committee	 Oversee the Company's risk management framework, ensuring that significant risks are identified, assessed and effectively mitigated.
	It monitors adherence to risk policies, evaluates the adequacy of internal controls and reviews the Company's risk appetite in alignment with strategic goals.
	► The Committee assesses emerging risks, ensures compliance with regulatory risk requirements and makes recommendations to the Board to strengthen overall risk governance.
	► Review of the adequacy and effectiveness of the Internal Control and Risk Management systems over financial reporting process.

Accountability and System of Internal Control

The Board has taken necessary steps to ensure the integrity of accounting and financial reporting systems and that internal control systems remain robust and effective with the review and monitoring of such systems on a periodic basis. However, any system can only ensure reasonable and not absolute assurance that errors and irregularities are either prevented or detected within a reasonable time period.

The Board has taken steps to obtain reasonable assurance that systems designed to safeguard the Company assets, maintain proper accounting records and provide management information, are in place and are functioning as planned. Effectiveness of the internal control system is reviewed quarterly by the Audit Committee and major observations are reported to the Board through the reports of internal audit.

The Board, having reviewed the system of internal controls, is satisfied with the Company's adherence to and effectiveness of them for the period up to the date of signing of the Financial Statements.

External Audit

The external auditor is a qualified independent external party whose objective is to determine whether the Financial Statement of the Company represents a true and fair view of its financial performance, position and cash flow status. The audit firm

Kreston MNS & Co., Chartered Accountants, was re-appointed at the AGM in 2024 as external auditors of the Company for the financial year 2024/25. The Audit Committee reviews the annual audit plan with the recommended work approach.

The knowledge and experience of the Audit Committee ensures effective usage of the expertise of the auditors, while maintaining independence, in order to derive transparent Financial Statements. The Company maintains independence from financial and non-financial interest between auditors and re-assesses the same on a regular basis. The fees paid to audit and non-audit services are separately disclosed in the notes to the Financial Statements.

Internal Audit

The internal audit function is outsourced to the audit firm KPMG, Chartered Accountants.

Relations with Shareholders

The Company engages with shareholders through multiple channels. These include the Annual General Meeting (AGM), annual report, interim financial statements and via the CSE's/ MCPPLC's own website. Shareholders also have the opportunity to ask questions, comment or make suggestions to the Board through the Company Secretaries and at the Annual General Meeting. All significant issues and concerns of shareholders are referred to the Board with the views of the Management.

MAHAWELI COCONUT PLANTATIONS PLC Annual Report 2024/25



Corporate Governance Report (Contd.)

Statement of Compliance under Section 168 of Companies Act No. 07 of 2007

Paragraph	Requirements	Compliance Status	Reference to the Annual Report
168.(1) (a)	The nature of the business of the Company and any change thereof during the accounting period	Complied	Annual Report of the Board of Directors on the Affairs of the Company on pages 85 - 89
168.(1) (b)	Signed Financial Statements of the Company for the accounting period completed – section 151	Complied	Financial Statements on pages 94 - 126
168.(1) (c)	Auditors' Report on Financial Statements of the Company	Complied	Independent Auditors Report on pages 92 - 93
168.(1) (d)	Accounting policies and any changes therein	Complied	Notes to the Financial Statements on pages 98-108
168.(1) (e)	Particulars of the entries made in the Interests Register during the accounting period	Complied	Annual Report of the Board of Directors on the Affairs of the Company on pages 85 - 89
168.(1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period	Complied	Notes to the Financial Statements on page 123
168.(1) (g)	Corporate donations made by the Company during the accounting period	Complied	Annual Report of the Board of Directors on the Affairs of the Company on pages 85 - 89
168.(1) (h)	Information on the Directors of the Company at the end of the accounting period	Complied	Board of Directors on pages 50 - 53
168.(1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered during the accounting period	Complied	Notes to the Financial Statements on page 120
168.(1) (j)	Auditors' relationship or any interest with the Company	Complied	Audit Committee Report on pages 74 - 75
168.(1) (k)	Acknowledgement of the contents of this Report and signatures on behalf of the Board	Complied	Statement of Directors' Responsibility on page 90

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

CSE Rule	Requirements	Compliance Status	Reference to the Annual Report
7.6(i)	Names of persons who were Directors of the Entity.	Complied	Board of Directors on pages 50 - 53
7.6(ii)	Principal activities of the Entity during the year and any changes therein.	Complied	Annual Report of the Board of Directors on the Affairs of the Company on pages 85 - 89
7.6(iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares and the percentage of such shares held	Complied	Shareholders Information on page 129
7.6(iv)	The public holding percentage	Complied	Shareholders Information on page 128
7.6(v)	A statement of each Director's holding of shares of the Entity at the beginning and end of each financial year	Complied	Annual Report of the Board of Directors on the Affairs of the Company on pages 85 - 89
7.6(vi)	Information pertaining to material foreseeable risk factors of the Entity	Complied	Risk Management on pages 45 - 48
7.6(vii)	Details of material issues pertaining to employees and industrial relations of the Entity	Complied	Annual Report of the Board of Directors on the Affairs of the Company on pages 85 - 89
7.6(viii)	Extents, locations, valuations and the number of buildings of the Entity's land holdings and investment properties	Complied	Annual Report of the Board of Directors on the Affairs of the Company on pages 85 - 89
7.6(ix)	Number of shares representing the Entity's stated capital	Complied	Notes to Financial Statements on page 116



Statement of compliance under section 7.6 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosures (Contd.)

CSE Rule	Requirements	Compliance Status	Reference to the Annual Report
7.6(x)	A distribution schedule of the number of holders in each class of equity securities and the percentage of their total holdings	Complied	Shareholders Information on page 128
7.6(xi)	Financial ratios and market price information	Complied	Financial Highlights on page 8 & Key Highlights from 10 year summery on pages 132 - 133
7.6(xii)	Significant changes in the Company's fixed assets and the market value of land, if the value differs substantially from the book value as at the end of the year	Complied	Notes to Financial Statements on pages 111 - 112
7.6(xiii)	Details of funds raised through a public issue, rights issue and a private placement during the year	Not applicable	
7.6(xiv)	Information in respect of Employee Share Ownership or Stock Option Schemes	Not applicable	
7.6(xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules.	Complied	Refer Corporate Governance Report, Remuneration Committee Report and Audit Committee Report
7.6(xvi)	Related Party Transactions exceeding 10 percent of the equity or 5 percent of the Financial Statements, whichever is lower	Complied	Notes 31 of Financial Statements on pages 122 - 124
7.6(xvii)	In the event a Listed Entity has its Foreign Currency denominated Securities listed on the Exchange, the Entity shall additionally disclose.	Not applicable	
7.6(xviii)	In the event a Listed Entity has listed Green Bonds on the Exchange, such Entity shall additionally disclose.	Not applicable	
7.6(xix)	Entity has listed any Perpetual Debt Securities on the Exchange a) Breach of any terms/conditions by the Entity in relation to other Debt Securities listed on the Exchange.	Not applicable	
	b) Any default or delays on interest and/or principal payments in respect of loans obtained by such Entity, not paid within 30 days.		



Statement of compliance under section 9 of the listing rules of the Colombo Stock Exchange (CSE) on corporate governance.

CSE Rule	Requirements	Compliance Status	Reference to the Annual Report
9.1.3	A statement confirming compliance with Corporate Governance Rules	Complied	Compliance with corporate governance rules on Pages 62 - 73
9.2 and sub sections	Policies	Complied	Annual Report of Board of Directors on Pages 85 - 89
9.3.1	Ensuring that the following Board committees are established and are functioning effectively.		
	(a) Nominations and governance committee	Complied	Company has established a nominations
	(b) Remuneration Committee	Complied	and governance committee, a
	(c) Audit Committee	Complied	remuneration committee, an audit committee, a risk committee and
	(d) Related Party Transactions Review Committee	Complied	a related party transactions review committee and are functioning effectively
9.3.2	Compliance with the composition, responsibilities and disclosures required in respect of the Board Committees	Complied	Refer pages 61 - 72 Under corporate governance report.
9.3.3	The Chairperson of the Board of Directors shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above	Complied	Chairperson of the board does not chair any sub committees.
9.4.1	Maintain records of all resolutions and following information pertaining to the resolutions considered at any General Meetings. (a) The number of shares in respect of which proxy appointments have been validly made; (b) The number of votes in favour of the resolution; (c) The number of votes against the resolution; and (d) The number of shares in respect of which the vote was directed to be abstained.	Complied	
9.4.2	Communication and relations with shareholders and investors. Listed entities, (a) shall have a policy on effective communication and relations with shareholders and investors and disclose the existence of the same in the Annual Report and the website of the Listed Entity. (b) Listed Entities shall disclose the contact person for such communication. (c) The policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders and such process shall be disclosed by the Entity in the Annual Report and the website of the Entity. (d) Listed Entities that intend to conduct any shareholder meetings through virtual or hybrid means shall comply with the Guidelines issued by the Exchange in relation to same and published on the website of the Exchange	Complied	Refer MCPPLC website https://www.mahawelicoconut.com/
9.5.1	Listed Entities shall establish and maintain a formal policy governing matters relating to the Board of Directors	Complied	Refer MCPPLC website https://www. mahawelicoconut.com/
9.5.2	Confirm compliance with the requirements of the policy referred to in Rule 9.5.1 in the Annual Report.		Refer https://www.mahawelicoconut. com/policies.html
9.6.1	The Chairperson shall be a Non-Executive Director and the positions of the Chairperson and the CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity.	Complied	Chairperson is a non-executive and positions of Chairperson and the CEO are not held by the same individual. Refer Page 56 under corporate governance report.
9.6.2	Where the Chairperson of a listed entity is an Executive Director and/or the positions of the Chairperson and CEO are held by the same individual, such entity shall make a market announcement	Not applicable	
9.6.3 & 9.6.4	Requirement for a SID and the rationale	Not applicable	



Statement of compliance under section 9 of the listing rules of the Colombo Stock Exchange (CSE) on corporate governance. (Contd.)

CSE Rule	St		Reference to the Annual Report	
9.7.1, 9.7.4 & 9.7.5	Fitness of Directors and CEOs, declarations from the Directors and disclosures	Complied	Annual Report of the Board of Directors on pages 85 - 89	
9.8.1 & 9.8.2	Minimum number of Board of Directors and minimum number of independent Directors.	Complied	Refer Page 56	
9.8.5	Requirement pertaining to self-declarations annual determination of independence and market announcement in the event of the impairment of the independence.	Complied	Annual Report of the Board of Directors on Pages 85 - 89	
9.9	Alternate Directors	Not applicable		
9.10.1	Listed Entities shall disclose its policy on the maximum number of Directorships it's Board members shall be permitted to hold. In the event such number is exceeded by a Director(s), the Entity shall provide an explanation for such non-compliance.	Complied	Refer mahawelicoconut.com website on the policy on the matters relating to the Board of Directors and Refer Annual Report of the Board of Directors on Pages 85 - 89	
9.10.2 & 9.10.3	Listed Entities shall, upon the appointment of a new Director to its Board and upon any changes to the composition, make an immediate Market Announcement.	Complied		
9.10.4	Disclosure of details pertaining to Directors in the Annual Report	Complied	Annual report of the Board of Directors on Pages 85 - 89	
9.11.1	Nomination and Governance Committee	Complied		
9.11.2	Listed Entities shall establish and maintain a formal procedure for the appointment of new Directors and reelection of Directors to the Board through the Nominations and Governance Committee.	Complied	Nominations and Governance Committee report on Pages 79 - 81	
9.11.3	The Nominations and Governance Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Complied	Nominations and Governance Committee report on Pages 79 - 81	
9.11.4	Composition of Nominations and Governance Committee,	Complied	Nominations and Governance Committee report on Pages 79 - 81	
9.11.5	Functions of the Nominations and Governance Committee	Complied	Nominations and Governance Committee report on Pages 79 - 81	
9.11.6	Disclosures in Annual Report	Complied	Nominations and Governance Committee report on Pages 79 - 81	
9.12.2	Listed Entities shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of these Rules	Complied		
9.12.3	The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration	Complied	Remuneration Committee report on Page 76	
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.	Complied	Remuneration Committee report on Page 76	
9.12.5	Remuneration Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Complied	Remuneration Committee report on Page 76	



Statement of Compliance under section 9 of the listing rules of the Colombo Stock Exchange (CSE) on corporate governance. (Contd.)

CSE Rule	Requirements	Compliance Status	Reference to the Annual Report
9.12.6 (1) and (2)	 The members of the Remuneration Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. (b) not comprise of Executive Directors of the Listed Entity. An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors. 	Complied	Remuneration Committee is composed of five Directors and is headed by an Independent NED. Majority of whom are independent. Refer Remuneration Committee Report on Page 76
9.12.8	The Annual Report should set out the following: (a) Names of the Chairperson and members of the Remuneration Committee and the nature of Directorships held by such members; (b) A statement regarding the remuneration policy; and, Compared to the Executive and Non-Executive Directors.	Complied	Remuneration Committee report on Page 76 and the financial statements on pages 122 - 124
9.13.1	Entities who do not maintain separate committees to perform the Audit and Risk Functions, the Audit Committee (AC) shall additionally perform the Risk Functions	Not Applicable	
9.13.2	The AC shall have a written Terms of Reference	Complied	Audit Committee Report on pages 74 - 75
9.13.3 (1) & (2)	The members of the Audit Committee shall; (a) comprise 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. (b) not comprise of Executive Directors of the Listed Entity. The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent Directors.	Complied	The Audit Committee, headed by an independent NED, comprises three independent NEDs and two NEDs.
9.13.3 (3)	The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market	Complied	Audit Committee Report on pages 74 - 75
9.13.3 (4)	An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors.	Complied	The chairperson of the committee is an Independent NED.
9.13.3 (6)	The Chairperson of the Audit Committee shall be a Member of a recognized professional accounting body.	Complied	The Chairperson is an Associate member of Certified Management Accountants, Australia.
9.13.4	Functions of the Audit Committee	Complied	Audit Committee Report on pages 74 - 75
9.13.5	Disclosures – Audit Committee	Complied	Audit Committee Report on pages 74 - 75
9.14.1	Listed entities shall have a Related Party Transactions Review Committee (RPTRC)	Complied	
9.14.2	Composition of the Independent Directors and Chairperson being Independent.	Complied	RPTRC Report on Pages 77 - 78
9.14.3	Functions of RPTRC	Complied	RPTRC Report on Pages 77 - 78
9.14.4 (1)	The Related Party Transactions Review Committee shall meet at least once a calendar quarter	Complied	RPTRC Report on Pages 77 - 78
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	Complied	RPTRC Report on Pages 77 - 78
9.14.8	Disclosure in relation to related party transactions in the Annual Report	Complied	Financial Statements on Pages 122 - 124
9.14.9	Acquisition and disposal of assets from/to related parties.	Not Applicable	
9.17	Additional Disclosures	Complied	Annual Report of the Board of Directors on pages 85 - 89



Reference to ICASL Code	Corporate Governance Principle	Compliance	Details of compliance
A. DIRECTO	RS		
A.1	The Board		
A. 1.1	Board Meetings	Complied	Held almost every month and special meetings held as and when necessary.
A 1.2	Role of the Board	Complied	 Focus on developing strategies for business development and to provide guidance to the management Approving capital expenditure Ensures that effective internal control and risk management framework is in place
A. 1.3	Compliance with laws and access to independent professional advice	Complied	The Board seeks independent professional advice when deemed necessary, particularly before making any decisions which could have a significant impact on the Company. Further the Board is always mindful of the new laws/ regulations which are implemented and ensures compliance with same.
A 1.4	Access to advice from the Company Secretary Indemnifying the Board, Directors and key management personnel	Complied	All Directors have access to the advice of the Company Secretary.
A 1.5	Independent judgment of the Directors	Complied	Board comprises 3 independent Directors and 6 non-executive Directors who in turn exercise independent judgement in discharging their duties.
A 1.6	Dedicating adequate time and effort	Complied	Regular Board meetings and sub-committee meetings are scheduled well in advance and Board papers are circulated prior to the meetings, giving adequate time to prepare.
A.1.7	Calls for resolutions	Complied	Resolutions are passed for all Board approvals and minutes are kept.
A 1.8	Training of Directors	Complied	At the time a Director is appointed a letter confirming such appointment together with details on the duties of a Director in terms of the Act and Listing Rules are forwarded to them. All Directors have considerable experience in the industry. Relevant local and foreign training opportunities are made available.
A. 2	Segregation of Roles of Chairman & CEO		
A.2.0	Segregation of Roles of Chairman & CEO	Complied	Duties of Chairman (non-executive director) and CEO (executive director) are clearly segregated.
A. 3	Chairman's Role		
		Complied	The Chairman ensures that meetings are conducted in an orderly manner and that each Board Member and Member of staff is given an opportunity to present his views/ concerns on matters.
A. 4	Financial Acumen		
		Complied	Members of the Board and Management have sufficient financial knowledge and thus are able to provide guidance on financial matters.

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Corporate Governance Report (Contd.)

Corporate Governance Principle	Compliance	Details of compliance
Board Balance		
Presence of Non- Executive Directors Independence of Non- Executive Directors	Complied	Refer details on page 56
Annual Declaration of Independence by the Non- Executive Directors	Complied	Annual declarations citing their independence is obtained by the secretary annually.
Alternate Director to a Non-Executive Director	No Alternate Directorships as at 31st March 2025.	
Senior Independent Director	No Senior Independent Director.	
Chairman meeting with the Non- Executive Directors	No meeting held	When required, the Executive Directors and Members of staff are excused from meetings.
Recording concerns	Complied	Concerns of Directors are recorded in minutes even in the case of disagreement.
Supply of Information		
Obligation of the Management to provide appropriate and timely information	Complied	Board Papers and Committee papers are provided at least one week before the meeting
Board papers to be provided 7 days prior to Board Meeting	Complied	Board papers are provided one week prior to the Board meeting.
Appointment to the Board		
Nomination and Governance Committee and the assessment of composition of the Board	Complied	Nomination and Governance Committee was formed on 26th September 2024. Refer Nominations Committee Report on Pages 79 - 81
Disclosure of Appointment of a New Director	Complied	Disclosure pertaining to any new appointments are made to the CSE within two market days from the date of such appointment. The disclosure includes a brief profile of the Director and whether the Director is an Independent/ Non-Executive / Executive Director.
Re-election		
Re-election	Complied	1/3 of the Non-Executive Directors will retire from office on a rotational basis at each AGM. The Nominations and Governance Committee recommends the Directors for re-election and approval by the Board.
Resignation	Complied	In the event of a resignation, a letter of resignation is provided by the Director.
Appraisal of Board Performance		
Appraisals of the Board and the sub committees	Complied	The Board's skills and knowledge is self-assessed. The Nomination and Governance committee reviews the outcomes of the evaluation for its nomination process.
	Board Balance Presence of Non- Executive Directors Independence of Non- Executive Directors Annual Declaration of Independence by the Non- Executive Directors Alternate Director to a Non-Executive Director Chairman meeting with the Non- Executive Directors Recording concerns Supply of Information Obligation of the Management to provide appropriate and timely information Board papers to be provided 7 days prior to Board Meeting Appointment to the Board Nomination and Governance Committee and the assessment of composition of the Board Disclosure of Appointment of a New Director Re-election Re-election Resignation Appraisal of Board Performance Appraisals of the Board and the	Board Balance Presence of Non- Executive Directors Independence of Non- Executive Directors Annual Declaration of Independence by the Non- Executive Directors Alternate Director to a Non-Executive Director Alternate Director to a Non-Executive Director Alternate Director to a Non-Executive Director Alternate Director Alternate Director Alternate Director Alternate Director No Senior Independent Director Chairman meeting with the Non- Executive Directors Recording concerns Complied Supply of Information Obligation of the Management to provide appropriate and timely information Board papers to be provided 7 days prior to Board Meeting Appointment to the Board Nomination and Governance Committee and the assessment of composition of the Board Disclosure of Appointment of a New Director Re-election Re-election Resignation Complied Appraisal of Board Performance Appraisals of the Board and the



Reference to ICASL Code	Corporate Governance Principle	Compliance	Details of compliance
A.10	Disclosure of information in respe	ct of Directors	
A.10.1	Profiles of the Board of Directors and other related information	Complied	The names of the Directors of the Board and their profiles are given on pages 50 -53
A.11	Appraisal of Chief Executive Officer		
A.11.1/ A.11.2	Setting of the annual targets and the appraisal of the CEO	Complied	Not formally documented. However, appraisal is done at each meeting
B. DIRECTO	DRS' REMUNERATION		
B.1	Remuneration procedure		
	Set up a Remuneration Committee with agreed terms of reference	Complied	The Report of the Remuneration Committee Report on page 76
	Remuneration Committee to consist of Non- Executive Directors only	Complied	All the members are Non-Executive Directors (3 of them are independent non-executives)
	List names of Remuneration Committee in Annual Report	Complied	Refer page 76
	Determination of the remuneration of the Non-Executive Directors	Complied	Remuneration of the Non-Executive Directors is decided by the Board in consultation with the Chairman. Refer Remuneration Committee Report on page 76 for the remuneration policy.
B.2	The level & Makeup of Remuneration		
B.2.1-B.2.2 B.2.3-B.2.4	The level and makeup of the remuneration of Directors and comparison of remuneration with other companies	Complied	Remuneration levels have been designed to attract, retain and motivate Directors, while remaining within the industry standards.
B.2.5 -2.8	Performance based remuneration	No performance- based remuneration	
B.2.9	Executive share options	No share options Offered	
B.2.10 & 2.11	Designing schemes of performance-based remuneration & compensation commitment	No performance- based remuneration & compensation commitment	
B.3	Disclosure of Remuneration		
B.3.1 & 3.2	Disclosure of Remuneration	Complied	Report of the Remuneration Committee on page 76 and Notes in the financial statements on page 123
C. RELATIO	NS WITH SHAREHOLDERS		
C.1	Constructive use of AGM and Cond	uct of Meetings	
C.1.1	Dispatch of Notice of AGM and related papers to shareholders	Complied	Notice of Meeting, the Agenda for the Annual General Meeting and the Annual Report are circulated to shareholders prior to 14 days as required by the Articles of Association and the Code.
C.1.2	Separate resolution for substantially separate issues.	Complied	Separate resolutions are passed for each matter taken up at the AGM



Reference to ICASL Code	Corporate Governance Principle	Compliance	Details of compliance	
C.1.3	Accurate recording and counting valid proxy appointments received for general meeting	Complied	Valid proxies are listed together with the number of shares held by the shareholder appointing the proxy.	
C.1.4	Availability of Chairman of Board Committees at the Annual General Meeting	Complied	The Chairmen of the Board Committees are present to answer any queries of the shareholders directed to them by the Chairman of the Company.	
C.1.5	Summary of Notice of General Meetings and procedures governing voting at General Meetings	Complied	A summary of the procedure on voting is given in the Notice of Meeting.	
C. 2	Communications with Shareholde	rs		
C 2.1 to 2.7	Communications with Shareholders	Complied	The AGM and EGM (if any) are used as the method for communicating with the shareholders. All quarterly and annual financial information and other important matters as required for by the Act and the Listing Rules are shared by way of disclosures through the CSE. The Company Secretaries/ Registrars are the main contact people for the shareholders. All major concerns of the shareholders are brought to the notice of the Board at the AGM and at Board/ Sub-committee meetings. All queries of shareholders are answered at the AGM and all shareholders are given the opportunity to express their views/ concerns.	
C. 3	Major & Material Transactions			
C 3.1 & 3.2	Disclosure of Major Transactions	Not applicable	There were no matters which were identified as Major Transactions during the year as such no disclosure has been made in this regard. In the event there are Major Transactions, relevant disclosures and relevant shareholder approvals are obtained.	
D. ACCOUN	TABILITY & AUDIT			
D.1.1	Annual Report	Complied	Annual Report is published on 31st August 2025	
D.1.2	Interim and price sensitive reports to public and regulators	Complied	In preparing annual and quarterly Financial Statements, the Company complies with the requirements of the; ➤ Companies Act No. 07 of 2007, ➤ Sri Lanka Accounting Standards and ➤ Listing Rules of the Colombo Stock Exchange. The annual and interim Financial Statements were published within the time periods prescribed by the Listing Rules of the Colombo Stock Exchange.	
D.1.3	Director/FC Declaration	Complied	Directors' and Financial Controller's responsibility statement on page 91	
D.1.4	Directors' Report declarations	Complied	Refer Annual Report of the Board of Directors on pages 85 - 89	
D.1.5	Statements on responsibilities for preparation of financial statements and internal control	Complied	Refer the following: ➤ Statement of Board responsibility for preparation of financial statements on page 90 ➤ Statement from Auditors on their reporting responsibilities on pages 92 - 94	
D.1.6	Management discussion & analysis	Complied	Refer annual report on pages 36 - 44 to which provides a comprehensive management discussion and analysis of the Group's operations	



Reference to ICASL Code	Corporate Governance Principle	Compliance	Details of compliance
D.1.7	Serious loss of capital	Not applicable	Shareholders will be informed of a serious loss of capital in the event it happens.
D.1.8	Related Party transactions	Complied	Refer the following disclosures on Related Party Transactions: ➤ Relates Party Transactions Review Committee Report on pages 77 - 78 ➤ Annual Report of the Board of Directors on pages 85 - 89 ➤ Notes to the financial statements on pages 122 - 124
D.2	Risk Management & Internal Control		
D.2.1	Monitor, review and report on financial, operational and compliance risk and internal control systems	Complied	
D.2.2	Confirm assessment of the principal risks of the Company	Complied	The following reports provide details on compliance with these requirements:
	Internal Audit	Complied	► Management Discussion and Analysis on pages 77 - 78
	Compliance with Directors' responsibilities as set out by the Code	Complied	
D.3	Audit Committee		
D.3.1	Establish an Audit Committee comprising wholly of Non-Executive Directors of which at least 2 must be independent	Complied	Audit Committee comprises Five non-executive Directors of whom Three are independent. Refer Audit Committee on pages 74 - 75
D.3.2	Written Terms of Reference for Audit Committee	Complied	Audit Committee report on pages 74 - 75
D.3.3	Disclosures	Complied	The Audit Committee Report with required disclosures are given on pages 74 - 75
D. 4	Risk Committee		
D 4.1-4.5	Establishment of procedure for Risk Management & Committee	Complied	A risk management committee was appointed on 26th September 2024. The committee is comprised of Four non-executive Directors where Three of them are independent non-executives. Refer Risk Management Committee Report on page 82 for its roles, meetings and how it discharged its responsibilities.
D.5	Related Party Transactions Review Committee		
	Related Party Transactions Review Committee	Complied	Related Party Transactions Review Committee on pages 77 - 78

MAHAWELI COCONUT PLANTATIONS PLC Annual Report 2024/25



Corporate Governance Report (Contd.)

Statement of Compliance under Code of Best Practice on Corporate Governance 2023 issued by ICASL (Contd.)

Reference to ICASL Code	Corporate Governance Principle	Compliance	Details of compliance
D.6	Code of Business Conduct & Ethics		
D.6.1	Board declaration for compliance with Code	Complied	Refer Annual Report of Board of Directors on pages 85 - 89
D.6.2	Price sensitive information	Complied	Material and price sensitive information is promptly disclosed to the CSE by the Company Secretaries.
D.6.3	Monitor Share purchase by Directors/ KMPs	Complied	
D.6.4	Procedure to deal with complaints received from whistle-blowers	Complied	Refer MCPPLC's website
D.7	Corporate Governance disclosures	Complied	The Corporate Governance Report on pages 55 - 72 complies with this requirement.
E. INSTITUT	FIONAL INVESTORS		
E.1.1	Institutional investors	Complied	
E.2	Evaluation of Governance Disclosures	Complied	
F. OTHER IN	IVESTORS		
F1	Investing and divesting decision	Complied	We seek to provide sufficient information to investors through the annual report, quarterly financial statements and announcements to the CSE to assist investors with their investment and divestment decision.
F2	Encouraging shareholder Participation	Complied	
G. INTERNE	T THINGS & CYBER SECURITY	'	
G.1	Identify connectivity and related cyber risks	Not applicable	
H. SUSTAIN	ABILITY: ESG RISK AND OPPORTUN	TIES	
H.1	Consider the impact of sustainability risks and opportunities in the business model, operations and short, medium and long-term plans to build resilience and report the same to the Board.	Complied	The Board is responsible for the ESG risks; whenever a risk arises in ESG, the Board members discuss such matters regularly. Refer to Risk Management Note on page 45 - 48
H.2	Continuously engage with and consider the views of its stakeholders to better understand and manage the Company's sustainability/ ESG risk and opportunities.	Complied	



Corporate Governance Report (Contd.)

Statement of Compliance under Code of Best Practice on Corporate Governance 2023 issued by ICASL (Contd.)

Reference to ICASL Code	Corporate Governance Principle	Compliance	Details of compliance
I. SPECIAL	CONSIDERATIONS FOR LISTED COM	PANIES	
1.1	Listed entities shall establish and maintain policies relating to its governance and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the entity on its website.	Complied	Relevant governance policies have been published in the Company's website. https://www.mahawelicoconut.com/policies.html
1.2	Listed entities shall establish and maintain a formal policy governing matters relating to the Board of Directors.	Complied	

By Order of the Board, **Mahaweli Coconut Plantations PLC**



Kalrupco Management Services (Private) Limited

Secretary Reg. No. RCS2000144

Colombo





Board of Directors' Statement on Internal Controls

The following statement fulfills the requirement to publish the Directors' Statement on Internal Control as per the Code of Best Practice on Corporate Governance issued by The Institute of Chartered Accountants of Sri Lanka and Securities and Exchange Commission of Sri Lanka.

The Board of Directors is responsible for maintaining a sound system of internal controls to safeguard shareholders' investments and the Company's assets. The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Company.

This process includes enhancing the system of internal controls as and when there are changes to the business environment or regulatory guidelines. The process is regularly reviewed by the Board. The Board is of the view that the system of internal controls in place is sound and adequate to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes and is in accordance with relevant accounting principles and regulatory requirements.

The Board having implemented the systems is aware that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatements of loss. The Board of Directors confirms that the financial reporting system has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes has been done in accordance with the Sri Lanka Accounting Standards, requirements of the Companies Act No. 7 of 2007 and the Listing Rules of the Colombo Stock Exchange.

Mr. S.D.W. Asitha Gunasekara

Chairman

Mrs. Gillian EdwardsAudit Committee Chairperson



Audit Committee Report

Role of the Audit Committee

The Audit Committee Charter provides a clear understanding of the committee's role, structure, processes and membership requirements. This conveys the framework for the committee's organization and responsibilities that can be referred to by the Board, committee members, management and external and internal auditors.

The Audit Committee was constituted on 21st June 2018.

Composition

The Committee comprises three Independent Non-Executive Directors, Mrs. Gillian Edwards (Chairperson of the Committee),

Mr. W.V.J.T. Fernando and Mr. M.A.C.H. Munaweera and two Non-Independent Non-Executive Directors, Mr. S.D.S. Gunesekera and Mr. G.J.L. Neomal Perera. Profiles of the members are given on pages 50 - 53. On 31st December 2024, Mrs. Gillian Edwards was appointed as the Chairperson of the Audit Committee and Mr. W.V.J.T. Fernando was appointed as a member of the Committee in compliance with section 9.13.3 of the Listing Rules of Colombo Stock Exchange. With effect from 31st December 2024, Mr. N.A. Lalith Cooray and Prof. T.S. Gamini Fonseka stepped down from the committee in compliance with Listing Rules 9.8.3 (ix) of the Colombo Stock Exchange.

The Company Secretary serves as the Secretary to the Committee.

Meetings of the Audit Committee

The Audit Committee met four times during the year. The attendance of the members at these meetings is as follows:

Name of the Member	Directorship	Attendance				
Name of the Member	Status	28.05.2024	13.08.2024	11.11.2024	10.02.2025	Total
Mrs. Gillian Edwards - Chairperson	Independent Non-Executive	N/A	N/A	N/A	✓	1/1
Mr. W.V.J.T. Fernando	Independent Non-Executive	N/A	N/A	N/A	✓	1/1
Mr. M.A.C.H. Munaweera	Independent Non-Executive	✓	✓	√	✓	4/4
Mr. S.D.S. Gunesekera	Non-Independent Non-Executive	✓	✓	√	-	3/4
Mr. G.J.L. Neomal Perera	Non-independent Non-Executive	✓	√	-	✓	3/4
Mr. N.A. Lalith Cooray	Independent Non-Executive	√	✓	√	N/A	3/3
Prof. T.S. Gamini Fonseka	Independent Non-Executive	✓	✓	✓	N/A	3/3
Attendance per day		5/5	5/5	4/5	4/5	

Note:

** = Resigned w.e.f. 31.12.2024 *** = Appointed w.e.f. 31.12.2024

✓ = Attended

N/A = Not applicable (not a member at meeting date)

The Managing Director/CEO and the Financial Controller attend the Audit Committee Meetings by invitation.

The Audit Committee members are appointed / re-appointed by the Board of Directors through the recommendation of Nominations and Governance Committee and its duties are stated in the following paragraph.

The Duties and Responsibilities of the Audit Committee

The Audit Committee undertakes, on behalf of the Board, responsibility for ensuring the integrity of the Company's Financial reports by having an oversight of the internal controls, the financial reporting process and compliance with financial reporting and regulatory requirements as given in the Audit Committee Charter. It sets out the standards of corporate disclosure, corporate responsibility, integrity and accountability to the shareholders.

In fulfilling its responsibilities, following activities were carried out by the Audit Committee during the Financial year ended 31st March 2025.

Financial Reporting

Reviewed the quarterly and year-to-date financial results of the Company, focusing particularly on significant changes, if any, to accounting policies and practices and compliance with financial reporting and accounting standards prior to the consideration by the Board.

Reviewed the annual report and the annual audited financial statements of the Company prior to submission to the Board for approval. The review was to ensure that the financial reporting and disclosures are in compliance with the listing requirements of Sri Lanka, Financial Reporting Standards, provisions of the



Audit Committee Report (Contd.)

Companies Act No. 7 of 2007, SEC Act and any other relevant legal and regulatory requirements. The methodology included obtaining statements of compliance from Financial Controller and Managing Director/CEO. The Committee recommended the Financial Statements to the Board for its deliberations and approval. The Committee, in its evaluation of the financial reporting system, also recognized the adequacy of the content and quality of routine management information reports forwarded to the management, regulatory authorities and shareholders.

In the review of the annual audited financial statements, the Committee discussed with the Managing Director/CEO, Financial Controller and External Auditor the significant accounting policies, estimates and judgments applied in preparing these reports, the accounting principles and reporting standards that were applied and the impact of the items to the financial statements.

Internal Audit

The Committee reviewed the effectiveness of the Internal Financial Controls designed to provide reasonable assurance to the Directors that assets of the Company are safeguarded and the financial reporting system can be relied upon in the preparation and presentation of Financial Statements. The KPMG has appointed as the internal auditors for the financial year.

External Audit

Reviewed the scope of the external auditors, audit strategy and audit plan for the year and their proposed fees for the statutory audit

Reviewed the external audit reports and areas of concern highlighted In the Management letter including Management's responses to the findings of the External Auditors.

Discussed with External Auditors the Key Audit Matters, impact of new or proposed Sri Lanka Accounting Standards and regulatory requirements applicable to the Company.

The Committee has reviewed the other services provided by the External Auditor to ensure that their objectivity and independence as External Auditor has not been impaired. The Committee provides the opportunity to External Auditor to meet the Audit Committee Members independently, if necessary.

Furthermore, written assurance was obtained from the External Auditors that they are and have been independent throughout the conduct of the audit engagement in terms of all relevant professional and regulatory requirements and has made a determination of the independence of auditors based on the same

The current External Auditor, Messrs. Kreston MNS & Co, Chartered Accountants, was initially appointed as External Auditor for 2007/08 financial period and continues to hold that position at present. A partner rotation of the Auditors takes place periodically. A rotation of partner took place in financial year 2024/25

After evaluating the performance of the External Auditors, Messrs. Kreston MNS & Co and recommended their re-appointment to the Board for the financial year ended 31st March 2026 subject to the approval of the shareholders at the next Annual General Meeting.

Regulatory Compliance

Reviewed the procedures established by Management for compliance with the requirements of regulatory bodies. The Managing Director/CEO along with the Financial Controller submitted to the Audit Committee on a quarterly basis, a report on the extent to which the Company was in compliance with mandatory statutory requirements.

Conclusion

The Committee is of the view that adequate controls and procedures are in place to provide reasonable assurance that the Company's assets are safeguarded and the financial position of the Company's well monitored. The Audit Committee concurs that the adoption of the going concern premise in the preparation of the financial statement is appropriate. The Audit Committee recommends to the Board of Directors that the financial statements as submitted be approved.

On behalf of the Audit Committee;

Mrs. Gillian Edwards

Audit Committee Chairperson



Remuneration Committee Report

Composition

The remuneration committee of the MCPPLC is composed entirely of non-Executive Directors wherein three of them are independent.

Name of the Member	Directorship Status
Mr. M.A.C.H. Munaweera - Chairman	Independent Non-Executive
Mr. W.V.J.T. Fernando	Independent Non-Executive
Mrs. Gillian Edwards	Independent Non-Executive
Mr. S.D.W. Asitha Gunasekera	Non-Independent Non-Executive
Mr. A.J. Shamindra Jayakoddy	Non-independent Non-Executive

Role of the Committee

The role of the remuneration committee formed with the objective of setting up the policy on remuneration for all categories of Company employees both executive and non-executive categories to the Board of Directors.

Remuneration Policy

The remuneration policy is to asses and determine organizational remunerations extended, to all employees. Which would comprise Executive Directors, Plantation Management, head office and plantation staff. The process would involve on a structured methodology on evaluation of annual performance. This objective is based on extending a fair remuneration package to all employees on a competitive result based on individual and group performance basis.

The Company concept in this regard is to motivate and sustain superior quality standards in the work performance. Whilst achieving corporate Goals and objectives of the Company at varying spells of time.

The Non-Executive Directors are paid a fee for attending Board meetings and serving in sub committees and therein no performance-based incentive payment is not extended to them. The total remuneration to Directors is shown in Note 31 in the Financial Statements on pages 122 - 124.

These deliberations are made towards employee motivation, increased productivity and the improved quality of work output in achieving corporate goals.

Meeting of the Remuneration Committee

One Remuneration Committee Meeting was held during the current Financial year.

On behalf of the Remuneration Committee.



Mr. M. A.C.H. Munaweera

Chairman - Remuneration Committee



Related Party Transactions Review Committee Report

The Related Party Transactions Review Committee (RPTRC) which is appointed by the Board of Directors of the MCPLPLC, consists of three Independent/ Non-Executive Directors who possess in depth expertise and knowledge in Finance as well as in the Plantation Industry, in addition to two Non-Independent Directors.

Composition of the Committee

The Committee comprises of three Independent Non-Executive Directors, Mr. W.V.J.T. Fernando (Chairman of the Committee) Mrs. Gillian Edwards and Mr. M.A.C.H. Munaweera and two Non-Independent Non-Executive Directors Mr. S.D.S. Gunesekera and Mr. G.J.L. Neomal Perera.

Profiles of the members are given on pages 50 - 53 Mr. W.V.J.T. Fernando was appointed as the Chairman of the RPTRC on

31st December 2024 in compliance with section 9.13.3 of the Listing Rules of Colombo Stock Exchange. Prof. T.S. Gamini Fonseka stepped down from the committee in compliance with Listing Rules 9.8.3 (ix) of the Colombo Stock Exchange.

The RPTRC of the Company complies with the rules and regulations promulgated by the Securities and Exchange Commission of Sri Lanka, the Listing Rules of the Colombo Stock Exchange and the 2023 Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

Company Secretary serves as the Secretary to the Committee, as well

Meetings of the RPT Review Committee

The Related Party Transactions Review Committee met four times during the year. The attendance of the members at these meetings is as follows:

Name of the Mancher	Directorship	Attendance				Tatal
Name of the Member	Status	28.05.2024	13.08.2024	11.11.2024	10.02.2025	Total
Mr. W.V.J.T Fernando - Chairman	Independent Non-Executive	N/A	N/A	N/A	✓	1/1
Mrs. Gillian Edwards	Independent Non-Executive	N/A	N/A	N/A	✓	1/1
Mr. M. A.C.H. Munaweera	Independent Non-Executive	√	√	√	√	4/4
Mr. S.D.S. Gunesekera	Non-Independent Non-Executive	✓	✓	✓	-	3/4
Mr. G.J.L. Neomal Perera	Non-independent Non-Executive	√	√	-	√	3/4
Mr. N.A. Lalith Cooray	Independent Non-Executive	√	√	√	N/A	3/3
Prof. T.S. Gamini Fonseka	Independent Non-Executive	√	✓	√	N/A	3/3
Attendance per day		5/5	5/5	4/5	4/5	

Note:

** = Resigned w.e.f. 31.12.2024 *** = Appointed w.e.f. 31.12.2024

✓ = Attended

N/A = Not applicable (not a member at meeting date)

Objectives & Responsibilities

Being a Company originally established by an association of an industry group, for the benefit of their own industry, majority of the stakeholders were falling under the "Related Parties" and the RPT Review Committee's commitment towards the entrusted task of safe guarding interest of the public shareholders in the Company entering into transactions with such Related Parties.

Hence the purpose of this committee is to oversight, on behalf of the Board, compliance with the Code on Related Party transactions issued by Securities and Exchange Commission (SEC) of Sri Lanka. The main task of the listing rules is to establish that the interests of the shareholders are observed at all times, especially in entering into Related Party Transactions, to intercept the Directors,

influential Management Personnel and Shareholders misuse the influential status they hold in the Company in performing such activities

To meet this end result, the RPT Committee has undertaken the responsibility entrusted upon us by the Company, by obtaining declarations from concerned, wherever it seems appropriate and setting up Policies to review Related Party Transactions adequately.

All such transactions are subsequently reported to the Board of Directors on quarterly basis by forwarding the minutes of the Committee meetings for further discussion and perusal, at the Board Meetings.



Related Party Transactions Review Committee Report (Contd.)

Towards this end Committee carries out following:

- Seek any additional information/clarifications from the Directors, Management, Employees, or External parties regarding any transaction entered into with the related party.
- Obtain approval of the Board prior to the execution of any related party transaction.
- ► Monitor/review all the Related Party Transactions on the normal routine, to ensure, are not prejudicial to the interests of the Company and its minority shareholders.
- Meet the Management and External Audits as needed to carry out the assigned duties.
- Assess the transfer of resources and services between related parties to ascertain the reasonableness, irrespective of the payment involved.
- ▶ Obtain knowledge or expertise to assess all aspects of proposed related party transactions where necessary including obtaining appropriate professional and expert advice from suitably qualified persons.

These precautions are taken to ensure the Company that Related Party Transactions were maintained at an expected standard as required by Listing Rules of CSE.

Review of Related Party Transactions

The Committee in its review process was convinced and satisfied with the adequacy of the content and quality of the information and reports forwarded to its members by the management, regularly, at the quarterly meetings.

The Committee has reviewed the Related Party Transactions for the year 2024/2025 and their satisfactory compliance were communicated to the Board. It was noted that the Related Party Transactions carried out during the year were recurrent in nature and these are absolute necessities for smooth operations of the Company. Further the proceedings of the Committee meetings were documented and tabled at the Board Meetings, for detailed discussions, where necessary.

Declaration

The Company's transactions with Related Parties, given in Note 31 to the Financial Statements, have complied with Colombo Stock Exchange Listing Rule 9.3.2 and the Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

On behalf of the Related Party Transactions Review Committee.



Mr. W.V.J.T. Fernando

Chairman

Related Party Transactions Review Committee



Nominations and Governance Committee Report

Constitution of the Committee

The Nominations and Governance Committee of MCPPLC was constituted on 26th September 2024, in compliance with Section 9.13 of the Listing Rules of the Colombo Stock Exchange.

Objectives of the Committee

The primary objective of the Committee is to review the structure and composition of the Board on an annual basis, ensuring that the collective knowledge, experience and skills of its members are aligned with the Company's corporate strategy.

In fulfilling its mandate, the Committee is also responsible for establishing eligibility criteria and ensuring that Directors and Key

Management Personnel are fit and proper individuals to hold their respective positions, in accordance with relevant statutory and regulatory requirements.

Furthermore, the Committee reviews, evaluates and recommends enhancements to the Company's Corporate Governance Framework to ensure alignment with the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance. The Committee also conducts periodic reviews of its Terms of Reference to ensure continued compliance with applicable regulations and the adoption of industry best practices.

Composition of the Committee

As at the date of this report, the Committee comprises the following members:

The Company Secretary serves as the Secretary to the Committee. The composition of the Committee reflects a balanced representation of independence, experience and domain-specific expertise, particularly in the areas of agriculture, sustainability and finance.

Name of the Member Role		Directorship Status
Mr. M.A.C.H. Munaweera	Chairman	Independent Non-Executive Director
Mr. W.V.J.T. Fernando	Member	Independent Non-Executive Director
Mrs. Gillian Edwards	Member	Independent Non-Executive Director
Mr. S.D.S. Gunesekera	Member	Non-Independent Non-Executive Director

Key Focus Areas During the Year

Following its initial formation, the Committee convened once during the year. During this meeting, the Committee oversaw the appointment of two Directors to replace those who had resigned, in accordance with Listing Rule 9.8.3 (ix). The Committee also reviewed the Company's Governance Roadmap and explored measures to enhance Board effectiveness.

In addition, the Committee assessed the composition of the Board and its sub-committees in light of the recent amendments to the Listing Rules of the Colombo Stock Exchange, which came into effect on 1st October 2024. Based on this review, the Committee proposed the necessary changes to the Board to ensure continued compliance and governance best practices.

Meetings and Reporting

The attendance of the members at these meetings is as follows:

The Nominations and Governance Committee held one meeting during the year under review. The attendance of the Committee members is summarized below:

Name of Member	Directorship Status	Total Attendance 19.12.2025	Total Attendance
Mr. M.A.C.H. Munaweera	Independent Non-Executive Director	✓	1/1
Prof. T.S. Gamini Fonseka**	Independent Non-Executive Director	✓	1/1
Mr. N.A. Lalith Cooray**	Independent Non-Executive Director	_	0/1
Mr. S.D.S. Gunesekera	Non-Independent Non-Executive Director	✓	1/1
Mrs. Gillian Edwards***	Independent Non-Executive Director	N/A	N/A
Mr. W.V.J.T. Fernando***	Independent Non-Executive Director	N/A	N/A

Note:

** = Resigned w.e.f. 31.12.2024 *** = Appointed w.e.f. 31.12.2024

✓ = Attended - = Absent

N/A = Not applicable (not a member at meeting date)



Nominations and Governance Committee Report (Contd.)

Implementation of Policies

During the year under review, the Committee prepared, recommended and presented new policies regarding the nomination of Directors. These policies were submitted for the approval of the Board and subsequently implemented in accordance with the Listing Rules of the Colombo Stock Exchange.

Board Evaluation

The Board of Directors conducts an annual self-evaluation to assess its overall performance and effectiveness. The Committee reviewed the outcomes of this evaluation and engaged in discussions regarding the Company's governance structure.

Additionally, the Board acknowledged the importance of diversity and undertook a review of its composition, considering a broad spectrum of experience, skills, age and gender as key factors contributing to effective Board performance.

In line with best practices and the Listing Rules of the Colombo Stock Exchange, the Chairman convened a separate meeting of the Independent Directors. This meeting focused on evaluating the performance of the Chairman and addressing any significant governance issues.

Re-election of Directors

In terms of the Articles of Association of the Company all Directors are required to offer themselves for re-election at regular intervals. Every year, not exceeding 1/3 of the Board must retire by rotation. Mr. G.J.L. Neomal Perera, Mr. A.J. Shamendra Jayakody and Mr. M.D.J.P. Nilantha Perera retire by rotation in terms of Article 73 & 74 of the Articles of Association of the Company and Mrs. Gillian Edwards and Mr. W.V.J.T. Fernando in terms of Article 79 of the Company's Articles of Association and offers themselves for election at the Annual General Meeting to be held on 25th September 2025.

The Board has recommended that Mr. S.J. Watawala, Mr. J.F. Fernandopulle and Mr. M.A.C.H. Munaweera, who are over 70 years of age and vacate office in terms of Section 210 of the Companies Act, be re-appointed as Directors in terms of Section 211 of the Companies Act, specially declaring that the age limit stipulated in Section 210 of the Companies Act shall not apply to the said Directors and also Mr. M.A.C.H. Munaweera, be re-appointed as an Independent Non Executive Director in terms of Listing Rules 9.8.3.(ix).

Name of the Director	Directorship Status	Board committees served	Date of Appointment to the Board	Date of last reappointment to the Board	Directorships in other listed entities	Material relationships
Mr. S. J. Watawala	Non-Executive Non- Independent Director	-	29.10.1996	26.09.2024	-	-
Mr. J. F. Fernandopulle	Executive Non- Independent Director	-	29.10.1996	26.09.2024	Richard Pieris & Company PLC	-
Mrs. Gillian Edwards	Non-Executive Independent Director	AC, RPTRC, RC, NAGC & RKC	31.12.2024	N/A	Commercial Credit and Finance PLC and Seylan Developments PLC	-
Mr. W.V.J.T. Fernando	Non-Executive Independent Director	AC, RPTRC, RC, NAGC & RKC	31.12.2024	N/A	-	-
Mr. G.J.L. Neomal Perera	Non-Executive Non- Independent Director	AC & RPTRC	29.10.1996	28.09.2022	-	-
Mr. A.J. Shamendra Jayakody	Non-Executive Non- Independent Director	RC	20.12.2011	28.09.2022	-	-
Mr. M.D.J.P. Nilantha Perera	Non-Executive Non- Independent Director	-	20.12.2011	27.09.2023	-	-
M. A. C. H. Munaweera	Non-Executive Independent Director	AC, RPTRC, RC, NAGC & RKC	30.10.2018	26.09.2024	-	-

AC = Audit Committee

RPTRC = Related Party Transactions Review Committee

RC = Remuneration Committee

NAGC = Nominations and Governance Committee

RKC = Risk Committee





Nomination and Governance Committee Report (Contd.)

Key Responsibilities

The Committee is responsible for proposing appropriate guidelines for the appointment and re-appointment of Directors to the Board. It reviews the results of the Board of Directors' performance evaluation and ensures that these findings are appropriately considered. The Chairman of the Committee engages with the Independent Directors to discuss and provide feedback on Board effectiveness to the Chairman of the Board. Additionally, the Committee monitors compliance with the Company's Corporate Governance Guidelines, including adherence to relevant statutory requirements. The Committee also establishes and oversees the annual process for reviewing the performance of the Managing Director/CEO.

Any major issues relating to the Company are updated to the Independent Directors by the Managing Director/CEO. Special Board meetings are called if the need arises, to discuss any important or critical matters. No such special meetings were held during the financial year.

Communication of Major Issues to Independent Directors

The Board ensures that Independent Directors are kept fully informed of all significant matters concerning the Company. The Managing Director/CEO provides regular updates and urgent or critical issues, if any, are addressed through special Board meetings. No such special meetings were required during the year. In addition, critical matters are presented and discussed at scheduled Board meetings, primarily through the Managing Director's Report. During the financial year, the Board met 11 times.

Induction Programme

Induction programmes are conducted for newly appointed Directors to familiarize them with Corporate Governance principles, the Listing Rules of the Colombo Stock Exchange, securities market regulations and other relevant laws and regulations. These programmes also cover the key focus areas specific to MCPPLC.

Additionally, the Board of Directors receives periodic updates on Corporate Governance, the Listing Rules of the Colombo Stock Exchange, securities market regulations and other applicable legal and regulatory developments as appropriate.

Evaluation of the Committee

At the end of the year under review, the Committee conducted a comprehensive self-evaluation to assess its overall performance and effectiveness. The evaluation process included a review of the Committee's adherence to its defined responsibilities, its contribution to the governance framework and its effectiveness in supporting the Board's objectives.

Following this assessment, the Committee expressed satisfaction that it had carried out its duties effectively and in accordance with its mandate throughout the year. The Committee remains committed to continuous improvement and intends to implement any identified enhancements to further strengthen its role in the coming year.

Declaration by the Committee

The Nominations and Governance Committee maintains a robust framework to uphold high standards of corporate governance within MCPPLC. A key aspect of its mandate is to oversee a comprehensive and periodic evaluation process covering both the Board of Directors and the Managing Director/CEO. This evaluation ensures that their responsibilities are effectively and satisfactorily discharged in alignment with the Company's strategic objectives.

The Committee also confirms that all Independent Non-Executive Directors meet the independence criteria as prescribed by the Listing Rules of the Colombo Stock Exchange. MCPPLC continues to comply fully with the Corporate Governance requirements stipulated under these Listing Rules, demonstrating its commitment to transparency, accountability and best practices.

At the conclusion of the year under review, the Committee undertook a self-evaluation of its own performance and effectiveness. This assessment reaffirmed that the Committee had diligently fulfilled its responsibilities throughout the year. Recognizing the importance of continuous improvement, the Committee is committed to implementing any enhancements necessary to further strengthen its governance role.

Conclusion

The Committee will continue to support the Board in identifying and selecting candidates who possess the requisite skills, knowledge and experience, while promoting the desired diversity to meet the strategic needs of the Company and ensure compliance with the Listing Rules of the Colombo Stock Exchange.

Furthermore, the Committee is committed to maintaining uniform governance mechanisms that enhance transparency and accountability across the organization.

On behalf of the Nominations and Governance Committee.

Mr. M.A.C.H. Munaweera

Chairman of the Nominations and Governance Committee

Risk Management Committee Report

The Risk Management Committee of MCPPLC was constituted on 26th September 2024, in compliance with Section 9.13 of the Listing Rules of the Colombo Stock Exchange. This milestone reflects the Company's evolving commitment to strengthening risk governance and aligning with integrated reporting practices.

Composition of the Committee

As at the date of this report, the Committee comprises the following members:

Name of the Member	Role	Directorship Status
Mrs. Gillian Edwards	Chairperson	Independent Non-Executive Director
Mr. W.V.J.T. Fernando	Member	Independent Non-Executive Director
Mr. M.A.C.H. Munaweera	Member	Independent Non-Executive Director
Mr. S.D.S. Gunesekera	Member	Non - Independent Non-Executive Director

The Company Secretary acts as the Secretary to the Committee. The composition reflects a balance of independence, experience and industry-specific knowledge, particularly in agriculture, sustainability and finance.

Mandate and Scope

The Risk Management Committee is responsible for overseeing the Company's enterprise risk management (ERM) framework and supporting the Board in its oversight of current and emerging risks that may impact the achievement of strategic and operational objectives.

The Committee ensures the integration of risk management into the Company's decision-making processes and promotes a riskaware culture across all levels of the organization.

Key Focus Areas During the Year

Establishment of the ERM Framework

► The Committee oversaw the development of the Company's formal Risk Management Policy and Enterprise Risk Management framework.

Risk Identification and Monitoring

- ► A comprehensive risk assessment was conducted, covering financial, operational, environmental, legal and strategic risks.
- ► High-priority risks identified include commodity price volatility, climate change impacts, pest and disease outbreaks, supply chain disruptions and labour shortages.

Climate Risks

- ➤ Recognizing the increasing exposure of the plantation sector to climate-related risks, the Committee focused on:
 - Drought risk and changing rainfall patterns
 - ► Crop yield variability
 - ▶ Water resource dependency
 - ▶ Rising input costs related to fertilizers and irrigation

Sustainability and ESG Integration

- ▶ The Committee monitored risks related to environmental stewardship, community relations, regulatory compliance and ethical conduct.
- ► ESG-related KPIs are under review for integration into the risk reporting process.

Strategic and Market Risks

➤ The Committee evaluated external risks including currency fluctuations, inflationary pressures and policy changes that could impact exports and the broader agriculture sector.

▶ The potential impact of the global coconut market and demand shifts for coconut-based products was reviewed in collaboration with the Strategy team.

Meetings and Reporting

The Committee met 02 times during the Financial period. Reports summarizing the risk landscape, key exposures and mitigation actions were submitted to the Board on a quarterly basis. The attendance of the members at these meetings is as follows:

Name of the	Directorship		Attendance	
Member	Member Status		10.02.2025	Total
Mrs. Gillian Edwards – Chairperson***	Independent Non-Executive	N/A	√	1/2
Mr. W.V.J.T. Fernando***	Independent Non-Executive	N/A	✓	1/2
Mr. M. A.C.H. Munaweera	Independent Non-Executive	√	√	2/2
Mr. S.D.S. Gunesekera	Non- Independent Non-Executive	√	-	1/2
Mr. N.A. Lalith Cooray**	Independent Non-Executive	√	N/A	1/2
Prof. T.S. Gamini Fonseka**	Independent Non-Executive	✓	NIA	1/2
Attendance per day		4/4	3/4	

Note:

** = Resigned w.e.f. 31.12.2024

*** = Appointed w.e.f. 31.12.2024

′ = Attended

- = Absent

N/A = Not applicable (not a member at meeting date)

The Year Ahead

In the upcoming year, the Committee intends to:

- ► Finalize and approve the Company's formal Risk Appetite Statement
- ► Establish clear Key Risk Indicators (KRIs) to monitor emerging threats
- ► Enhance scenario planning capabilities in light of environmental and economic uncertainties
- ► Strengthen alignment with the Integrated Reporting Framework and ESG risk disclosures

The Committee is satisfied that the Company has established the necessary foundations of a robust risk management framework and is committed to continuously improving its systems in line with industry best practices and stakeholder expectations.

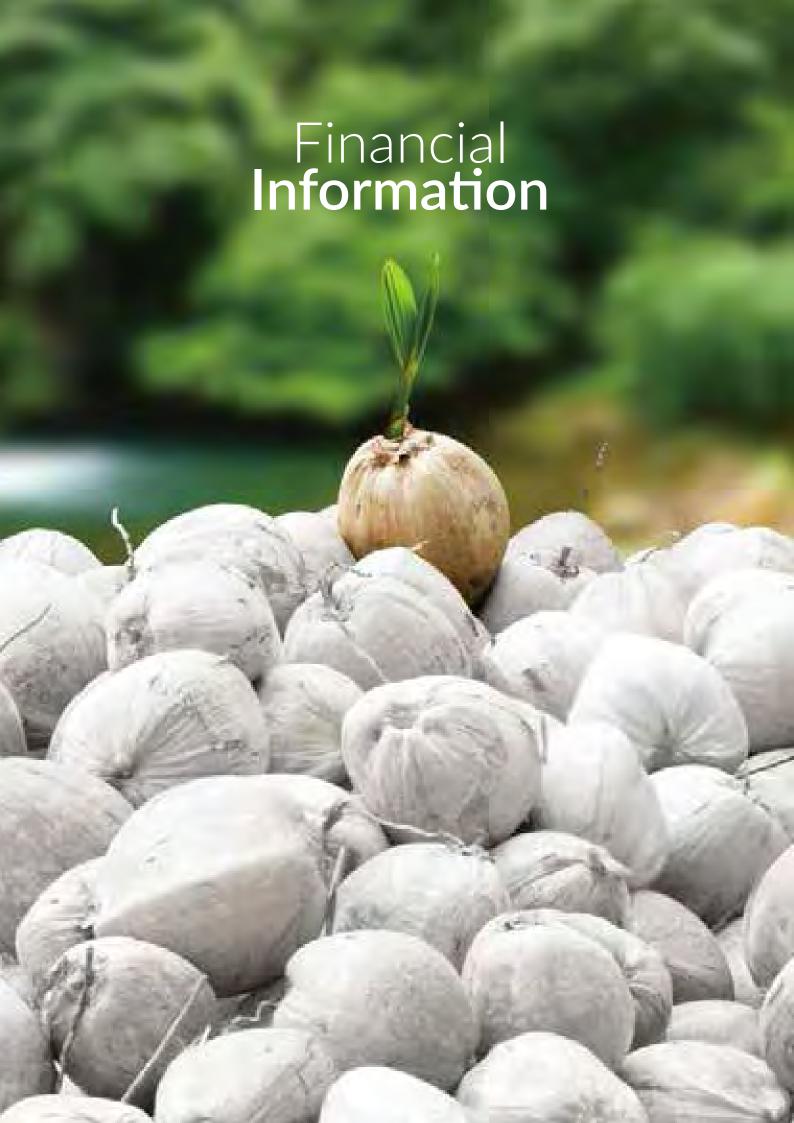
Finance related risk management strategies are discussed in detail in Note 32 in pages 124 - 126 and the extensive Risk management is outlined in on page 45 - 48.

On behalf of the Risk Committee;



Mrs. Gillian Edwards Chairperson- Risk Committee









Annual Report of the Board of Directors

General

The Board of Directors of MCPPLC takes pleasure in presenting its Annual Report to the shareholders for the Financial year ended 31st March 2025, together with the audited Financial Statements of the Company, for the said year and the Auditor's Report on those Financial Statements, conforming to the requirements of the Companies Act No 7 of 2007 and listing rules of the Colombo Stock Exchange. The Report is also guided by the recommended best practices on Corporate Governance and accounting practices.

MCPPLC is a Public Limited Liability Company incorporated in Sri Lanka in 1996 under the Companies Act No 17 of 1982 and reregistered as required under the provisions of the Companies Act No 7 of 2007. The re-registration number of the Company is PB 191 PQ.

The Company was listed on the Colombo Stock Exchange under the Diri Savi Board on 3rd June 2019.

The registered office is located at 1/82, Kimbulapitiya Road, Bolawalana, Negombo. The Financial Statements were reviewed and approved by the Board of Directors on 14th August 2025.

Principal Activities

The Company is engaged in Cultivating coconuts, manufacturing of Copra, Coco peat, Coir and Coco chips and Sale of Coconuts, Copra, Coco peat, Coir and Coco chips. The Coconut Plantation is situated in Aralaganvila in the Polonnaruwa District. The Coconut Plantation land of 551.38 Hectares is on lease.

Review of Business and Future Developments

A review of the Company's performance during the Financial year is given in the Chairman's Review on page 09 the Managing Director's/CEO's Review on pages 10 - 11 and management's review on pages 36 - 44.

Financial Statements

The Financial Statements of the Company have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS / LKAS) laid down by the CA Sri Lanka and comply with the requirements of Companies Act No. 07 of 2007.

The aforesaid Financial Statements duly signed by the Financial Controller & two Directors on behalf of the Board and the Auditor's Report are included in this Annual Report and form an integral part of this Report.

The Financial Statements of the Company are given on pages 94 - 126 of this Annual Report.

Auditors' Report

The Report of the Independent Auditors on the Financial Statements of the Company is given on pages 92 - 93.

Accounting Policies and changes during the year

The Financial Statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS). The significant accounting policies adopted in the preparation of the Financial Statements of the Company are given on pages 98 - 108.

Donations

The Company made donations amounting to Rs. 135,793/-(2023/24 – Rs.157,785/-) during the year under review for charitable purposes.

Details of material issues pertaining to employees and industrial relations

During the year under review the Company did not have any material issues pertaining to employees and industrial relations.

Taxation

A detailed statement of the income tax reconciliation of the accounting profits with the taxable profits is given in Note 25.2 of the Financial Statements. It is the policy of the Company to provide for deferred taxation on all known material timing differences between the carrying amounts of assets and liabilities for Financial reporting purposes.

Capital Expenditure

The carrying value of Property, Plant and Equipment and Electrical Substation are as at 31st March 2025 amounted to Rs. 197,307,869/- (2023/24 - Rs. 144,008,052/-). During the year, the Company has invested a total of Rs. 69,828,050/- in Property, Plant and Equipment and capital work in progress. Out of which, Rs. 8,908,713/- is utilized for Building, Rs. 86,518/- is utilised to purchase furniture and Fittings, Rs. 534,848/- is utilised to purchase Office Equipment, Rs. 499,060/- is utilised to purchase Computer Equipment, Rs. 770,550/- is utilised to purchase Electrical Equipment, Rs. 215,091/- is utilised to purchase Field Equipment, Rs. 21,518,131/- is utilized to purchase JCB 3cx Backhoe loader, Rs. 3,266,700/- utilised to purchase Solar Panel Water Pump, Rs. 4,436,396/- is utilized to purchase an Excavator, Rs. 1,414,407/- is utilised to purchase four cultivator machines. Furthermore, the Company has spent Rs. 28,177,636 in Capital work in progress (CWIP), the majority of which is incurred for the construction of executive bungalow.

Summarized Financial Results

	2024/25 Rs.	2023/24 Rs.
Revenue	415,692,479	278,950,900
Profit Before Taxation	201,434,619	127,390,066
Taxation	(61,044,411)	8,589,945
Profit After Taxation	140,390,208	135,980,011
Other Comprehensive Income	(1,493,237)	(2,205,080)
Retained Earnings b/f	401,983,270	320,702,512
Declared Dividend	(69,992,230)	(52,494,173)
Retained Earnings c/f	470,888,011	401,983,270



During the year, from the CWIP, the Company has transferred Rs. 35,227,116/- (Rs. 32,965,626/- for the executive bungalow, Rs. 294,808/- for slasher installation, Rs. 816,377/- for Solar Panel Water Pump and Rs. 1,150,305/- for CCTV installation) for the construction of electric fence) to the Property Plant and Equipment.

The extents, locations, valuations and the number of buildings on the Company's land are as follows. The movement of Property, Plant and Equipment during the year is given in Note 6 to the Financial Statements.

Place	Location	Extent	Number of Buildings	Value (Rs)
MCPPLC - Head Office	Negombo	23.65P (Land) 1,606.5 sq.ft. (Building)	1	20,095,000 5,435,000
MCPPLC - Plantation	Aralaganwila	551.38 HA (Lease) 26,622.8 sq.ft (Building)	49	16,541,028 96,707,005

Stated Capital and Reserves

The Stated Capital of the Company as at 31st March 2025 was 384,717,995/- (2023/2024 –Rs. 384,717,995/-). The number of shares issued by the Company as at 31st March 2025 is 34,996,115 fully paid ordinary shares. The movement of the Stated Capital & Reserves during the year are given under the Statement of Changes in Equity on page 96.

Contingent Liabilities and Capital Commitments

Details of the Contingent Liabilities $\,$ & Capital Commitments are disclosed in Note 28 $\,$ & 29 to the Financial Statements.

Dividend on Ordinary Shares

A final dividend for 2023/24 of Rs. 2/- per share was paid during the year.

The Directors recommended a final dividend of Rs. 3/- per ordinary share for the year 2024/25. The final dividend is subject to the approval of shareholders at Annual General Meeting. The dividend is paid out of profits. The Directors are satisfied that the Company would meet the solvency test requirement under Section 56(2) of the Companies Act No. 07 of 2007, immediately after the payment of the final dividend.

Information on the Directors of the Company

The Board of Directors of the Company as at 31st March 2025 consist of ten (10) Directors, with a Broad range of skills, experiences and attributes.

Maximum Number of Directorships

Executive Directors May hold a maximum of five Directorships in the Listed Entities, including their role in the Company. Non-Executive Directors: May hold a maximum of Seven Directorships in the Listed Entities, including their role in the Company.

Board of Directors

The names of Directors who held office during the year under review are as follows

review are as follows.	
Mr. S.D.W. Asitha Gunasekara	Chairmen / Non-Executive Non Independent Director
Mr. J.F. Fernandopulle	Managing Director/CEO / Executive Non-Independent Director
Mr. S.J. Watawala	Non-Executive Non-Independent Director
Mr. S.D.S. Gunesekara	Non-Executive Non Independent Director
Mr. G.J.L. Neomal Perera	Non-Executive Non Independent Director
Mr. A.J. Shamendra Jayakody	Non-Executive Non Independent Director
Mr. M.D.J.P. Nilantha Perera	Non-Executive Non Independent Director
Mrs. Gillian Edwards	Non-Executive Independent Director
Mr. M.A.C.H. Munaweera	Non-Executive Independent Director
Mr. W.V.J.T. Fernando	Non-Executive Independent Director

Directors' Responsibilities for Financial Reporting

The Statement of the Directors' Responsibilities is given on page 90.

Register of Directors and Secretaries

As required under Section 223 (1) of the Companies Act No 7 of 2007, the Company

maintains a Register of Directors and Secretaries which contains the name, surname, former name (if any), residential address, business occupation, dates of appointment and dates of resignation (if applicable) of each Director and the Secretary. Director and the Secretary.





Independence of Directors

The Board has made a determination as to the independence of each Non-Executive Director and confirms that three out of the nine Non-Executive Directors (1/3) meet the criteria of independence as per the listing rules.

Each of the Independent Directors has submitted a signed and dated declaration of his/her independence against the specified criteria.

Fit and Proper Assessment of Directors

In terms of Rule 9.7.4 of the Listing Rules of the Colombo Stock Exchange, Declarations were obtained from the Directors who confirmed that they have continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the financial year under review and as at the date of such Declarations.

Board Sub-Committees

Audit Committee

Mrs. Gillian Edwards (Chairperson) Mr. W.V.J.T. Fernando Mr. M.A.C.H. Munaweera Mr. S.D.S. Gunesekera Mr. G.J.L. Neomal Perera

Remuneration Committee

Mr. M.A.C.H. Munaweera (Chairman) Mrs. Gillian Edwards Mr. W.V.J.T. Fernando Mr. S.D.W. Asitha Gunasekera Mr. A.J. Shamendra Jayakody

Related Party Transactions Review Committee

Mr. W.V.J.T. Fernando (Chairman) Mr. S.D.S. Gunesekera Mr. G.J.L. Neomal Perera Mrs. Gillian Edwards Mr. M.A.C.H. Munaweera

Risk Committee

Mrs. Gillian Edwards (Chairperson) Mr. W.V.J.T. Fernando Mr. M.A.C.H. Munaweera Mr. S.D.S. Gunesekera

Nominations and Governance Committee

Mr. M.A.C.H. Munaweera (Chairman) Mr. W.V.J.T. Fernando Mrs. Gillian Edwards Mr. S.D.S. Gunesekera

The reports of the Audit Committee, Remuneration Committee, Related Party Transactions Review Committee, Nominations & Governance Committee and Risk Committee are given on pages 74 - 82.

Re-election/ re-appointment/ resignation of Directors

Mr. G.J.L. Neomal Perera, Mr. A.J. Shamendra Jayakody and Mr. M.D.J.P. Nilantha Perera retire by rotation in terms of Article 73 & 74 of the Articles of Association of the Company and Mrs. Gillian Edwards and Mr. W.V.J.T. Fernando in terms of Article 79 of the Company's Articles of Association and offers themselves for election at the forthcoming Annual General Meeting.

The Board has recommended that Mr. S.J. Watawala, Mr. J. F. Fernandopulle and Mr. M.A.C.H. Munaweera, who are over 70 years of age and vacate office in terms of Section 210 of the Companies Act, be re-appointed as Directors in terms of Section 211 of the Companies Act, specially declaring that the age limit stipulated in Section 210 of the Companies Act shall not apply to the said Directors and also Mr. M.A.C.H. Munaweera, be re-appointed as an Independent Non-Executive Director and Prof. T.S. Gamini Fonseka and Mr. N.A. Lalith Cooray have resigned from directorship in terms of Listing Rules 9.8.3.(ix).

Interest Register

The Company maintains an interest register in terms of the Companies Act No. 07 of 2007, which is deemed to form part and partial of this Annual Report and is available for inspection upon request.

All related party transactions which encompass the transactions of Directors who were directly or indirectly interested in a contract or a related party transaction with the Company during the accounting period are recorded in the Interest Register in due compliance with the applicable rules and regulations of the relevant Regulatory Authorities.

The relevant interests of the Directors in the shares of the Company as at 31st March 2025 as recorded in the Interest Register is given in this Report under Directors' Shareholding.

Directors' Interests in Contracts

The Directors' have no direct or indirect interest in any other contract or proposed contract with the Company except for the transactions referred to in Note 31 on pages 122 - 124 of the Financial Statements.

Directors' Interest in Shares

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

Directors' Name	No. of Shares as at 31.03.2025	No. of Shares as at 31.03.2024
Mr. S.D.W. Asitha Gunasekera	1,088	1,088
Mr. J.F. Fernandopulle	758,876	758,876
Mr. S.D.S. Gunesekera	11,504	11,504
Mr. S.J. Watawala	881,847	881,847
Mr. G.J.L. Neomal Perera	777,733	777,733
Mr. A.J. Shamendra Jayakody	2,548	2,548
Mr. M.D.J.P. Nilantha Perera	280,504	280,504



Directors' Remuneration

Director's remuneration and other benefits in respect of the Company for the Financial year ended 31st March 2025 is given in Note 31 to the Financial Statements.

Related Party Transactions

The Directors declare that the Company is in compliance with Rule 9 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions during the Financial year ended 31st March 2025.

Details of the Related Party Transactions Review Committee and its Report are given on pages 77 -78

Related party transactions of the Company are disclosed in Note 31 to the Financial Statements.

Events occurring after the date of the Statement of Financial Position

The events occurring after the date of Statement of Financial Position, have been disclosed in Note 30 in the Financial Statements.

Going Concern

The Board of Directors after considering the Financial position, operating conditions, regulatory and other factors have a reasonable expectation that the Company possess adequate resources to continue its operations without any disruption in the foreseeable future. Accordingly, the Financial Statements of the Company is prepared based on the going concern principles.

Auditors

The Financial Statements for the year ended 31st March 2025 were audited by Kreston MNS & Co., Chartered Accountants.

The Auditors have confirmed that they have had no interest in or relationship with the Company than that of Auditors. They confirm that they are independent in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of Sri Lanka.

The Auditors were paid Rs. 1,363,844 as Audit Fees by the Company.

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

Risk Management

The Board of Directors confirms that there is an ongoing process of identifying, evaluating and managing any significant risk faced by the Company. These are identified and the specific steps adopted by the Company are detailed on page 82 of this Annual Report.

Public Holdings

A percentage of 89% of the issued shares of the Company are held by the public comprising of 852 shareholders as at the end of the year.

Major Shareholding

Details of the major shareholders of the Company as at 31st March 2025 are given under largest shareholdings on page 129.

Stock Market Information

Information relating to trading of shares of the Company is given under shareholder information on page 129.

Corporate Governance

The Board of Directors are responsible for the governance of the Company. The Board has placed considerable emphasis on developing rules, structures and process to ensure integrity and transparency in all the dealings of the Company and adopting good governance in managing the affairs of the Company. The Board in the discharge of its responsibilities aforesaid had been guided by the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Listing Rules of the Colombo Stock Exchange.

The Board of Directors confirm that the Company is compliant with Section 9 of the Listing Rules of the Colombo Stock Exchange.

The Corporate Governance practices of the Company are set out on pages 55 - 72.

Internal Controls

The Board of Directors ensures that the Company has an effective internal control system which ensures that the assets of the Company are safeguarded and appropriate systems are in place to minimize and detect fraud, errors and other irregularities. The system ensures that the Company adopts procedures which result in Financial and operational effectiveness and efficiency. The Audit Committee Report set out in this Annual Report provide further information in respect of the above.

Statutory Payments

The Directors to the best of their knowledge and belief are satisfied that all statutory Financial obligations to the Government and to the employees have been either duly paid or adequately provided in the Financial Statements.

A confirmation of same is included in the Statement of Directors' Responsibilities of this Annual Report.



Policies

The Company has adopted the following policies with effect from 28th October 2024 and has uploaded them to the Company's website.

- 1. Policy on the matters relating to the Board of Directors.
- 2. Policy on Board Committees
- 3. Policy on Corporate Governance, Nominations and Reelection
- 4. Policy on Remuneration
- Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities
- 6. Policy on Risk management and Internal controls
- 7. Policy on Relations with Shareholders and Investors
- 8. Policy on Environmental, Social and Governance Sustainability
- 9. Policy on Control and Management of Company Assets and Shareholder Investments
- 10. Policy on Corporate Disclosures
- 11. Policy on Whistle-blowing
- 12. Policy on Anti-Bribery and Corruption

Annual General Meeting

The Notice of the twenty seventh Annual General Meeting is given on Page 138. The 28th Annual General Meeting of the Company will be held on 25th September 2025 at 10.30 a.m. at Avenra Garden Hotel, Negombo.

Acknowledgement of the Contents of the Report

As required by Section 168 (1) (k) of the Companies Act No. 07 of 2007 the Board of

Directors hereby acknowledge the contents of this Report.

For and on behalf of the Board,

Mr. S. D. W. Asitha Gunasekera

Chairman

Mr. J. F. Fernandopulle Managing Director/CEO

1.80

Kalrupco Management Services (Private) Limited Company Secretaries

Reg. No. RCS2000144 Colombo.





Statement of Directors' Responsibility for Financial Reporting

The Companies Act No. 7 of 2007 requires the Directors of the Company to be responsible for the preparation and presentation of the Financial Statements and other statutory reports. The responsibilities of the Directors, in relation to the Financial Statements of MCPPLC are set out in this report.

The Directors confirm that the Financial Statements and other statutory reports of the Company for the year ended 31st March 2025 incorporated in this report have been prepared in accordance with the Companies Act No. 7 of 2007, the Sri Lanka Accounting Standards (SLFRS/LKAS) and the Listing Rules of the Colombo Stock Exchange.

The Directors have taken appropriate steps to ensure that the Company maintains adequate and accurate records which reflect the true Financial position of the Company. The Directors have taken appropriate and reasonable steps to safeguard the assets of the Company. The Directors have instituted appropriate systems of internal control in order to minimise and detect frauds, errors and other irregularities. The Directors, in maintaining a sound system of internal control and in protecting the assets of the Company, have further adopted risk management strategies to identify and evaluate the risks which the Company could be exposed to and its impact to the Company.

The Company has adequate resources to continue in operation. The Directors have adopted the going concern basis in preparing the Financial Statements. The Financial Statements presented in this Annual Report for the year ended 31st March 2025, have been prepared based on the Sri Lanka Accounting Standards (SLFRS/LKAS). The Directors have selected the appropriate accounting policies and such policies as those adopted by the Company are disclosed and explained in the Financial Statements.

The Board of Directors confirms that the Company's Statements of Financial Position as at 31st March 2025 and the Statement of Comprehensive Income for the Financial year ended 31st March 2025 reflect a true and fair view of the Company.

The Directors have provided the Auditors with every opportunity to carry out any reviews and tests that they consider appropriate and necessary for the performance of their duties. The responsibility of the Independent Auditors in relation to the Financial Statements is set out in the Independent Auditors Report.

The Directors confirm that to the best of their knowledge all payments to employees, regulatory and statutory authorities due and payable by the Company has been either duly paid or adequately provided for in the Financial Statements. The Directors further confirm that they promote the highest ethical, environmental and safety standards within the Company. The Directors also ensure that the relevant national laws and codes of regulatory authorities and professional institutes have been complied by the Company.

By Order of the Board, **Mahaweli Coconut Plantations PLC**



Kalrupco Management Services (Private) Limited Company Secretaries

Reg. No. RCS2000144 Colombo.



Managing Director's and Financial Controller's Responsibility Statement

The Financial Statements of MCPPLC are prepared in compliance with the Sri Lanka Accounting Standards issued by The Institute of Chartered Accountants of Sri Lanka, Companies Act No.07 of 2007, Sri Lanka Accounting and Auditing Standards Act No.15 of 1995, Code of Ethics issued by CA Sri Lanka and the Listing Rules of the Colombo Stock Exchange. The accounting policies used in the preparation of the Financial Statements are appropriate and are consistently applied by the Company. There are no departures from the prescribed Accounting Standards in their adoption. Comparative information is reclassified wherever necessary to comply with the current presentation.

The significant accounting policies and estimates that involve a high degree of judgment and complexity were discussed with our External Auditors and the Audit Committee.

The Board of Directors and Financial Controller of the Company accept responsibility for the integrity and objectivity of these Financial Statements. The estimates and judgments relating to the Financial Statements were made on a prudent and reasonable basis, in order that the Financial Statements give a true and fair view of the state of affairs, the forms and substance of transactions and that the Company's state of affairs is reasonably presented. To ensure this, the Company has taken proper and sufficient care in installing a system of internal controls and accounting records, for safeguarding assets and for preventing and detecting fraud as well as other irregularities, which is reviewed, evaluated and updated on an ongoing basis. Our Internal Auditors have conducted periodic Audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed. However, there are inherent limitations that should be recognized in weighing the assurance provided by any system of internal controls and accounting.

The Financial Statements of the Company were audited by Messrs Kreston M N S & Co Chartered Accountants and their report is given on pages 92 - 93 to of this Annual Report.

The Audit Committee of the Company meets periodically with the Internal Audit Team and the External Auditors to review their audit plans, assess the manner in which these Auditors are performing their responsibilities and to discuss their reports on, internal controls and Financial reporting issues. To ensure complete independence, the External Auditors and the Internal Auditors have full and free access to the members of the Audit Committee to discuss any matters of substance.

We confirm that the Company has complied with all applicable laws, regulations guidelines and that there are no material litigations that are pending against the Company.

Mr. J. F. Fernandopulle Managing Director/CEO

Mr. J. Kaneshwaran Financial Controller



Independent Auditor's Report



Kreaton MSS & Co.
Disultaned Accountainty
Level 1 & 2. Advantage Building
74A, Disunsepula Maserina
Colombia Of

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MAHAWELI COCONUT PLANTATIONS PLC Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of **MAHAWELI COCONUT PLANTATIONS PLC** (the Company), which comprise the Statement of Financial Position as at 31st March 2025 and the 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 exhibited on pages 94 to 126.

In our opinion, the accompanying Financial Statements of the Company give a true and fair view of the Financial Position of the Company as at 31st March 2025 and of its Financial Performance and its Cash Flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued 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.

Key Audit Matter

Consumable biological Asset

As at 31 March 2025, 20.98% of the total assets of the Company consisted of consumable biological assets amounting to Rs. 233.04 Mn which are carried at fair value and the fair value Gain of Rs. 19.74 Mn on such valuation has been included in the current year performance of the Company.

The valuation of consumable biological assets involves use of significant assumptions, technical expertise and discounted cash flow model. Due to changes in the key assumptions used such as discount rate and expected timber volume to value, the valuation of Company's consumable biological asset could have a material impact on the Statement of Comprehensive Income and the Statement of Financial Position of the Company. Accordingly, valuation of consumable biological assets has been considered as a Key Audit Matter.

How our audit addressed the Key Audit Matter

Our audit procedures focused on the valuation performed by the Management's external valuer, which included among others the following procedures;

- We evaluated the competence, capability and objectivity of the external valuer engaged by the Company.
- We assessed the tree census records maintained by the Company and cross checked whether the number of trees as per valuation report are consistent with that of the census report.
- We read the external valuer's report and understood the fair value methodology and inputs used (such as discount rate and expected timber volume) in the valuations.

We evaluated the adequacy of the related disclosures given in Note 10 in the Financial Statements.

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Branches

Anunadhapura, Badulia, Batticaloa, Hatton, Jaffna, Kandy, Negombo, Nuwara Eliya, Trincomalee



Independent Auditor's Report (Contd.)

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

 Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 7393.

CHARTERED ACCOUNTANTS

COLOMBO 14th August 2025

Statement of Financial Position

AC AT		31.03.2025	31.03.2024
AS AT	Note	Rs.	Rs.
Assets			
Non-Current Assets			
Right of use Assets - Land	5	4,029,762	4,971,848
Property, Plant & Equipment	6	189,994,493	136,427,590
Electrical Substation	7	7,313,376	7,580,462
Intangible Assets	8	71,951	107,951
Bearer Biological Assets	9	89,977,437	114,433,118
Consumable Biological Assets	10	233,040,000	213,300,000
Total Non-Current Assets		524,427,019	476,820,969
Current Assets			
Inventories	11	72,688,296	59,557,429
Trade & Other Receivables	12	64,684,999	107,735,335
Short Term Investments	13	365,135,200	270,153,388
Income Tax Refund due	14	-	551,409
Cash at Bank & In Hand	15	83,625,770	64,266,005
Total Current Assets		586,134,265	502,263,566
Total Assets		1,110,561,284	979,084,535
Equity and Liabilities			
Capital & Reserves Stated Capital	16	384,717,995	384,717,995
Retained Earnings		470,888,011	401,983,270
Total Equity		855,606,006	786,701,265
		16 210 276	16 210 276
Advance Received for Allotment of Shares		16,319,276	16,319,276
Shareholders' Funds		871,925,282	803,020,541
Non-current Liabilities			
Obligation under Right of use Assets - Land on Lease	17	17,880,522	21,764,590
Retirement Benefit Obligation	18	18,024,364	13,509,682
Deferred Tax Liability	19	94,429,940	93,344,549
Total Non-Current Liabilities		130,334,826	128,618,821
Current Liabilities			
Trade & Other Payables	20	45,530,726	39,266,603
Obligation under Right of use Assets - Land on Lease	17	7,000,865	6,586,792
Income Tax Payable	14	49,998,179	_
Bank Overdraft	15	5,771,406	1,591,778
Total Current Liabilities		108,301,176	47,445,173
Total Liabilities		238,636,002	176,063,994
Total Equity & Liabilities		1,110,561,284	979,084,535

Figures in bracket indicate deductions.

The Financial Statements are to be read in conjunction with the related notes, which form a part of the Financial Statements of the Company set out on pages 98 to 126.

I certify that the above Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

Financial Controller Mr. J. Kaneshwaran

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Approved and signed for and on behalf of the Board of Directors.

Chairman

Mr. S.D.W Asitha Gunasekara

14th August 2025

Managing Director/CEO

Mr. J. F. Fernandopulle



Statement of Comprehensive Income

FOR THE VEAR ENDED		31.03.2025	31.03.2024
FOR THE YEAR ENDED	Note	Rs.	Rs.
Revenue	21	415,692,479	278,950,900
Cost of Sale		(213,793,837)	(191,496,431)
Gross Profit		201,898,642	87,454,469
Other Income	22	6,728,144	15,047,072
Gain on change in Fair Value of Biological Assets		19,740,000	30,098,751
Administration Expenses		(52,655,983)	(44,112,501)
Other Expenses		(171,799)	(71,429)
Results from Operating Activities		175,539,004	88,416,362
Finance Costs	23	(3,769,569)	(4,125,413)
Finance Income	23	29,665,184	43,099,117
Net Finance Income		25,895,615	38,973,704
Profit before Taxation	24	201,434,619	127,390,066
Taxation	25	(61,044,411)	8,589,945
Profit for the year		140,390,208	135,980,011
Other Comprehensive Income			
Other Comprehensive Income not to be reclassified to profit or loss in the subsequent period (net of tax)			
Actuarial Gain / (Loss) on Retirement Benefit Obligation	18.2	(2,133,196)	(3,150,114)
Tax effect on Actuarial Gain / (Loss) on Retirement Benefit Obligation	25	639,959	945,034
Net Other Comprehensive Income not to be reclassified to profit or loss in the subsequent period (net of tax)		(1,493,237)	(2,205,080)
Total Other Comprehensive Income for the year, net of tax		(1,493,237)	(2,205,080)
Total Comprehensive Income for the Year (net of tax)		138,896,971	133,774,931
Earnings per Share (Rs.) - Basic	26	4.01	3.88
- Diluted	26	4.01	3.88
Dividend per Share (Rs.)	27	2.00	1.50

Figures in bracket indicate deductions.

The Financial Statements are to be read in conjunction with the related notes, which form a part of the Financial Statements of the Company set out on pages 98 to 126.

Statement of Changes in Equity

FOR THE YEAR ENDED 31ST MARCH 2025	Note	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 1st April 2023		384,717,995	320,702,512	705,420,507
Final Dividend for 2022/2023	33	-	(52,494,173)	(52,494,173)
Transactions with owners		-	(52,494,173)	(52,494,173)
Profit for the year		-	135,980,011	135,980,011
Other comprehensive income for the year net of tax		-	(2,205,080)	(2,205,080)
Total comprehensive income for the year net of tax		-	133,774,931	133,774,931
Balance on 31st March 2024		384,717,995	401,983,270	786,701,265
Balance as at 1st April 2024		384,717,995	401,983,270	786,701,265
Final Dividend for 2023/2024	33	-	(69,992,230)	(69,992,230)
Transactions with owners		-	(69,992,230)	(69,992,230)
Profit for the year		-	140,390,208	140,390,208
Other comprehensive income for the year net of tax		-	(1,493,237)	(1,493,237)
Total comprehensive income for the year net of tax		-	138,896,971	138,896,971
Balance on 31st March 2025		384,717,995	470,888,011	855,606,006

Figures in bracket indicate deductions.

The Financial Statements are to be read in conjunction with the related notes, which form a part of the Financial Statements of the Company set out on pages 98 to 126.



Statement of Cash Flows

FOR THE YEAR ENDED	Note	31.03.2025 Rs.	31.03.2024 Rs.
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Taxation		201,434,619	127,390,066
Adjustments for:			
Finance Income	23	(29,665,184)	(43,099,117)
Finance Cost	23	3,769,569	4,125,413
Depreciation of Property, Plant & Equipment	6	14,834,378	11,406,954
Amortisation of Intangible Assets	8	36,000	54,739
Amortisation of Right of use of Land on Lease	5	942,086	942,086
Immature Bearer Biological Assets transfer to Statement of Comprehensive Income	9	77,663	116,265
Nork in Progress transfer to Expenses	6	1,376,101	157,493
Amortisation of Electrical Substation	7	267,086	267,274
Depreciation on Bearer Biological Assets	9	25,244,254	25,244,253
Provision for Gratuity	18	3,367,456	2,722,174
Loss / (Profit) on changes in Fair Valuation of Consumable Biological Assets	10	(19,740,000)	(30,098,751)
Profit on Sale of Teak Trees	22	-	(12,219,791)
Loss on Disposal of Fixed Assets		50,668	-
Profit from operations before changes in working capital		201,994,696	87,009,059
Changes in Working Capital			
(Increase) / Decrease in Inventories	11	(13,130,867)	(7,837,339)
(Increase) / Decrease in Trade & Other Receivables	12	(2,021,664)	(21,159,394)
Increase / (Decrease) in Trade & Other Payables	20	5,611,350	3,279,151
Cash Generated from Operations		192,453,515	61,291,477
Gratuity Paid	18	(985,970)	(1,242,950)
Tax Paid	14	(7,049,429)	(3,381,456)
WHT	14	(1,720,044)	(2,314,246)
Net Cash Generated from Operating Activities	14	182,698,072	54,352,825
CASH FLOW FROM INVESTING ACTIVITIES			/
Acquisition of Property, Plant & Equipment	6	(41,650,414)	(22,995,613)
Addition to Bearer Biological Assets - Immature	9	(866,236)	(954,102)
Expenditure on Capital Work in Progress	6	(28,177,636)	(8,104,481)
Net Investment in Fixed Deposits	13	(99,783,301)	(4,773,523)
nterest Received		34,466,675	46,868,055
Cash received from Teak Sales		45,072,000	9,800,000
Net Cash used in Investing Activities		(90,938,912)	19,840,336
CASH FLOW FROM FINANCING ACTIVITIES			
Payment to Mahaweli Authority of Sri Lanka	17	(6,586,793)	-
Dividend Paid	33	(69,992,230)	(52,494,173)
Net Cash used in Financing Activities		(76,579,023)	(52,494,173)
Net Increase / (Decrease) in Cash and Equivalents		15,180,137	21,698,988
Cash and Cash Equivalents at the Beginning of the year	15	62,674,227	40,975,239
Cash and Cash Equivalents at the End of the year	15	77,854,364	62,674,227

Figures in bracket indicate deductions.

The Financial Statements are to be read in conjunction with the related notes, which form a part of the Financial Statements of the Company set out on pages 98 to 126.



NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

1.1 Domicile and Legal Form

Mahaweli Coconut Plantations PLC is a Public Limited Liability Company, incorporated on 29th October 1996 under the Companies Act No. 17 of 1982 and domiciled in Sri Lanka. The Company was re– registered under the Companies Act No. 07 of 2007 on 06th February 2008. (Registration No. (PB) 191PQ). The registered office of the Company is located at No. 1/82, Kimbulapitiya Road, Bolawalana, Negombo. The Coconut Plantation is on lease land obtained from the Mahaweli Authority of Sri Lanka and is situated in Mahaweli System B Pimburettewa. Aralaganvila.

The Ordinary Shares of the Company are listed on the Diri Savi Board of the Colombo Stock Exchange of Sri Lanka from 03rd June 2019.

1.2 Principal Business Activities and Nature of Operations

The Company is primarily involved in the Cultivation of Coconuts & manufacturing of Copra, Coco Peat, Coco Chips and Coir and sale of Coconuts, Copra, Coco Peat, Coco Chips & Coir.

1.3 Date of authorization of issue.

The Financial Statements for the year ended 31st March 2025 were authorised for issue by the Board of Directors on 14th August 2025.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Financial Statements of the Company comprise of Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows together with the significant Accounting Policies and notes to the Financial Statements.

The Financial Statements of the Company have been prepared and presented in accordance with Sri Lanka Accounting Standards, which comprises Sri Lanka Accounting Standards (LKAS / SLFRS) and in compliance with the requirement of the Companies Act No. 07 of 2007.

These Financial Statements except for information on cash flows have been prepared following the accrual basis of accounting.

2.2 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis except for the following material items appearing in the statement of financial position: -

 Retirement benefit obligation has been recognized as the present value of the defined benefit obligation based on actuarial valuation as per LKAS 19 "Employee Benefits" (Note 18)

- Consumable biological assets are measured at fair value as per LKAS 41 "Agriculture". (Note 10)
- Agriculture produce harvested from bearer biological assets is measured at fair value less cost to sell as per LKAS 41 "Agriculture" (Note 11)

2.3 Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards and as per the provisions of the Companies Act No. 07 of 2007. This responsibility includes:

Designing, Implementing and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

2.4 Comparative Information

Except when a standard permit or requires otherwise, comparative information is disclosed in respect of the previous period. Where the presentation or classification or items in the Financial Statements are amended, comparative amounts are reclassified unless it is impracticable.

2.5 Going Concern

The Board of Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Board is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the Company. Therefore, the Financial Statements continue to be prepared on the going concern basis

2.6 Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard 01 on "Presentation of Financial Statements".

2.7 Use of estimates and judgements

The preparation of Financial Statements in conformity with LKAS/SLFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and the results form



2.7 Use of estimates and judgements (Contd.)

the basis of making the judgements about the carrying amount of assets and liabilities that are not readily apparent from other sources.

Estimates and assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the Financial Statements are included in respective note to the Financial Statements.

2.8 Functional & Presentation currency

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Financial Statements are presented in Sri Lankan Rupees (Rs.), which is the Company's functional and presentation currency. All financial information presented in Sri Lankan Rupees has been rounded to the nearest Rupee.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Overall Considerations

The significant accounting policies that have been used in the preparation of these Financial Statements are summarised below.

3.1 Fair Value Measurement

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

- Managed Consumable Biological Assets Note 10
- Agriculture Produce from Bearer biological assets Note 11

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, 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 categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing 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.

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

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

3.2 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Comprehensive Income. Monetary assets and liabilities balances are translated at year end exchange rates.

Non-monetary items measured at historical cost or fair value are translated at the rates prevailing on the date of the transaction.



3. Summary of Significant Accounting Policies (Contd.)

3.3 Right of Use Land on Lease

The Company 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.

The right-of-use asset is subsequently amortised using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

3.4 Property, Plant and Equipment

3.4.1 Cost

Property, Plant and Equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the Company and the cost of the asset can be measured reliably. All Property, Plant and Equipment are measured at cost less accumulated depreciation and accumulated impairment loss. The cost includes expenditure that is directly attributable to the acquisition of assets. The cost of self-constructed assets includes the cost of materials direct labour, any other cost directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling, removing and restoring, the site on which they are located.

3.4.2 Subsequent Cost

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company, the cost of the item can be measured reliably.

All other repairs & maintenance are charged to the Statement of Comprehensive Income as an expense as incurred.

3.4.3 Derecognition

The carrying amount of any component accounted for as a separate asset 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 Statement of Comprehensive Income in the year the assets is derecognised.

3.4.4 Depreciation

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following useful lives are used for the depreciation of Property, Plant & Equipment:

Freehold Assets	Years
Buildings	30
Motor Vehicles	5
Furniture & Fittings	10
Equipment & Machinery	8 - 13

Depreciation of an asset begins from the month the asset is available for use and ceases at the month in which the asset is disposed

The assets residual values and, useful lives are reviewed and adjusted if appropriate at the end of each financial year.

3.4.5 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit, or CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Comprehensive Income.

In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

3.4.6 Capital work-in-progress

Capital work-in-progress is stated at cost less any accumulated impairment losses. These are expenses of a capital nature directly incurred in the construction





3. Summary of Significant Accounting Policies (Contd.)

3.4.6 Capital work-in-progress (Contd.)

of buildings, major plant and machinery and system development, awaiting capitalisation. The expenditure incurred in the course of construction of Property, Plant and Equipment during the year is presented in Note 06. Capital work- in-progress would be transferred to the relevant asset when it is available for use.

3.5 Electrical Substation

Electrical Substation is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives of 30 years. Residual values are assumed to be zero.

3.6 Intangible Assets

Intangible assets include computer software carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated on a straightline basis over their estimated useful lives of 5 years. Residual values are assumed to be zero.

All amortisation charges are expensed to the Statement of Comprehensive Income.

3.7 Biological Assets

Biological assets are classified in to mature biological assets and immature biological assets. Mature biological assets are those that have attained harvestable specifications or are able to sustain regular harvests.

Immature biological assets are those that have not yet attained harvestable specifications.

Biological assets are further classified as bearer biological assets and consumable biological assets.

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

3.7.1 Bearer Biological Asset (Coconut Plantation)

Bearer biological asset includes coconut trees, those that are not intended to be sold or harvested, however used to grow for harvesting agricultural produce from such biological assets. The costs of new planting are classified as immature plantation up to the time of harvesting the Crop. The costs of areas coming into bearing are transferred to mature plantation at the time the Bearer biological asset is ready to harvest and are depreciated over their useful life period, in terms of LKAS16 - Property, Plant and Equipment.

The useful life used for this purpose,

Coconut Plantation

20 Years

3.7.2 Infilling Cost

Where Infilling results in an increase in the economic life of relevant fields beyond its previously assessed standard of performance, the costs are capitalised in accordance with Sri Lanka Accounting Standard LKAS 16 Property, Plant & Equipment and depreciated over useful life applicable to mature plantation.

Infilling costs that are not capitalised are charged to the Statement of Comprehensive Income in the year in which they are incurred.

3.7.3 Consumable Biological Asset (Teak Plantation)

Consumable biological assets include managed teak trees those that are to be harvested as agricultural produce or sold as biological assets. The managed teak trees are measured on initial recognition and at the end of each reporting period at its fair value less cost to sell in terms of LKAS 41. Cost to sell include all cost that would be necessary to sell assets, including transportation cost if any. The Fair Value of consumable biological assets is determined based on a valuation carried out by a qualified valuer. When determining the fair value of biological assets, the number of trees in the plantation are physically verified together with their height and girth.

The gain or loss arising on recognition of consumer biological assets at fair value less cost to sell and from the change in fair value less cost to sell of biological assets are included in the Statement of Comprehensive Income for the period in which it arises.

The fair value of timber trees is measured using DCF method taking in to consideration the current market prices of timber, applied to expected timber content of a tree at the maturity by an independent professional valuer. All other assumptions and sensitivity analysis are given in Note 10.

The main variables in DCF model are as follows.

Variable	Comment
Currency valuation	Sri Lankan Rupees – Rs.
Timber content	Estimated based on information of girth & height of the trees sent by Management of MCPPLC
Economic useful life	Estimated based on the normal life span of each tree
Selling price	Estimated based on prevailing Sri Lankan market price. Factor all the conditions to be fulfilled in bringing the trees in to saleable condition.
Discount Rate	Future cash flows are discounted at following discount rates: Timber trees 13.36%.

3.7.4 Nursery Cost

Nursery cost includes the cost of direct material, direct labour and an appropriate proportion of directly attributable overheads of other inter plants. Nurseries are measured at cost less accumulated impairments.





3. Summary of Significant Accounting Policies (Contd.)

3.8 Inventories

3.8.1 Agricultural Produce harvested from Biological Assets

Agricultural produce harvested from the Company's biological assets are measured at its fair value less cost to sell at the point of harvest.

3.8.2 Finished goods manufactured from agricultural produce of biological assets (Copra, Coco Peat, Coco Chips & Coir)

These are valued at the lower of cost and estimated net realizable value. Net realisable value is the estimated selling price at which stock can be sold in the ordinary course of business after allocating for cost of realisation and / or cost of conversion from their existing stock to saleable conditions, after making due allowance for obsolete and slow-moving items.

3.8.3 Consumable Stock

At actual cost on weighted average basis.

3.8.4 Nursery Stock

At the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads of other inter plant.

3.9 Trade & Other Receivables

Trade & Other receivables are amounts due from customers for commodities sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

3.10 Cash and Cash Equivalents

Cash and Cash Equivalents comprise cash balances and short-term deposits. Bank overdrafts that are repayable on demand from an integral part of the Company's cash management and are included as a component of Cash and Cash Equivalents for the purpose of the Statement of Cash Flows.

3.11 Stated Capital

The total amount received by the Company or due and payable to the Company in respect of the issue of shares are referred to as "Stated Capital".

The holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

3.12 Liabilities and Provisions

Liabilities classified as current liabilities on the Statement of Financial Position are those which fall due for payment on demand or within one year from the reporting date.

Non-current liabilities are those balances that fall due for payment after one year from the reporting date.

3.12.1 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be measured reliably. Provisions are not recognised for future operating losses.

Provisions are measured at the Directors' best estimate of the cost of settling these liabilities and are discounted to present value where the effect is material. All known liabilities and provisions have been accounted for in preparing the Financial Statements.

3.13 Leases

Upon adoption of SLFRS 16, which have been applied from the date of initial application, the Company has applied SLFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under LKAS 17 and IFRIC 4.

Accounting policy applicable from 1 April 2019

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in SLFRS 16.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date. It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Accounting policy applicable prior to 1 April 2019

For contracts entered into before 1 April 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:





Summary of Significant Accounting Policies (Contd.) Leases (Contd.)

- (a) fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- (b) the arrangement had conveyed a right to use the asset.

An arrangement conveyed the right to use the asset if one of the following was met:

The purchaser had the ability or right to operate the assets while obtaining or controlling more than an insignificant amount of the output;

The purchaser has the ability or right to control physical access to the assets while obtaining or controlling more than an insignificant amount of the output; or

Facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

In the comparative period, as a lessee the Company classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Company's Statement of Financial Position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

3.14 Employee Benefits

The Company provides post-employment benefits through various defined contribution plans and defined benefit plans.

3.14.1 Defined Contribution Plans

A defined contribution plan is a post – employment benefit plan under which the Company pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contribution to Employee Provident Fund or Plantation Staff Provident Society, Ceylon Planters Provident Society and Employee Trust Funds covering all employees are recognised as an expense in profit or loss as incurred. The Company contributes 12% and 3% of gross emoluments of employees as Employee Provident Fund or Plantation Staff Provident Society and Trust Fund contribution respectively.

3.14.2 Retirement Benefit Obligations

The retirement benefit plan adopted is as required under the Payment of Gratuity Act No.12 of 1983 to eligible employees. This item is grouped under Employee Benefits in the Statement of Financial Position. The liability recognised in the Statement of Financial Position in respect of defined benefit plan is the present value of defined benefit obligation at the reporting date. Provision for Gratuity on the Employees of the Company is based on an actuarial valuation, using the Projected Unit Credit (PUC) method as recommended by Sri Lanka Accounting Standards 19 - "Employee Benefits". Remeasurements, comprising actuarial gains and losses, are recognised immediately in the Statement of Financial Position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. The Company recognises the changes in the defined benefit liability attributable to the service costs (current service costs and any past service costs) and interest expense in the profit or loss. Key assumptions used in determining the defined benefit obligation are given in Note 18.3

The actuarial valuation was carried out by a professionally qualified firm of actuaries, Messrs Actuarial and Management Consultants (Private) Limited as at 31 March 2025.

However, according to the Payment of Gratuity Act No.12 of 1983, the liability for payment to an employee arises only after the completion of five (5) years continued services.

The liability is not externally funded.

3.15 Trade & Other Payables

Trade & other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade & Other Payables are stated at their cost.

3.16 Taxes

Tax expense recognised in Statement of Comprehensive Income comprises the sum of deferred tax and current income tax not recognised in other comprehensive income or directly in equity.

3.16.1 Current Income Tax

Current income tax assets and/or liabilities comprise those obligations to or claims from the Department of Inland Revenue relating to current or prior reporting periods that are unpaid at the reporting date. Current income tax is payable on taxable profit, which differs from profit or loss in the Financial Statements.

Current Income Tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Comprehensive Income. Management periodically



3. Summary of Significant Accounting Policies (Contd.) 3.16.1 Current Income Tax (Contd.)

evaluates position taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Current income tax assets and liabilities, or deferred tax assets and liabilities, are offset only when the Company has a legally enforceable right to offset the amounts and intends to settle on a net basis or realise the asset and settle the liability simultaneously.

3.16.2 Deferred Tax

Deferred tax is calculated on temporary differences between the carrying amounts of Assets and liabilities and their tax bases that are expected to increase or reduce taxable profit in the future and on unused tax losses and unused tax credits

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization provided that they are enacted or substantively enacted at the reporting date, taking into consideration all possible outcomes of a review by the tax authorities.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted as necessary to reflect the current assessment of future taxable profit.

Deferred tax for the year has been computed at 30% as per the Inland Revenue Act No. 24 of 2017.

3.17 Financial Instruments

3.17.1 Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

3.17.2 Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- debt instruments at amortised cost
- debt instruments at fair value through other comprehensive income (FVTOCI)
- debt instruments, derivatives and equity instruments at fair value through profit and loss (FVTPL)
- equity instruments at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A financial asset is measured at amortised cost if both the following conditions are met.

- the asset is held within a business model whose objective is to hold assets 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in finance income in the profit and loss. The losses arising from impairment are recognised in the profit and loss. This category generally applies to trade and other receivables, loans and other financial assets.

Debt instruments at FVTOCI

A financial asset is measured at FVTOCI if both the following conditions are met.

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; 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.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Comprehensive Income. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instruments, derivatives and equity instruments at FVTPL

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.





3. Summary of Significant Accounting Policies (Contd.)

3.17 Financial Instruments (Contd.)

3.17.3 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when the rights to receive cash flows from the asset expires or the Company transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or the Company neither transfers nor retains substantially all the risks and rewards of the asset, but transfers control of the asset.

When the Company transfers a financial asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

3.17.4 Impairment of financial assets

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit losses (ECLs) at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

3.17.5 Classification and subsequent measurement of financial liabilities

The Company classifies financial liabilities as described below:

- Financial liabilities at fair value through profit or loss (FVTPL)
- Financial liabilities at amortised cost

The subsequent measurement of financial liabilities depends on their classification.

Financial liabilities at FVTPL

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

Gains or losses on liabilities held for trading are recognised in the profit and loss.

The Company has not designated any financial liability as at fair value through profit and loss.

Financial liabilities at amortised cost

The financial liabilities which are not designated at FVTPL are classified as financial liabilities at amortised cost.

After initial recognition, such financial liabilities are subsequently measured at amortised cost using the EIR method. 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 and loss. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

3.17.6 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 Statement of Comprehensive Income.

3.17.7 Reclassification of financial assets and liabilities

Financial assets are not reclassified subsequent to their initial recognition, except and only in those rare circumstances when the Company changes its objective of the business model for managing such financial assets which may include the acquisition, disposal or termination of a business line.

Financial liabilities are not reclassified as such reclassifications are not permitted by SLFRS 9.

3.17.8 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.18 Revenue from contracts with customers

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

The Company is in the business of cultivation of coconut, manufacture of copra, Coco Peat, Coir, Coco Chips and other crops (Plantation Produce). Revenue from contracts with customers is recognized when control of the goods are transferred to the customer at an amount that reflects



3. Summary of Significant Accounting Policies (Contd.)

3.18 Revenue from contracts with customers (Contd.)

the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principle in its revenue arrangements, because it typically controls the goods before transferring them to customer.

3.18.1 Sale of plantation produce

Revenue from sale of plantation produce is recognized at the point in time when the control of the goods is transferred to the customer. Generally, upon delivery of the goods to the location specified by the customer and the acceptance of the goods by the customer.

3.18.2 Other Income

Revenue recognition criteria for the other income earned by the Company are as follows;

Interest Income

Interest income is recognized on an accrual basis, using the effective interest method.

Gains and Losses on disposal

Gains and losses on disposal of an item of Property, Plant and Equipment are determined by comparing the net sales proceeds with the carrying amounts of Property, Plant and Equipment and are recognized within 'other income' in the Statement of Comprehensive Income.

Other income

Other income is recognized on an accrual basis.

Gain arising from changes in fair value of Biological Assets.

Gains or Losses arising on initial recognition of biological assets and agricultural produce at fair value less estimated point of sale costs are recognised in profit or loss.

Gains or Losses arising on change in fair value due to subsequent measurements are recognised in profit or loss in the period in which they arise.

3.19 Expenditure Recognition

All expenditure incurred in running the business and in maintaining the Property, Plant and Equipment in a state of efficiency is charged to revenue in arriving at the profit / (loss) for the year.

For the purpose of presentation of Statement of Comprehensive Income, the Directors are of the opinion that function of expenses method present fairly the elements of the Company's performance, hence such presentation method is adopted.

3.20 Finance Income and Finance Costs

Finance income which are recognised in Statement of Comprehensive Income comprises interest income on funds invested.

Finance costs which are recognised in Statement of Comprehensive Income comprise interest expense on borrowings.

Borrowing Costs

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset, which takes a substantial period of time to get ready for its intended use or sale, are capitalized as a part of the asset.

Borrowing costs that are not capitalized are recognized as expenses in the period in which they are incurred and charged to the Statement of Comprehensive Income.

The amounts of the borrowing costs which are eligible for capitalization are determined in accordance with LKAS 23 - 'Borrowing Costs'.

3.21 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the "Indirect Method" of preparing Cash Flows in accordance with the Sri Lanka Accounting Standard 07 "Statement of Cash Flows". Cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The cash and cash equivalent include cash in hand and balances with banks.

Interest paid is classified as operating cash flow while Interest received is classified as investing cash flows.

3.22 Commitments and contingencies

Provisions are made for all obligations existing as at the reporting date when it is probable that such obligation will result in an outflow of resources and reliable estimate can be made of the quantum of the outflow.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured.

Contingent liabilities are not recognised in the Statement of Financial Position but are disclosed unless they are remote. Capital commitments and contingent liabilities of the Company have been disclosed in the respective Notes to the Financial Statements.

3.23 Events occurring after the reporting period

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

3.24 Earnings per share

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





3. Summary of Significant Accounting Policies (Contd.)

3.24 Earnings per share (Contd.)

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all convertible securities.

3.25 Critical Accounting Estimates and Judgements

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Estimated useful lives of Property, Plant and Equipment

The Company reviews annually the estimated useful lives of Property, Plant and Equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of Property, Plant and Equipment would increase the recorded depreciation charge and decrease the Property, Plant and Equipment carrying value.

Taxation

Deferred tax

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. This involves judgement regarding future financial performance of the Company in which the deferred tax asset has been recognized.

Impairment of non-current assets

The Company test annually the indicators to ascertain whether non-current assets (including intangibles) have suffered any impairment, in accordance with the accounting policy stated in notes. These calculations require the use of estimates.

Defined benefit plan - Gratuity

The present value of the defined benefit plan depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for defined benefit plan include the discount rate, future salary increase rate, mortality rate, withdrawal and disability rates and retirement age. Any changes in these assumptions will impact the carrying amount of defined benefit plan. The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be

used to determine the present value of estimated future cash outflows, expected to be required to settle the defined benefit plan. In determining the appropriate discount rate, the Company considers the interest yield of long-term government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related defined benefit plan. Other key assumptions for defined benefit plan are based in part on current market conditions.

Provisions

The Company recognises provisions when they have a present legal or constructive obligation arising as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The recording of provisions requires the application of judgements about the ultimate resolution of these obligations. As a result, provisions are reviewed at each Statement of Financial Position date and adjusted to reflect the Company's current best estimate.

Fair Valuation of Consumable Biological Assets

The fair valuation of Teak Plantation depends on a number of factors that are determined on a discounted method using various financial and non-financial assumptions. The growth rate of the trees is determined by various biological factors that are highly unpredictable. Any change to the assumptions will impact to the fair value of biological assets.

The following factors are also taken into consideration in valuing the Teak Plantation

- 1) Maturity age of the species and the particular tree
- 2) Annual marginal increase in growth in the timber content of a tree
- Number of years to harvest in case of matured trees harvesting program
- 4) Current Price of sawn timber per cubic foot

3.26 New and Amended Standards issued but not effective as at the Reporting Date

Following amendments to Sri Lanka Accounting Standards issued not yet effective as at the reporting date have not been applied in preparing the Financial Statements. The Company plans to apply these amendments to the standards from their effective dates.

The following amended standards and interpretations are not expected to have a significant impact on the Company's Financial Statements.

3.26.1 SLFRS 17 - Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 - Insurance Contracts that was issued in 2005. SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well



Summary of Significant Accounting Policies (Contd.) 3.26.1 SLFRS 17 - Insurance Contract (Contd.)

as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of SLFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in SLFRS 4, which are largely based on grandfathering previous local accounting policies, SLFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of SLFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required. Early application is permitted, provided the entity also applies SLFRS 9 and SLFRS 15 on or before the date it first applies SLFRS 17.

The amendments are not expected to have a material impact on the Company.

3.26.2 Amendments to LKAS 21 - Lack of Exchangeability

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1st January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Financial Statement.

3.27 Segment Information

Segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (Geographical Segment), which is subject to risks and returns that are different from those of the segments.

The activities of the Company is in Aralaganwila, Sri Lanka. Consequently, the economic environment in which the Company operated is not subject to risks and rewards that are significantly different on a geographical basis. Hence disclosure by geographical region is not provided. Further, the Company has one business activity which is the cultivation and sale of coconut, Coco Peat and copra where there are no distinguishable components. As such, the Company has not identified different business segments that needs to be disclosed as per SLFRS 8 – Operating Segments.



NOTE 4 - ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

In accordance with SLFRS 09 on "Financial Instruments" financial assets & liabilities have been classified as follows:

	Note	Fair value through OCI Rs.	Fair value through Profit & Loss Rs.	Amortised cost Rs.	Total Rs.
Balance on 31st March 2025					
Financial Assets					
Trade & Other Receivables	12	-	-	63,944,787	63,944,787
Short Term Investments	13	-	-	365,135,200	365,135,200
Cash at Bank & in Hand	15	-	-	83,625,770	83,625,770
		-	-	512,705,757	512,705,757
			Financial Liabilities at fair value through Profit or loss Rs.	Financial Liabilities at amortised cost Rs.	Total Rs.
Financial Liabilities					
Trada (Other Dayables	20		-	44,084,443	44,084,443
Trade & Other Payables				24,881,387	24,881,387
	17		-	24,001,301	24,001,301
Dbligation under Right of use Assets - Land Bank Overdraft	17 15		-	5,771,406	5,771,406

A description of the Company's Financial Instrument risks, including risk management objectives and policies is given in Note 32.

	Note	Fair value through OCI Rs.	Fair value through Profit & Loss Rs.	Amortised cost Rs.	Total Rs.
Balance on 31st March 2024					
Financial Assets					
Trade & Other Receivables	12	-	-	99,220,868	99,220,868
Short Term Investments	13	-	-	270,153,388	270,153,388
Cash at Bank & in Hand	15	-	-	64,266,005	64,266,005
		-	-	433,640,261	433,640,261
			Financial Liabilities at fair value through Profit or loss Rs.	Financial Liabilities at amortised cost Rs.	Total Rs.
Financial Liabilities					
Trade & Other Payables	20		-	38,057,494	38,057,494

A description of the Company's Financial Instrument risks, including risk management objectives and policies is given in Note 32.

17

15

Obligation under Right of use Assets - Land

Bank Overdraft



28,351,382

1,591,778 68,000,654 28,351,382

1,591,778

68,000,654

NOTE 5 - RIGHT OF USE ASSETS - LAND	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Capitalized Value		
Balance on 1st April	16,541,028	16,541,028
Balance on 31st March	16,541,028	16,541,028
Amortisation		
Balance on 1st April	11,569,180	10,627,094
Amortisation during the year	942,086	942,086
Balance on 31st March	12,511,266	11,569,180
Net Balance	4.029.762	4.971.848

The lease agreements for 292.0283 HA which were effected from 1st December 1998 for 30 years were signed on 28th July 2004 and 7 more lease agreements for 130.1717 HA effected from 1st September 1999 for 30 years were signed on 24th June 2019 with Mahaweli Authority of Sri Lanka.

The total extent of Land area cultivated as at the year-end is 551.387 HA out of which 422.20 HA is covered by lease agreements & the lease agreement for the remaining Land of 129.187 HA has been signed by the Company and pending the signature of the Counterparty.

292.0283 H A of Land was previously accounted under Statement of Alternative Treatment (SoAT) issued by the Institute of Chartered Accountants of Sri Lanka dated 21st August 2013. This Right-of-use asset-land is amortised over the remaining lease term or useful life of the Right whichever is shorter and is disclosed under non-current assets. An adjustment to the Right-of-use asset-land could be made to the extent that the change relates to the future period on the reassessment of lease liability. SLFRS 16 - Leases became applicable to Financial Statements period covering beginning 01 January 2019 and therefore, the balance 259.3587 H A of Right of-use asset-Land has now been accounted in accordance with the said standard with effect from 1st April 2019.

The lease liability as at 1st April 2019 was reassessed under the provisions of SLFRS 16 and both Right-of-use asset-land and Lease Liability have been enhanced.





NOTES TO THE FINANCIAL STATEMENTS (Contd.)

NOTE 6 - PROPERTY, PLANT & EQUIPMENT

The details of the Company's Property, Plant & Equipment and their carrying amounts are as follows.

	Land Rs.	Buildings Rs.	Motor Vehicles Rs.	Furniture & Fittings Rs.	Machinery & Equipment Rs.	Work in Progress Rs.	Total Rs.
Gross carrying amount-at cost							
Balance on 1st April 2024	20,095,000	60,267,666	31,918,038	2,348,285	122,078,266	8,425,581	245,132,836
Additions during the year	-	8,908,713	=	86,518	32,655,183	28,177,636	69,828,050
Scraping off during the year	=	=	-	=	(144,000)	-	(144,000)
Transferred from CWIP	-	32,965,626	-	-	2,261,490	(35,227,116)	-
Transfer to Statement of Comprehensive Income	-	-	-	-	-	(1,376,101)	(1,376,101)
Balance on 31st March 2025	20,095,000	102,142,005	31,918,038	2,434,803	156,850,939	-	313,440,785
Depreciation and Impairment							
Balance on 1st April 2024	=	5,957,625	22,590,531	1,595,626	78,561,464	-	108,705,246
Charge for the year	-	2,699,341	2,885,720	116,507	9,132,810	=	14,834,378
Scraping off during the year	-	-	-	-	(93,332)	-	(93,332)
Balance on 31st March 2025	-	8,656,966	25,476,251	1,712,133	87,600,942	-	123,446,292
Net Book Value							
As at 31st March 2025	20,095,000	93,485,039	6,441,787	722,670	69,249,997	-	189,994,493
As at 31st March 2024	20,095,000	54,310,041	9,327,507	752,659	43,516,802	8,425,581	136,427,590

Cost of fully depreciated assets still in use as at 31st March 2025 amounts to Rs. 84,794,109/-.

NOTE 7 - ELECTRICAL SUBSTATION	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Gross Carrying Amount		
Balance as at 1st April	8,026,093	8,026,093
Balance as at 31st March - Note 7(a)	8,026,093	8,026,093
Amortisation		
Balance as at 1st April	445,631	178,357
Amortisation for the year	267,086	267,274
Balance as at 31st March	712,717	445,631
Carrying Amount on 31st March	7,313,376	7,580,462
NOTE 7(a) - REPRESENTED BY:-		
Capital Contribution for Construction of high voltage line, transformer, breaker and metering equipments	8,026,093	8,026,093





NOTE 8 - INTANGIBLE ASSETS	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Cost		
Balance on 1st April	552,075	552,075
Balance on 31st March	552,075	552,075
Amortisation		
Balance on 1st April	444,124	389,385
Amortisation during the year	36,000	54,739
Balance on 31st March	480,124	444,124
Net carrying value	71,951	107,951

The brought forward sum of Rs. 552,075 represents the Cost of Accounting Software amounting to Rs.372,075/- and cost of Fixed Assets module amounting to Rs. 180,000/-.

NOTE 9 - BEARER BIOLOGICAL ASSETS

	Imn	Immature Plantation Mature Plantation		Immature Plantation		Mature Plantation		lature Plantation		As at
	Coconut Rs.	Others Rs.	Total Rs.	Coconut Rs.	Others Rs.	Total Rs.	31.03.2025 Rs.	31.03.2024 Rs.		
Cost		<u> </u>								
Balance on 1st April	-	2,082,465	2,082,465	504,885,076	-	504,885,076	506,967,541	506,129,704		
Additions during the year	-	866,236	866,236	-	-	-	866,236	954,102		
Transfer (to) / from	-	(77,663)	(77,663)	-	77,663	77,663	-	-		
Transfer (to) Statement of Comprehensive Income	-	-	-	-	(77,663)	(77,663)	(77,663)	(116,265)		
Balance on 31st March	-	2,871,038	2,871,038	504,885,076	-	504,885,076	507,756,114	506,967,541		
Depreciation & Impairment			•			•	•			
Balance on 1st April	-	-	-	392,534,423	-	392,534,423	392,534,423	367,290,170		
Charge for the year	-	-	-	25,244,254	-	25,244,254	25,244,254	25,244,253		
Balance on 31st March	-	-	-	417,778,677	-	417,778,677	417,778,677	392,534,423		
Net Carrying Value	-	2,871,038	2,871,038	87,106,399	-	87,106,399	89,977,437	114,433,118		

- (i) Mature Bearer Biological Assets include coconut trees. Bearer plants are stated at cost less accumulated depreciation and impairment in accordance with Sri Lanka Accounting Standard LKAS 16 Property, Plant & Equipment.
- (ii) The transfer of immature plantation to mature plantation commences at the time the plantation is ready for the commercial harvesting.
- (iii) Immature Plants include Cinnamon, Pepper, Arrecanut, Cashew, Mango, Paddy etc.





NOTES TO THE FINANCIAL STATEMENTS (Contd.)

NOTE 10 - CONSUMABLE BIOLOGICAL ASSETS	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Balance on 1st April	213,300,000	244,480,000
Sale of Trees during the year	-	(61,278,751)
Gain on change in Fair value	19,740,000	30,098,751
Balance on 31st March	233,040,000	213,300,000
Valuation :		
Estimated Value	233,040,000	213,300,000
	233,040,000	213,300,000

As at 31st March	Date of Valuation	Level 1	Level 2	Level 3
Assets measured at fair value				
Consumable Biological Assets - Teak	31st March 2025	-	-	233,040,000

The fair value of matured managed trees were ascertained in accordance with SLFRS 13 and IFRS 13. The valuation was carried out by Messrs KPMG Real Estate & Valuation Services (Pvt) Ltd. In ascertaining the fair value of teak trees, physical inspection and measurement of the standing timber were not undertaken this year by valuer as this is a desktop valuation. However, valuer relied on the information gathered and their observations from the previous year's inspection and measurements which has been sent by the Company.

Key Assumptions and Considerations

- 1) The timber valuation was carried out based on the timber census carried out by the management in the year 2024/2025.
- 2) KPMG Real Estate & Valuation Services (Private) Limited provided the valuation for the tree species of Teak blocks which were planted in 14 fields. Valuer has considered 18,479 Teak trees in this valuation and excluded 4115 of immature trees (trees within the girth range of 0" 5" and 6" 15") from this valuation.
- 3) The prices adopted are net of potential expenditures such as felling, clearing and transportation, i.e. the stumpage prices, as per the State Timber Corporation.
- 4) Though replanting is a pre-condition for harvesting, the costs are not taken into consideration for the valuation.
- 5) The discount rate has been derived using the Capital Asset Pricing Model (CAPM) adjusted with an additional risk factor. A discount rate of 13.36% has been applied.
- 6) According to the site inspection conducted in previous year and provided timber census, valuer has identified discrepancies in the provided tree height details. Therefore, an adjustment to the tree height has been done based on the sample analysis which collected in the site inspection.

a) Methodology

- The standing timber in all the plantation can be categorized into three main groups: Matured Standing Timber, Over-Matured Standing Timber and Young or Immature Standing Timber. Considering the above, the approach has been identified as the most suitable and appropriate approaches for the fair valuation of standing timber based on the given situation

Market Approach

- To value matured and over-matured standing timber, the most appropriate valuation method is the Sales Comparison Method under the market approach. For this comparison, valuer considered the timber sales prices of the State Timber Corporation (STC) and adjusted these market prices accordingly for the standing timber valuation.
- In the process of valuation, all the managed standing timber trees are valued at their "as is" basis, based on their Stumpage value, which reflects the current market in which a willing buyer and seller would enter into a transaction.





NOTE 10 - CONSUMABLE BIOLOGICAL ASSETS (CONTD.)

Income Approach

- The young and immature standing timber, which has several years remaining to reach maturity and has not yet reached a harvestable age, has been valued using the Discounted Cash Flow (DCF) analysis method under the Income Approach
- The value of young standing timber has been assessed by, estimating the future cash flow of income and applying an appropriate discount rate to determine its present value.
- The discount rate has been derived using the Expected Rate of Return (ERR) from Capital Asset Pricing Model (CAPM) plus an additional risk factor of 1%. The following are the components and a breakdown of the factors used in CAPM calculation:-

 $ERR = R f + \beta (R m - R f)$

- Risk-Free Rate (Rf): 11.47%
- Beta of the Industry (β): 0.09
- Market Return (Rm): 22.29%

b) Sensitivity Analysis

Sensitivity variation on sales price

Net present value of the biological assets as appearing in the Statement of Financial Position are very sensitive to the changes into the average sales prices applied. Simulations made for timber show that an increase or decrease by 10% of the estimated future selling price when other variables are remained unchanged, has the following effect on the net present value of biological assets:

	+10%	0%	-10%
	Rs.	Rs.	Rs.
Total value of Stumpage	256,340,000	233,040,000	209,740,000

Sensitivity variation on discount rate

Net present value of the biological assets are as appearing in the statement of financial position are very sensitive to changes of the discount rate applied. Simulations made for timber show that an increase or decrease by 1% of the estimated future discount rate has the following effect on the net present value of biological assets:

	+1% Rs.	Base DCF Rs.	-1% Rs.
Total value of Stumpage	231,620,000	233,040,000	234,490,000

c) Information about Fair Value Measurements using Significant unobservable Inputs (Level 3)

Non-Financial Asset	Valuation Techniques	Unobservable Inputs	Range of Unobservable Inputs	Relationship of Unobservable inputs to Fair Value
Consumable Biological Assets - Teak	DCF Method	Discounting factor	Refer Key Assumption & Consideration para (5)	The higher the discount rate, the lower the fair value
	The valuation model considers present value of future net cash flows expected to be generated by the plantation from the teak content of managed teak plantation on a tree-per-tree basis.	rotation	25 years	Lower the rotation period, the higher the fair value.
	The expected net cash flow are discounted using a risk adjusted discount rate.	Volume (Timber Content)	3,525.82 to 230,149.69 Cu. DCM.	The higher the volume higher the fair value
		Price per Cu. DCM.	Rs. 26.69 to Rs.84.79 per Cu. DCM.	The higher the price the higher the fair value





NOTES TO THE FINANCIAL STATEMENTS (Contd.)

NOTE 11 - INVENTORIES	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Harvested Crop	49,683,640	44,952,723
Produce Stock	4,169,856	3,793,148
Rejected Nuts	1,625,400	-
Nurseries	206,377	94,526
Consumables & Others	17,003,023	10,717,032
	72,688,296	59,557,429

NOTE 12 - TRADE & OTHER RECEIVABLES	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Trade Receivables	44,334,506	34,999,247
Deposits	413,150	413,150
Prepayments	589,013	469,091
Employee Advance	151,200	199,600
Advances	-	7,845,776
Other Receivables	1,329,892	869,233
Receivable on Teak Sales	18,626,542	63,698,542
	65,444,303	108,494,639
Less: Allowance for Impairment	(759,304)	(759,304)
	64,684,999	107,735,335

NOTE 13 - SHORT TERM INVESTMENTS	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Fixed Deposits		
Balance on 01st April	270,153,388	269,148,804
Amount Invested during the year	125,696,000	56,005,528
Interest Received & re-investment	12,138,848	19,595,998
Withdrawals made during the year	(55,652,054)	(92,197,449)
Interest Receivable at the end of year	12,799,018	17,600,507
Balance on 31st March	365,135,200	270,153,388

The average interest yield on short term deposits was 9.4%.

NOTE 14 - INCOME TAX REFUND DUE/(LIABILITY)	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Balance on 01st April	551,409	3,223,301
Provision for the year	(59,319,061)	(8,367,594)
	(58,767,652)	(5,144,293)
Payments made during the year	7,049,429	3,381,456
WHT	1,720,044	2,314,246
Balance on 31st March	(49,998,179)	551,409





NOTE 15 - CASH AT BANK & IN HAND	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Cash at Bank	83,589,679	64,228,722
Cash in Hand	36,091	37,283
	83,625,770	64,266,005
Bank Overdraft *	(5,771,406)	(1,591,778)
Cash and Cash Equivalents for the purpose of Cash Flow Statement	77,854,364	62,674,227

^{*} The above balance represents a temporary book overdraft which will be subsequently cleared on transfer from Money Market A/c. No Finance Cost has been incurred for the entire year.

NOTE 16 - STATED CAPITAL	As at 31.03.2025	As at 31.03.2024
Number of Ordinary Shares issued & fully paid		
Balance on 01st April	34,996,115	34,996,115
Balance on 31st March	34,996,115	34,996,115

NOTE 16 - STATED CAPITAL	Rs.	Rs.
Stated Capital on 01st April	384,717,995	384,717,995
Stated Capital on 31st March	384,717,995	384,717,995

The Stated Capital of the Company consists only of fully paid ordinary shares

All Ordinary Shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholder meetings of the Company. All Shares rank equally with regard to the Company's residual assets.

NOTE 17 - OBLIGATION UNDER RIGHT OF USE ASSETS - LAND ON LEASE	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Mahaweli Authority of Sri Lanka		
Balance on 01st April	28,351,382	24,878,740
Interest Expense	3,116,798	3,472,642
	31,468,180	28,351,382
Payments made during the year	(6,586,793)	-
Balance on 31st March	24,881,387	28,351,382
Not later than one year	7,000,865	6,586,792
Later than one year not later than five years	17,880,522	21,764,590
Later than five years	-	-
	24,881,387	28,351,382



NOTES TO THE FINANCIAL STATEMENTS (Contd.)

NOTE 18 - RETIREMENT BENEFIT OBLIGATION	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Balance on 1st April	13,509,682	8,880,344
Current Service Cost	1,678,746	1,079,310
Interest Cost	1,688,710	1,642,864
Actuarial (gain) / loss due to change in assumption	2,133,196	3,150,114
Payments during the year	(985,970)	(1,242,950)
Balance on 31st March	18,024,364	13,509,682
Datance on 515t March	10,024,304	13,303,062
	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
18.1 The expenses are recognised in the income statement in the following line items;	As at 31.03.2025	As at 31.03.2024
18.1 The expenses are recognised in the income statement in the following line items; Cost of Sales	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
18.1 The expenses are recognised in the income statement in the following line items; Cost of Sales Administration Cost	As at 31.03.2025 Rs. 2,666,494	As at 31.03.2024 Rs. 2,479,260
18.1 The expenses are recognised in the income statement in the following line items; Cost of Sales	As at 31.03.2025 Rs. 2,666,494 700,962	As at 31.03.2024 Rs. 2,479,260 242,914

18.3 The principal assumptions used in determining the retirement benefit obligation were;	Salary increments rate	Retirement age	Discount rate	Staff Turnover Ratio
2024/2025				
Workers	10% per annum	60 years	10.5%	3% un to age
Staff	10% per annum	60 years	10.5%	54 and
2023/2024		-		thereafter
Workers	10% per annum	60 years	12.5%	zero
Staff	10% per annum	60 years	12.5%	J

Mortality

For Workers - In Service A 1949/52 Mortality Table issued by the Institute of Actuaries, London For Staff - In Service A 1967/70 Mortality Table issued by the Institute of Actuaries

Disability Rates used in this valuation is 10% of Mortality Table.

18.4 The following payment are expected from defined benefit obligation in future years.	Staff Rs.	Worker Rs.	Total Rs.
Within the next 12 Months	1,876,699	2,195,878	4,072,577
Between 1-2 years	846,652	1,220,834	2,067,486
Between 2-5 years	2,512,181	1,216,369	3,728,550
Between 5-10 years	652,639	2,233,368	2,886,007
Beyond 10 years	3,426,056	1,843,688	5,269,744
Total	9,314,227	8,710,137	18,024,364

The weighted Average duration of Defined Benefit Obligation for the year 2024/25 is,

Staff 8.7 years Workers 6.9 years





NOTE 18 - RETIREMENT BENEFIT OBLIGATION (CONTD.)

18.5 Sensitivity analysis

Values appearing in the Financial Statements are very sensitive to the changes of financial and non-financial assumptions used. The sensitivity was carried out for the rate of wage increment and discount rate, as it is the key contributor to the entire obligation. Simulations made for retirement benefit obligation show that a rise or decrease by 1% of the rate of wage and discount rate have following effect on the retirement benefit obligation:

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

The retirement benefit obligation as at 31 March 2025 of the Company is based on the actuarial valuation carried out by Messers Actuarial & Management Consultants (Pvt) Ltd. According to the actuarial valuation report issued by the actuarial valuer as at 31 March 2025, the actuarial present value of promised retirement benefits obligation amounted to Rs. 18,024,364/-.

	•	Impact on Retirement benefit obligations	
Percentage increase / (decrease) in discount rate	+ 1% Rs.	- 1% Rs.	
As at 31 March 2025	(1,202,595)	1,392,249	
As at 31 March 2024	(810,907)	928,307	

		Impact on Retirement benefit obligations		
Percentage increase / (decrease) in salary / wages increment rate	+ 1% Rs.	- 1% Rs.		
As at 31 March 2025	1,456,203	(1,278,829)		
As at 31 March 2024	998,836	(885,075)		

NOTE 19 - DEFERRED TAX LIABILITY	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Balance on 01st April	93,344,549	111,247,122
Originating / (reversal) during the year recognised in the Statement of Comprehensive Income	1,725,350	(16,957,539)
Originating / (reversal) during the year recognised in Other Comprehensive Income	(639,959)	(945,034)
Balance on 31st March	94,429,940	93,344,549



NOTES TO THE FINANCIAL STATEMENTS (Contd.)

NOTE 19 - DEFERRED TAX LIABILITY (CONTD.)

NOTE 19.1 - DEFERRED TAX RECONCILIATION

	31.03.2025		31.03.2024	
	Temporary Difference Rs.	Tax Effect Rs.	Temporary Difference Rs.	Tax Effect Rs.
Balance on 01st April	311,148,498	93,344,549	370,823,741	111,247,122
Amount originate / (reversal) during the year	3,617,965	1,085,391	(59,675,243)	(17,902,573)
Balance on 31st March	314,766,463	94,429,940	311,148,498	93,344,549
Deferred Tax Liability				
Temporary difference on Right of use Asset	4,029,762	1,208,929	4,971,848	1,491,554
Temporary difference on Property, Plant & Equipment	30,938,912	9,281,674	20,610,097	6,183,029
Temporary difference on Intangible Assets	(313,897)	(94,169)	(305,501)	(91,650)
Temporary difference on Bearer Biological Assets	89,977,437	26,993,231	114,433,118	34,329,935
Temporary difference on Consumable Biological Assets	233,040,000	69,912,000	213,300,000	63,990,000
-	357,672,214	107,301,665	353,009,562	105,902,868
Deferred Tax Assets				
Temporary difference on Obligation under Right of use Asset	24,881,387	7,464,416	28,351,382	8,505,415
Temporary difference on Defined Benefit Obligation	18,024,364	5,407,309	13,509,682	4,052,904
	42,905,751	12,871,725	41,861,064	12,558,319
Balance on 31st March	314,766,463	94,429,940	311,148,498	93,344,549

Deferred Tax Assets & Liabilities are measured based on the tax rates that have been enacted or substantially enacted by the end of the reporting period in accordance with the Inland revenue Act No. 24 of 2017 (IR Act) & subsequent amendments made to IRD Act.

The effective tax rate used to calculate deferred tax assets & liabilities for all the Temporary Differences as at 31st March 2025 is 30% (2023/2024-30%).

NOTE 20 - TRADE & OTHER PAYABLES	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Accrued Expenses & Other Payables	19,443,789	16,393,028
Sundry Creditors	1,709,194	851,954
Dividend Payable	24,377,743	22,021,621
	45,530,726	39,266,603

NOTE 21 - REVENUE	Year ended 31.03.2025 Rs.	Year ended 31.03.2024 Rs.
Coconut	394,453,385	248,659,009
Copra	6,831,150	21,113,508
Coco peat	11,489,385	8,834,570
Coir	1,749,169	343,813
Coco Chips	1,169,390	-
	415,692,479	278,950,900



NOTE 22 - OTHER INCOME

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

23.1 Finance Costs Interest expenses on Obligation under Right of use Assets - Land on Lease Advance received for Allotment of Shares Total Finance Cost 23.2 Finance Income Interest income on Fixed Deposits Debtor collection delays Interest Money Market Account Total Finance Income NOTE 24 - PROFIT BEFORE TAXATION	Year ended 31.03.2025 Rs. 3,116,798 652,771 3,769,569	Rs. 446,160 2,381,121 12,219,791 15,047,072 Year ended 31.03.2024 Rs. 3,472,642 652,771 4,125,413
Sundry Income * Income on Teak Sales * Sundry income includes sale of coconut related by products such as, coconut shells and other crop sales NOTE 23 - FINANCE COSTS AND FINANCE INCOME 23.1 Finance Costs Interest expenses on Obligation under Right of use Assets - Land on Lease Advance received for Allotment of Shares Total Finance Cost 23.2 Finance Income Interest income on Fixed Deposits Debtor collection delays Interest Money Market Account Total Finance Income NOTE 24 - PROFIT BEFORE TAXATION	961,582 - 6,728,144 es. Year ended 31.03.2025 Rs. 3,116,798 652,771 3,769,569	2,381,121 12,219,791 15,047,072 Year ended 31.03.2024 Rs. 3,472,642 652,771
* Sundry income includes sale of coconut related by products such as, coconut shells and other crop sale NOTE 23 - FINANCE COSTS AND FINANCE INCOME 23.1 Finance Costs Interest expenses on Obligation under Right of use Assets - Land on Lease Advance received for Allotment of Shares Total Finance Cost 23.2 Finance Income Interest income on Fixed Deposits Debtor collection delays Interest Money Market Account Total Finance Income NOTE 24 - PROFIT BEFORE TAXATION	- 6,728,144 es. Year ended 31.03.2025 Rs. 3,116,798 652,771 3,769,569	12,219,791 15,047,072 Year ended 31.03.2024 Rs. 3,472,642 652,771
* Sundry income includes sale of coconut related by products such as, coconut shells and other crop sale NOTE 23 - FINANCE COSTS AND FINANCE INCOME 23.1 Finance Costs Interest expenses on Obligation under Right of use Assets - Land on Lease Advance received for Allotment of Shares Total Finance Cost 23.2 Finance Income Interest income on Fixed Deposits Debtor collection delays Interest Money Market Account Total Finance Income NOTE 24 - PROFIT BEFORE TAXATION	Year ended 31.03.2025 Rs. 3,116,798 652,771 3,769,569	15,047,072 Year ended 31.03.2024 Rs. 3,472,642 652,771
23.1 Finance Costs Interest expenses on Obligation under Right of use Assets - Land on Lease Advance received for Allotment of Shares Total Finance Cost 23.2 Finance Income Interest income on Fixed Deposits Debtor collection delays Interest Money Market Account Total Finance Income NOTE 24 - PROFIT BEFORE TAXATION	Year ended 31.03.2025 Rs. 3,116,798 652,771 3,769,569	Year ended 31.03.2024 Rs. 3,472,642 652,771
23.1 Finance Costs Interest expenses on Obligation under Right of use Assets - Land on Lease Advance received for Allotment of Shares Total Finance Cost 23.2 Finance Income Interest income on Fixed Deposits Debtor collection delays Interest Money Market Account Total Finance Income NOTE 24 - PROFIT BEFORE TAXATION	Year ended 31.03.2025 Rs. 3,116,798 652,771 3,769,569	31.03.2024 Rs. 3,472,642 652,771
23.1 Finance Costs Interest expenses on Obligation under Right of use Assets - Land on Lease Advance received for Allotment of Shares Total Finance Cost 23.2 Finance Income Interest income on Fixed Deposits Debtor collection delays Interest Money Market Account Total Finance Income NOTE 24 - PROFIT BEFORE TAXATION	31.03.2025 Rs. 3,116,798 652,771 3,769,569	31.03.2024 Rs. 3,472,642 652,771
23.1 Finance Costs Interest expenses on Obligation under Right of use Assets - Land on Lease Advance received for Allotment of Shares Total Finance Cost 23.2 Finance Income Interest income on Fixed Deposits Debtor collection delays Interest Money Market Account Total Finance Income NOTE 24 - PROFIT BEFORE TAXATION	Rs. 3,116,798 652,771 3,769,569 26,503,096	Rs. 3,472,642 652,771
Interest expenses on Obligation under Right of use Assets - Land on Lease Advance received for Allotment of Shares Total Finance Cost 23.2 Finance Income Interest income on Fixed Deposits Debtor collection delays Interest Money Market Account Total Finance Income NOTE 24 - PROFIT BEFORE TAXATION	3,116,798 652,771 3,769,569	3,472,642 652,771
Interest expenses on Obligation under Right of use Assets - Land on Lease Advance received for Allotment of Shares Total Finance Cost 23.2 Finance Income Interest income on Fixed Deposits Debtor collection delays Interest Money Market Account Total Finance Income NOTE 24 - PROFIT BEFORE TAXATION	652,771 3,769,569 26,503,096	652,771
Obligation under Right of use Assets - Land on Lease Advance received for Allotment of Shares Total Finance Cost 23.2 Finance Income Interest income on Fixed Deposits Debtor collection delays Interest Money Market Account Total Finance Income NOTE 24 - PROFIT BEFORE TAXATION	652,771 3,769,569 26,503,096	652,771
Advance received for Allotment of Shares Total Finance Cost 23.2 Finance Income Interest income on Fixed Deposits Debtor collection delays Interest Money Market Account Total Finance Income NOTE 24 - PROFIT BEFORE TAXATION	652,771 3,769,569 26,503,096	652,771
Total Finance Cost 23.2 Finance Income Interest income on Fixed Deposits Debtor collection delays Interest Money Market Account Total Finance Income NOTE 24 - PROFIT BEFORE TAXATION	3,769,569	
23.2 Finance Income Interest income on Fixed Deposits Debtor collection delays Interest Money Market Account Total Finance Income NOTE 24 - PROFIT BEFORE TAXATION	26,503,096	4,125,413
Interest income on Fixed Deposits Debtor collection delays Interest Money Market Account Total Finance Income NOTE 24 - PROFIT BEFORE TAXATION		
NOTE 24 - PROFIT BEFORE TAXATION	65,784 3,096,304 29,665,184	583,130 3,163,405 43,099,117
NOTE 24 - PROFIT BEFORE TAXATION		
NOTE 24 - PROFIT BEFORE TAXATION		
	Year ended 31.03.2025 Rs.	Year ended 31.03.2024 Rs.
Depreciation & Amortisation		
- Bearer Biological Asset	5,244,254	25,244,254
	4,834,378	11,406,954
- Intangible Asset & Electrical Substation	303,086	322,013
- Right of use Land on Lease	942,086	942,086
Auditors' Remuneration		
- Statutory Audit - Current	1,363,844	1,235,629
- Other than Audit Related Services	194,175	234,167
Directors Remuneration 8	8,230,000	7,060,000
Donations		157,785

Year ended

Year ended

23,052,922

1,543,672

2,722,174

25,682,713

1,666,220

3,367,456

Staff Costs

- Staff Salaries

- Defined contribution Plan Cost - EPF, ETF, CPPS & ESPS

- Defined Benefit Plan Cost - Provision for Retiring Gratuity



NOTES TO THE FINANCIAL STATEMENTS (Contd.)

NOTE 25 - TAXATION

25.1 INCOME TAX

The Income of the Company is liable to Income Tax at the rate of 30% for the Y/A 2024/25.

	Year ended 31.03.2025 Rs.	Year ended 31.03.2024 Rs.
Income Tax on Profit for the year	59,319,061	8,367,594
Deferred Tax Provision / (Reversal)	1,725,350	(16,957,539)
Tax Expenses on Profit & Loss	61,044,411	(8,589,945)
Deferred Tax on Other Comprehensive Income	(639,959)	(945,034)
Tax on Total Comprehensive Income	60,404,452	(9,534,979)
Profit before Taxation	201,434,619	127,390,066
D (v.) (F v.		10-0-
Tax at the Applicable Rate	60,430,385	38,217,020
Tax at the Applicable Rate Tax effect on Expenses that are not deductible in determining taxable profit		38,217,020 373,388
Tax at the Applicable Rate Tax effect on Expenses that are not deductible in determining taxable profit Tax effect on Expenses that are deductible in determining taxable profit	60,430,385	38,217,020 373,388
Tax at the Applicable Rate Tax effect on Expenses that are not deductible in determining taxable profit Tax effect on Expenses that are deductible in determining taxable profit Tax effect on Deemed Income	60,430,385	38,217,020 373,388 (60,309)
Tax at the Applicable Rate Tax effect on Expenses that are not deductible in determining taxable profit Tax effect on Expenses that are deductible in determining taxable profit Tax effect on Deemed Income Tax effect on OCI	60,430,385 614,026 -	38,217,020 373,388 (60,309) 7,443,974 (945,034)
Tax at the Applicable Rate	60,430,385 614,026 -	38,217,020 373,388 (60,309) 7,443,974

Deferred tax arising from		
Liabilities		
Property, Plant & Equipment	3,098,645	1,494,712
Intangible Assets	(2,519)	(8,140)
Bearer Biological Assets	(7,336,704)	(7,321,925)
Right of use Assets - Land	(282,625)	(282,626)
Consumable Biological Assets	5,922,000	(9,354,000)
Assets		
Defined Benefit Obligations	(1,354,405)	(1,388,801)
Obligation under Right of use Asset	1,040,999	(1,041,793)
Total deferred tax Charge / (Reversal)	1,085,391	(17,902,573)

Deferred tax has been computed at the rate of 30% in line with the tax rates substantively enacted as at 31st March 2025 (30% - 2023/2024).

NOTE 26 - EARNINGS PER SHARE

26.1 Basic earnings per ordinary share

The calculation of basic earnings per ordinary share has been done based on net profit attributable to ordinary shareholders divided by weighted average number of ordinary shares in issue as at the reporting date and calculated as follows:

	As at 31.03.2025	As at 31.03.2024
Net profit attributable to ordinary shareholders (Rs.)	140,390,208	135,980,011
Weighted average number of ordinary shares in issue (Nos)	34,996,115	34,996,115
Basic earnings per ordinary share (Rs.)	4.01	3.88

26.2 Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share is based on net profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding after adjustment for the effect of all dilutive potential ordinary shares. There were no potentially dilutive shares outstanding at any time during the year/previous year.

NOTE 27 - DIVIDEND PER SHARE	As at 31.03.2025	As at 31.03.2024
Dividend Paid (Rs.)	69,992,230	52,494,173
No. of Ordinary Shares in Issue (Nos.)	34,996,115	34,996,115
Dividend per Ordinary Share (Rs.)	2.00	1.50

NOTE 28 - CONTINGENT LIABILITIES

There are no contingent liabilities as at 31st March 2025, which would require adjustments to or disclosure in the Financial Statements.

NOTE 29 - CAPITAL COMMITMENTS

There are no Capital commitments as at 31st March 2025. (2023/24 - 21.97 Mn).

NOTE 30 - EVENTS OCCURING AFTER THE REPORTING DATE

Final Dividend - 2024/2025

The Board of Directors of the Company has recommended the payment of a final dividend of Rs. 3/- per share. This final dividend is to be approved at the Annual General Meeting to be held on 25th September 2025. In accordance with the Sri Lanka Accounting Standard - LKAS 10 on "Events after reporting period", this proposed final dividend has not been recognised as a liability as at 31st March 2025. According to the Sec 84A (IA) of the IR Act, after 1st January 2023 15% Advance Income Tax (AIT) should be deducted on dividends paid by a resident Company out of profits and income of the Company.

The Directors are satisfied that the Company would meet the solvency test requirement under Section 56(2) of the Companies Act No. 07 of 2007, immediately after the payment of the final dividend.

There are no other events other than above have arisen since the reporting date which require adjustments to or disclosure in the Financial Statements.

NOTE 31 - RELATED PARTY DISCLOSURES

31.1 Terms and conditions of Transactions with Related Parties

The Company carried out transactions in the ordinary course of business with its Related Parties. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any Related Party receivables or payables. For the year ended 31 March 2025, the Company has not recorded an impairment of receivables relating to amounts owed by Related Parties.





NOTES TO THE FINANCIAL STATEMENTS (Contd.)

NOTE 31 - RELATED PARTY DISCLOSURES (CONTD.)

31.2 Parent and Ultimate Controlling Party

The Company does not have an identifiable parent of its own

31.3 Key management personnel information

The Directors of the Company have interest in the transactions detailed below and some Directors held the post of Director of such Related Companies during the year.

Mr. S.D.W. Asitha Gunasekera, Mr. J.F. Fernandopulle, Mr. S.D.S. Gunesekera, Mr. S.J. Watawala, Mr. G.J.L. Neomal Perera, Mr. A.J. Shamendra Jayakody, Mr. M.D.J.P. Nilantha Perera, Prof. T.S. Gamini Fonseka (Resigned w.e.f. 31st December 2024), Mr. M.A.C.H. Munaweera, Mr. N.A. Lalith Cooray (Resigned w.e.f. 31st December 2024), Mrs. Gillian Edwards (Appointed w.e.f. 31st December 2024) and Mr. W.V.J.T. Fernando (Appointed w.e.f. 31.12.2024) were Directors of the Company during the year.

	Year ended 31.03.2025 Rs.	Year ended 31.03.2024 Rs.
Directors Remuneration	8,230,000	7,060,000
Ex Gratia	617,500	-

31.4 Related Party Transactions

The Company has a Related Party Relationship with its Related Companies as disclosed below. The following transactions have been carried out with Related Parties during the year ended 31st March 2025 under normal commercial terms.

Transactions with Companies in which Directors of the Company hold other Directorships

The Company has carried out transactions with entities where a Director of the Company is a Director of such entities as detailed below:

Transaction with Other Related Companies

Name of the Company	Name of Director	Relationship	Nature of Transaction	31.03.2025 Rs.	31.03.2024 Rs.
Jayakody Mills (Pvt) Ltd	Mr. A.J.Shamendra Jayakody	Managing Director	Trade Receivables	-	493,616
St. Anne's Factory (Pvt) Ltd	Mr. G.J.L.Neomal Perera	Chairman/ Managing Director	Sale of Coconuts	143,406,438	79,159,761
	-		Trade Receivables	7,857,337	15,746,544
			Penal Interest Charge	39,226	-
Transactions with Shareholde	ers				
S.A Silva & Sons Lanka (Pvt) Ltd		Shareholder with 2.49% holding	Sale of Coconuts	59,626,120	22,596,458
			Trade Receivables	2,973,862	1,187,942
Katana Oil Mills (Pvt) Ltd.		Mr.P.P.Suresh Fernando with 3.83% holding of MCPPLC is the Managing Director of Katana Oil Mills (Pvt) Ltd.	Sale of Copra	6,732,150	18,700,383
	•		Trade Receivables	-	3,438,260
Asian Agro Products (Pvt) Ltd		Shareholder with 0.003% holding	Sale of Coconuts	89,249,665	64,268,768
			Trade Receivables	15,962,403	4,642,633
			Penal Interest Charge	13,698	-

NOTE 31 - RELATED PARTY DISCLOSURES (CONTD.)

31.5 There are no other transaction with Key Management Personnel and their close family members other than above.

31.6 Non-recurrent Related Party Transactions

There were no non-recurrent Related Party Transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Company as per 31st March 2025 audited Financial Statements, which required additional disclosures in the 2024/25 Annual Report under Colombo Stock Exchange listing Rule 9.14.8(i) and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

31.7 Recurrent Related Party Transactions

Name of the Related Party	Relationship	Nature of the Transaction	Value of the Related Party Transaction entered during the year Rs.	Value of the Related Party Transaction as a % of Net Revenue	Terms and Conditions
St. Anne's Factory (Pvt) Ltd	Common Directorship	Sale of Coconut	143,406,438	34.50%	Normal Commercial Terms
S.A Silva & Sons Lanka (Pvt) Ltd	Shareholder with 2.49% shareholding	Sale of Coconut	59,626,120	14.34%	Normal Commercial Terms
Katana Oil Mills (Pvt) Ltd.	Entity controlled by a shareholder with 3.83% shareholding at MCPPLC	Sale of Copra	6,732,150	1.62%	Normal Commercial Terms
Asian Agro Products (Pvt) Ltd	Shareholder with 0.003% shareholding	Sale of Coconut	89,249,665	21.47%	Normal Commercial Terms

NOTE 32 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise, Accrued and other payables and obligation under Right of use Land on Lease. The main purpose of these financial liabilities is to finance the Company's operations. The Company has trade and other receivables, short-term investments and Cash at Bank and in hand that arrive directly from its operations. Accordingly, the Company has exposure to namely Market Risk, Credit Risk and Liquidity Risk from its use of financial instruments.

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 of below risks:

- Interest rate risk
- Commodity price risk

Financial instruments affected by market risk include, short term investments in Deposits & Right of use Land on Lease. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(i) Interest Rate Risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has investment in Deposits at varying terms and conditions. The finance function negotiates with banks to get the best interest rates.

(ii) Commodity Price Risk

The Company is affected by the volatility of certain commodities. The volatility in prices of coconut etc. would trigger greater uncertainty in the contribution towards Company turnover. Due to the significantly increased volatility of the price of the underlying, the Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading towards negative effect towards Company profitability. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions.

Company has continuously monitored the receivables through segregating the duty of controlling the receivables. It is the responsibility of the Management to continuously monitor the receivables and the receipts & recoveries are done promptly according to the credit period. Furthermore, age analysis is carried out along with provisioning to smooth out the irrecoverable debtor balances across the period.





NOTES TO THE FINANCIAL STATEMENTS (Contd.)

NOTE 32 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

The following table shows the credit quality of the financial instruments by class of financial assets.

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Financial Assets		
Trade and Other Receivables		
Neither Past-due nor Impaired	45,341,134	98,726,605
Total	45,341,134	98,726,605
Past-due but not Impaired		
<30 days	-	-
30-60 Days	-	5
61-90 Days	-	-
91-120 Days	_	
>120 Days	18,603,653	494,258
Total	18,603,653	494,263
Individually Impaired	759,304	759,304
Total	759,304	759,304
Total Trade and Other Receivable Exposed to Credit Risk	64,704,091	99,980,172
Short Term Investments		
Neither Past-due nor Impaired		
Fitch Rating		***************************************
AA- (Ika) Stable (2023/24 - A(Ika) - Evolving)	133,223,583	94,023,074
A+ (Ika) Stable (2023/24 - A(lka) - Evolving)	231,911,617	176,130,314
Total Short-Term Investments Exposed to Credit Risk	365,135,200	270,153,388
Cash and Cash Equivalents		
Neither Past-due nor Impaired		
Fitch Rating		
AA- (Ika) Stable (2023/24 - A(Ika))	73,330,570	59,479,949
A+ (Ika) Stable (2023/24 - A(Ika) - Evolving)	4,487,702	3,156,995
Total	77,818,273	62,636,944
Cash in hand	36,091	37,283
Total Cash and Cash Equivalents Exposed to Credit Risk	77,854,363	62,674,227
Total Financial Assets Exposed to Credit Risk	507,693,655	432,807,787

Neither past-due nor Impaired

Trade Receivable balances not exceeding the credit period of 35 days at the reporting date and the impairment is very remote.

Past-due but not Impaired

Trade Receivables balances exceeding the credit period of 35 days and not likely to become impaired at the reporting date.

Individually Impaired

Trade Receivables balance exceeding the credit period of 35 days and considered as impaired at reporting date.

Liquidity Risk

Cash flow forecasting is performed by the finance division. The finance division monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Company's covenant compliance and compliance with internal Statement of Financial Positions ratio targets.



NOTE 32 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

The below analysis summarizes the maturity profile of the financial liabilities based on contractual undiscounted payments.

Year ended 31st March 2025	Note	On demand Rs.	Less than 3 Months Rs.	3 to 12 Months Rs.	1 to 5 Years Rs.	More than 5 Years Rs.	Total Rs.
Trade & Other Payables	20	30,400,697	9,421,393	1,871,668	2,390,685	-	44,084,443
Obligation under Right of use Assets - Land on Lease	17	-	7,000,865	-	26,880,085	-	33,880,950
		30,400,697	16,422,258	1,871,668	29,270,770	-	77,965,393
Year ended 31st March 2024							
Trade & Other Payables	20	26,631,283	7,571,445	3,407,041	447,725	-	38,057,494
Obligation under Right of use Assets - Land on Lease	17	-	6,586,793	=	29,134,479	4,746,476	40,467,743
		26,631,283	14,158,238	3,407,041	29,582,204	4,746,476	78,525,242
NOTE 33 - DIVIDENDS					31.0	03.2025 Rs.	31.03.2024 Rs.
Ordinary Share Dividends							
Final Dividend - 2022/23						-	52,494,173
Final Dividend - 2023/24					69,9	92,230	-
Gross Dividend					69,9	992,230	52,494,173

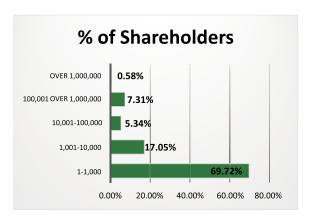


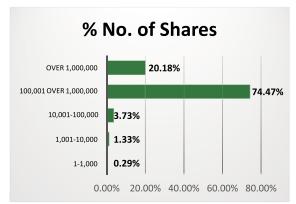


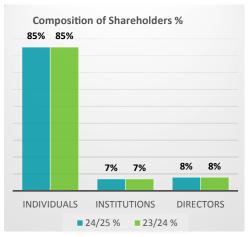
Shareholders Information

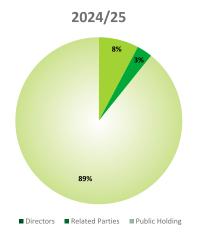
1. Distribution of Shareholding as at 31st March 2025

Category	No. of Shareholders	% No. of Shareholders	No. of Shares	% No. of Shares
1 -1,000	601	69.72%	100,507	0.29%
1,001 -10,000	147	17.05%	466,152	1.33%
10,001 -100,000	46	5.34%	1,306,172	01.070
100,001 -1,000,000	63	7.31%	26,060,217	74.47%
Over 1,000,000	5	0.58%	7,063,067	20.18%
Total	862	100.00%	34,996,115	100.00%









1.1. Composition of Shareholders as at 31st March 2025

Category	No. of Share Holders	Total No. of Shares	%
Individuals	851	29,851,934	85%
Institutions	4	2,430,081	7%
Directors	7	2,714,100	8%
Total	862	34,996,115	100%

2. Public Holding

	No. of Shares 2024/25	%	No. of Shares 2023/24	%
Total Shares Traded	34,996,115	100%	34,996,115	100%
Less: Directors	2,714,100	8%	2,714,100	8%
Less: Related Parties	1,057,160	3%	1,133,359	3%
Public Holding	31,224,855	89%	31,148,656	89%

Public Holding Excludes:

- i. Directors
- ii. Close Family Members of the Directors
- iii. Related Companies



SHAREHOLDERS INFORMATION (Contd.)

3. Share Trading During the Year

	2024/25	2023/24
Highest Price Traded	45.50	37.80
Lowest Price Traded	25.10	22.90
Last Traded Price	37.20	27.60
Total Number of Share Transactions	3,217	3,302
Total Number of Shares Traded	1,222,853	1,363,759
Total Value of Shares traded	43,213,315	40,795,694
Market Capitalization as at 31st March	1,301,855,478	965,892,774
Float Adjusted Market Capitalization as 31st March	1,161,564,606	859,702,906

The float adjusted Market Capitalization as at 31st March 2025 was Rs. 1,161,564,606. Since the float adjusted market capitalization is higher than Rs. 1 Bn where the public holding is more than 7.5% and the number of public shareholders exceeds 200, MCPPLC complies under option 1 in terms of rule 7.13.1 (i) (b) (for Diri Savi Board Companies) of the Listing Rules of the Colombo Stock Exchange.

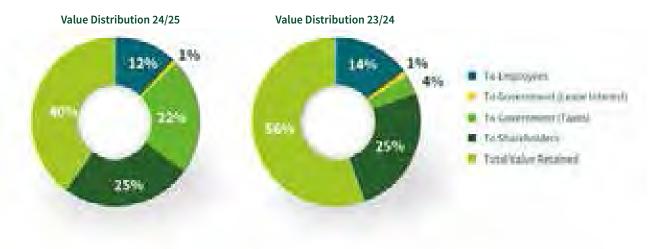
4. 20 Largest Shareholders as at 31st March 2025 and 31st March 2024

Name of Shareholders	As at 31.03.2025		As at 31.03.2024			
	No. of Shares	%	No. of Shares	%		
Dunagaha Coconut Producers Co-op Society Ltd	1,631,862	4.66	1,631,862	4.66		
Silvermill Holdings Ltd	1,541,596	4.41	1,541,596	4.41		
Sanhinda Mills (Pvt) Ltd	1,492,881	4.27	1,492,881	4.27		
Paththage Pio Suresh Fernando	1,339,641	3.83	1,339,641	3.83		
J A D K R Jayasuriya	1,057,087	3.02	1,055,178	3.02		
HDFDSSamaranayake	974,202	2.78	974,202	2.78		
Sunil Jayalath Watawala	881,847	2.52	881,847	2.52		
S K Wickramarachchi	872,291	2.49	872,291	2.49		
S A Silva & Sons Lanka (Pvt) Ltd	870,623	2.49	870,623	2.49		
D M S W Gunawardena	862,563	2.33	816,426	2.33		
Gamamedaliyanage Joseph Lalith Neomal Perera	777,733	2.22	777,733	2.22		
J A S N Jayasinghe	770,553	2.20	770,553	2.20		
Joseph Felix Fernandopulle	758,876	2.17	758,876	2.17		
Swanee Mills Ltd	758,333	2.17	758,333	2.17		
P K Kumarasiri Panduwawela	742,476	2.12	742,476	2.12		
T S Jayalath	695,312	1.99	695,312	1.99		
St. Joseph D C Manufactures (Pvt) Ltd	650,634	1.86	650,634	1.86		
D.Y. & D.U. Rajapaksa (Pvt) Ltd	626,384	1.82	626,384	1.79		
Silva, S.A.D.U. Shehan	609,081	1.79	609,081	1.74		
P.K.G. Panduwala	597,931	1.74	597,931	1.71		
Sub Total	18,511,906		18,463,860			



Value Added Statement

Economic Value Added	2024/25	%	2023/24	%
	Rs.	Rs.	Rs.	
Turnover	415,692,479		278,950,900	
Less: Cost of Goods Sold	(177,219,548)		(124,042,767)	
(Excluding Depreciation and Employee Benefits)				
Value Added from Operations	238,472,931		154,908,133	
Other Income	6,728,144		15,047,072	
Finance Income	29,665,184		43,099,117	
Total Value Created	274,866,259	100%	213,054,322	100%
Distributed as Follows				•
To Employees, as Remuneration and other Benefits	32,209,626	12%	29,523,848	14%
To Government, as Lease Interest	3,116,798	1%	3,472,642	1%
To Government, as Taxes	59,319,061	22%	8,367,594	4%
To Shareholders	69,992,230	25%	52,494,173	25%
Total Value Distributed	164,637,715	60%	93,858,257	44%
Total Value Retained	110,228,544	40%	119,196,065	56%
Total Value Distributed and Retained	274,866,259	100%	213,054,322	100%
Value Retained				
Profit Retained	68,904,741		81,280,758	
Depreciation and Amortization	41,323,803		37,915,307	
Total Value Retained	110,228,544		119,196,065	



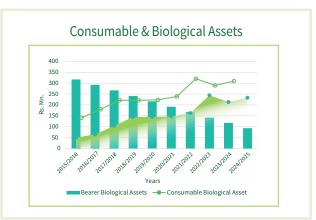


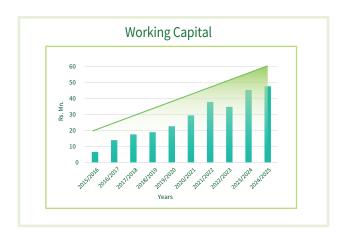
Ten Year Summary

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Revenue	83,533,190	181,675,017	212,930,998	158,697,141	179,757,448	230,192,004	244,417,086	324,501,506	278,950,900	415,692,479
Gross Profit	12,975,993	70,683,137	106,458,551	71,535,554	46,953,392	138,716,974	191,636,585	62,833,774	87,454,469	201,898,642
Net Finance Income	(250,095)	2,658,463	12,338,494	16,016,973	9,514,155	9,051,983	8,130,855	34,435,210	38,973,704	25,895,615
Profit After tax	10,081,751	65,477,749	117,390,219	102,822,446	35,889,611	129,904,263	191,277,098	69,616,932	135,980,011	140,390,208
Other Comprehensive Income	1	1	(315,620)	467,905	493,225	345,240	2,982,303	1,719,785	(2,205,080)	(1,493,237)
Total Comprehenive Income for the Year	10,081,751	65,477,749	117,074,599	103,290,351	36,382,836	129,559,023	194,259,401	71,336,717	133,774,931	138,896,971
Assets and Liabilities										
Property Plant and Equipment	17,844,566	16,470,222	42,671,120	39,824,112	38,246,308	39,513,008	67,180,433	116,891,943	136,427,590	189,994,493
Right of Use Asset Land	4,558,553	3,661,901	3,346,220	3,030,539	7,237,350	7,798,106	6,856,020	5,913,934	4,971,848	4,029,762
Immature Plantation	,	1	1	-	292,276	557,421	948,521	1,244,628	2,082,465	2,871,038
Intangible Asset	1	'	'	316,264	241,852	167,440	273,028	162,690	107,951	71,951
Consumable Biological Asset	49,800,000	65,000,000	103,800,000	144,952,743	145,173,600	146,900,000	162,800,000	244,480,000	213,300,000	233,040,000
Bearer Biological Assets	314,304,682	289,060,428	263,816,176	238,571,922	213,327,668	188,640,835	163,787,681	138,839,534	114,433,118	89,977,437
Short-term Investments	34,794,403	91,967,639	131,654,689	187,233,042	163,583,070	231,606,507	242,301,188	269,148,804	270,153,388	365,135,200
Working Capital	66,809,047	140,354,167	176,519,054	190,794,330	227,674,627	295,686,424	379,837,910	349,496,004	454,818,393	477,833,089
Non Current Liabilities	29,650,631	27,982,054	52,875,482	70,276,946	84,746,090	82,577,689	77,837,833	141,892,058	128,618,821	130,334,826
Cash Flows										
Cash Generated from / (used in) Operations	15,590,810	83,856,231	147,470,992	92,459,880	46,346,160	163,387,135	141,174,708	103,737,868	61,291,477	192,453,515
Net Cash from / (used in) Operating Activities	11,410,972	81,608,746	138,214,395	86,880,622	41,590,799	159,683,568	136,451,511	95,026,305	54,352,825	182,698,072
Net Cash from / (used in) Investing Activities	(7,000,400)	(55,206,565)	(57,720,808)	(43,170,782)	35,196,920	(58,491,297)	(30,013,426)	(47,094,027)	19,840,336	(90,938,912)
Net Cash from / (used in) Financing Activities	(23,188,833)	(17,310,590)	(72,299,022)	(36,017,960)	(80,986,889)	(87,026,716)	(99,629,995)	(58,642,397)	(52,494,173)	(76,579,023)
Cash and Cash Equivalents at the end of the year	9,932,846	19,024,437	27,219,002	34,910,882	30,711,712	43,877,267	51,685,358	40,975,239	62,674,227	77,854,364
Operating Ratios										
Turnover Growth (%)	-37%	117%	17%	-25%	13%	28%	%9	33%	-14%	49%
Operating Profit Margin (%)	14%	38%	%99	65%	13%	53%	<u> </u>	34%	32%	45%
Fixed Asset Turn Over Ratio (%)	22%	49%	51%	37%	44%	%09	61%	63%	29%	%6 2
Financial Ratios										
Return on Equity (%)	2%	13%	22%	19%	7%	22%	27%	10%	17%	16%
Current Ratio (times)	4.82	7.95	8.97	3.14	9.74	6.24	6.80	8.88	10.59	5.41
Debt/Equity(%)	%/	4%	3%	3%	% 9	%9	4%	3%	4%	3%
Interest Cover (times)	3.82	34.47	5,590.17	63.51	5	24	40	25	21	47
Investor Ratios									•••••	
EPS (Rs)	0.33	2.16	3.76	3.04	1.04	3.71	5.46	1.99	3.88	4.01
DPS (Rs)	0.45	0.7	4	2.75	1.5	2.25	2.5	1.50	1.50	2.00
Dividend Cover (times)	0.74	10.8	0.94	1.11	0.69	1.65	2.19	1.33	2.59	2.01
Net Asset Value Per Share(Rs)	13.96	16.03	15.87	16.17	15.64	17.03	20.09	20.62	2295	74 91

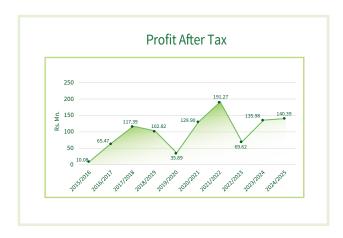
Key Highlights from Ten Year Summary

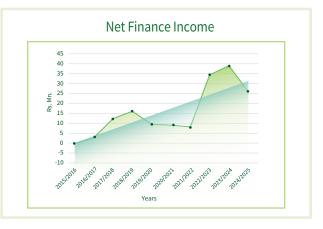






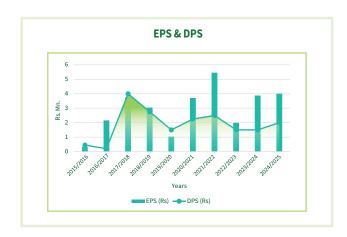


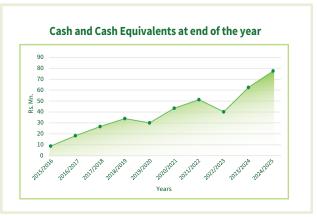






KEY HIGHLIGHTS FROM TEN YEAR SUMMARY (Contd.)











Vertical & Horizontal Analysis

HORIZONTAL ANALYSIS - STATEMENT OF FINANCIAL POSITION

As at 31st March	2024/25	;	2023/24	ŀ	2022/23	3	2021/2	2	2020/2	1
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Assets										
Non-Current Assets			4			•	-	*	4	
Right of use Assets - Land	4,029,762	-19%	4,971,848	-16%	5,913,934	-14%	6,856,020	-12%	7,798,106	8%
Property, Plant & Equipment	189,994,493	39%	136,427,590	17%	116,891,943	74%	67,180,433	70%	39,513,009	3%
Electrical Substation	7,313,376	-4%	7,580,462	-3%	7,847,736	-	-	-	-	-
Intangible Assets	71,951	-33%	107,951	-34%	162,690	-40%	273,028	63%	167,440	-31%
Bearer Biological Assets	89,977,437	-21%	114,433,118	-18%	138,839,534	-15%	163,787,681	-13%	188,640,835	-12%
Consumable Biological Assets	233,040,000	9%	213,300,000	-13%	244,480,000	50%	162,800,000	11%	146,900,000	1%
Total Non-Current Assets	524,427,019	10%	476,820,969	-7%	514,135,837	28%	400,897,162	5%	383,019,390	-5%
Current Assets				•			-	<u></u>		
Inventories	72,688,296	22%	59,557,429	15%	51,720,090	-55%	115,249,610	213%	36,800,259	142%
Trade & Other Receivables	64,684,999	-40%	107,735,335	371%	22,877,399	-33%	34,354,163	-8%	37,240,813	-8%
Short Term Investments	365,135,200	35%	270,153,388		269,148,804	11%	242,301,188	5%	231,606,507	42%
Income Tax Refund due	-	-100%	551,409	-83%	3,223,301	73%	1,859,969	17%	1,586,402	-59%
Cash at Bank & In Hand	83,625,770	30%	64,266,005	37%	46,863,874	-9%	51,685,358	15%	44,877,267	46%
Total Current Assets	586,134,265	17%	502,263,566	28%	393,833,468	-12%	445,450,288	27%	352,111,248	39%
Total Assets	1,110,561,284	13%	979,084,535	8%	907,969,305	7%	846,347,450	15%	735,130,638	12%
	[-,,		1,,	L	,	I	1,,	1	1,	1
Equity & Liabilities		•	-	•		•	-	***************************************	-	
Stated Capital	384,717,995	-	384,717,995	-	384,717,995	-	384,717,995	-	384,717,995	-
Retained Earnings	470,888,011	17%	401,983,270	25%	320,702,512	6%	301,859,968	55%	195,090,854	35%
Total Equity	855,606,006	9%	786,701,265	12%	705,420,507	3%	686,577,963	18%	579,808,849	10%
Advance Received for	16,319,276	_	16,319,276	_	16,319,276	_	16,319,276	_	16,319,276	-12%
Allotment of Shares										
Shareholders' Funds	871,925,282	9%	803,020,541	11%	721,739,783	3%	702,897,239	18%	596,128,125	9%
			···	•					•	
Non-Current Liabilities		·	Ī	[T	Ī	I		T
Obligation under Right of use Assets	17,880,522	-18%	21,764,590	-	21,764,592	-13%	24,878,736	-9%	27,250,656	-3%
Retirement Benefit Obligation	18,024,364	33%	13,509,682	52%	8,880,344	-12%	10,055,170	-21%	12,698,599	26%
Deferred Tax Liability	94,429,940	1%	93.344.549	-16%	111.247.122	159%	42.903.927	1%	42.628.434	-9%
Total Non-Current Liabilities	130,334,826	1%	128,618,821	-9%	141,892,058	82%	77,837,833	-6%	82,577,689	-3%
		L		L		!		4		
Current Liabilities							-			
Trade & Other Payables	45,530,726	16%	39,266,603	11%	35,334,681	-44%	63,240,460	33%	47,592,562	129%
Income Tax Payable	49,998,179	-	-	-	-	-	-	-	-	_
Obligation under Right of use	7,000,865	6%	6,586,792	112%	3,114,148	31%	2,371,918	-73%	8,832,262	68%
Assets - Land on Lease						J± 70	۷,511,510	1 3 70	0,032,202	0070
Bank Overdraft	5,771,406	263%	1,591,778	-73%	5,888,635	-	-	-	-	-
Total Current Liabilities	108,301,176	128%	47,445,173	7%	44,337,464	-32%	65,612,378	16%	56,424,824	117%
Total Liabilities	238,636,002	36%	176,063,994	-5%	186,229,522	30%	143,450,211	3%	139,002,513	25%
Total Equity & Liabilities	1,110,561,284	13%	979,084,535	8%	907,969,305	7%	846,347,450	15%	735,130,638	12%



VERTICAL & HORIZONTAL ANALYSIS (Contd.)

VERTICAL ANALYSIS - STATEMENT OF FINANCIAL POSITION

As at 31st March	2024/25		2023/24		2022/23		2021/22	2	2020/21	i
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Assets										
Non-Current Assets										
Right of use Assets - Land	4,029,762	-	4,971,848	1%	5,913,934	1%	6,856,020	1%	7,798,106	1%
Property, Plant & Equipment	189,994,493	17%	136,427,590	14%	116,891,943	13%	67,180,433	8%	39,513,009	5%
Electrical Substation	7,313,376	1%	7,580,462	1%	7,847,736	1%	-	-	-	-
Intangible Assets	71,951	-	107,951	-	162,690	-	273,028	-	167,440	-
Bearer Biological Assets	89,977,437	8%	114,433,118	12%	138,839,534	15%	163,787,681	19%	188,640,835	26%
Consumable Biological Assets	233,040,000	21%	213,300,000	22%	244,480,000	27%	162,800,000	19%	146,900,000	2%
Total Non-Current Assets	524,427,019	47%	476,820,969	49%	514,135,837	57%	400,897,162	47%	383,019,390	52%
C	-		-				-	-	-	
Current Assets Inventories	72,688,296	7%	E0 EE7 420	6%	E1 720 000	6%	115 240 610	14%	36,800,259	5%
Trade & Other Receivables	64,684,999	6%	59,557,429 107,735,335	11%	51,720,090 22,877,399	3%	115,249,610 34,354,163	4%	37,240,813	5%
Short Term Investments	365,135,200	33%	270,153,388	28%	269,148,804	3%	242,301,188	29%	231,606,507	32%
Income Tax Refund due	303,133,200	3370	551,409	2070			1,859,969	2370	1,586,402	3270
Cash at Bank & In Hand	92 625 770	8%	64,266,005	7%	3,223,301 46,863,874	- 5%	†	6%	44,877,267	6%
Total Current Assets	83,625,770 586,134,265	53%	502,263,566	51%	393,833,468	43%	51,685,358 445,450,288	53%	352,111,248	48%
Total Assets	1,110,561,284	10%	979,084,535	10%	907,969,305	10%	846,347,450	10%	735,130,638	10%
Total Assets	1,110,301,204	1070] 919,004,333	1070	[301,303,303	1070	[040,341,430	1070	[133,130,036	1070
Equity & Liabilities							-	T	-	
Stated Capital	384,717,995	35%	384,717,995	39%	384,717,995	42%	384,717,995	45%	384,717,995	52%
Retained Earnings	470,888,011	42%	401,983,270	41%	320,702,512	35%	301,859,968	36%	195,090,854	27%
Total Equity	855,606,006	77%	786,701,265	8%	705,420,507	78%	686,577,963	81%	579,808,849	79%
Advance Received for										
Allotment of Shares	16,319,276	1%	16,319,276	2%	16,319,276	2%	16,319,276	2%	16,319,276	2%
Shareholders Funds	871,925,282	79%	803,020,541	82%	721,739,783	79%	702,897,239	83%	596,128,125	81%
Non-Current Liabilities	-				-				•	·····
Obligation under Right of use								I	Ī	Ī
Assets	17,880,522	2%	21,764,590	2%	21,764,592	2%	24,878,736	3%	27,250,656	4%
Retirement Benefit Obligation	18,024,364	2%	13,509,682	1%	8,880,344	1%	10,055,170	1%	12,698,599	2%
Deferred Tax Liability	94,429,940	9%	93,344,549	1%	111,247,122	12%	42,903,927	5%	42,628,434	6%
Total Non-Current Liabilities	130,334,826	12%	128,618,821	13%	141,892,058	16%	77,837,833	9%	82,577,689	11%
Command Linkillsian	-									
Current Liabilities Trade & Other Payables	45,530,726	4%	39,266,603	4%	25 224 601	4%	63,240,460	7%	47 502 562	6%
Income Tax Payable	49,998,179	4% 5%	33,200,003	4%	35,334,681	4%	03,240,400	190	47,592,562	- 6%
Obligation under Right of use	43,330,179	J 70	-	-	-	-	-	_	-	<u> </u>
Assets - Land on Lease	7,000,865	1%	6,586,792	1%	3,114,148	-	2,371,918	-	8,832,262	1%
Bank Overdraft	5,771,406	1%	1,591,778	-	5,888,635	1%	_	-	_	-
Total Current Liabilities	108,301,176	1%	47,445,173	5%	44,337,464	5%	65,612,378	8%	56,424,824	8%
Total Liabilities	238,636,002	21%	176,063,994	18%	186,229,522	21%	143,450,211	17%	139,002,513	19%
Total Equity & Liabilities	1,110,561,284	10%	979,084,535	10%	907,969,305	10%	846,347,450	10%	735,130,638	10%
Total Equity & Elabilities		10/0	1 3,004,000	10/0	1 301,303,303	1070	I 3 10,3 T1, T30	I 10/0	1 ,00,100,000	L ±0/0



VERTICAL & HORIZONTAL ANALYSIS (Contd.)

HORIZONTAL ANALYSIS - STATEMENT OF PROFIT AND LOSS

As at 31st March	2024/25		2023/24		2022/23		2021/22		2020/21	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Revenue	415,692,479	49%	278,950,900	-14%	324,501,506	33%	244,417,086	6%	230,192,004	28%
	·	.		T			r	T		
Cost of Sale	(213,793,837)	12%	(191,496,431)	-27%	(261,667,732)	396%	(52,780,501)	-42%	(91,475,030)	-31%
Gross Profit	201,898,642	131%	87,454,469	39%	62,833,774	-67%	191,636,585	38%	138,716,974	195%
	·	·	.				-	***************************************		
Other Income	6,728,144	-55%	15,047,072	509%	2,470,808	-72%	8,702,432	-18%	10,578,274	285%
Gain on change in Fair	19,740,000	-34%	30,098,751	-63%	81,680,000	392%	16,586,000	861%	1,726,400	682%
Value of Biological Assets	19,740,000	-34%	30,096,731	-03%	61,060,000	39290	10,360,000	00170	1,720,400	00290
Administration Expenses	(52,655,983)	19%	(44,112,501)	15%	(38,210,447)	26%	(30,364,860)	3%	(29,392,914)	14%
Other Expenses	(171,799)	141%	(71,429)	17%	(61,053)	23%	(49,722)	32%	(37,792)	-97%
Results from Operating Activities	175,539,004	99%	88,416,362	-19%	108,713,082	-42%	186,510,435	53%	121,590,942	432%
	•	•	•	•	•		•	•	•	
Finance Costs	(3,769,569)	-9%	(4,125,413)	-7%	(4,429,080)	-6%	(4,698,170)	-6%	(4,992,845)	11%
Finance Income	29,665,184	-31%	43,099,117	11%	38,864,290	203%	12,829,025	-9%	14,044,828	-
Net Finance Income	25,895,615	-34%	38,973,704	13%	34,435,210	324%	8,130,855	-10%	9,051,983	-5%
Profit before Taxation	201,434,619	58%	127,390,066	-11%	143,148,292	-26%	194,641,290	49%	130,642,925	303%
	·	r	.	r	•		r	T		
Taxation	(61,044,411)	811%	8,589,945	-112%	(73,531,360)	2086%	(3,364,192)	355%	(738,662)	-121%
Profit for the year	140,390,208	3%	135,980,011	95%	69,616,932	-64%	191,277,098	47%	129,904,263	262%



VERTICAL & HORIZONTAL ANALYSIS (Contd.)

VERTICAL ANALYSIS - STATEMENT OF PROFIT AND LOSS

As at 31st March	2024/25		2023/24		2022/23		2021/22		2020/21	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Revenue	415,692,479	100%	278,950,900	100%	324,501,506	100%	244,417,086	100%	230,192,004	100%
	(242 - 222 222)		/101 400 401		(001 007 700)	010/	[Γ	I 01 475 000	T 400/
Cost of Sale	(213,793,837)	-51%	(191,496,431)	-69%	(261,667,732)	-81%	-52,780,501	-22%	-91,475,030	-40%
Gross Profit	201,898,642	49%	87,454,469	31%	62,833,774	19%	191,636,585	78%	138,716,974	60%
			•	r			r	r	·	·····
Other Income	6,728,144	2%	15,047,072	5%	2,470,808	1%	8,702,432	4%	10,578,274	5%
Gain on change in Fair	19,740,000	5%	30,098,751	11%	81,680,000	25%	16,586,000	7%	1.726.400	1%
Value of Biological Assets	19,740,000	J 70	30,036,731	1170	01,000,000	2370	10,560,000	170	1,720,400	170
Administration Expenses	(52,655,983)	-13%	(44,112,501)	-16%	(38,210,447)	-12%	-30,364,860	-12%	-29,392,914	-13%
Other Expenses	(171,799)	-	(71,429)	-	(61,053)	-	-49,722	0%	-37,792	-
Results from Operating Activities	156,140,595	38%	88,416,362	32%	108,713,082	34%	186,510,435	76%	121,590,942	53%
								L		
Finance Costs	(3,769,569)	-1%	(4,125,413)	-1%	(4,429,080)	-1%	-4,698,170	-2%	-4,992,845	-2%
Finance Income	29,665,184	7%	43,099,117	15%	38,864,290	12%	12,829,025	5%	14,044,828	6%
Net Finance Income	25,895,615	6%	38,973,704	14%	34,435,210	11%	8,130,855	3%	9,051,983	4%
Profit before Taxation	201,434,619	48%	127,390,066	46%	143,148,292	44%	194,641,290	80%	130,642,925	57%
								•		
Taxation	(61,044,411)	-15%	8,589,945	3%	(73,531,360)	-23%	-3,364,192	-1%	-738,662	-
Profit for the year	140,390,208	34%	135,980,011	49%	69,616,932	21%	191,277,098	78%	129,904,263	56%

Notice of Meeting

NOTICE IS HEREBY GIVEN, that the Twenty Eighth (28th) ANNUAL GENERAL MEETING of Mahaweli Coconut Plantations PLC, will be held at Avenra Garden Hotel, No. 22, Negombo - Giriulla Road on 25th September 2025 at 10.30am for the following purposes:

AGENDA

- 1. To receive and consider the Annual Report of the Board of Directors together with the Audited Financial Statements of the Company for the financial year ended 31st March 2025 and the Report of the Auditors thereon.
- 2. To declare a Final Dividend of Rs. 3/- (Rupees Three Only) per Ordinary Share, as recommended by the Board of Directors and to pass the following by way of an Ordinary Resolution;

Ordinary Resolution;

We, the Shareholders of Mahaweli Coconut Plantations PLC resolved to declare a final cash dividend of Rs. 3/- (Rupees Three only) per share out of the Profits of the Company, for the year ended 31st March 2025 to the Ordinary shareholders as per the Directors' recommendation. The Ex-Dividend (XD) date is fixed as 26th September 2025, record date is 29th September 2025 and the dividend dispatch date fixed for 16th October 2025.

- 3. To announce the retirement of the 3 oldest serving Directors Mr. Gamamedaliyanage Joseph Lalith Neomal Perera, Mr. Ashok Jerom Shamendra Jayakody and Mr. Madurawalage Don John Pradeep Nilantha Perera who retire in terms of Articles 73 and 74 of the Articles of Association of the Company.
- 4. To re-elect Mr. Gammadiliyanage Joseph Lalith Neomal Perera, who retired by rotation and who has consented to be re-appointed for the position of Director.
- 5. To re-elect Mr. Ashok Jerom Shamendra Jayakody, who retired by rotation and who has consented to be re-appointed for the position of Director.
- 6. To re-elect Mr. Madurawalage Don John Pradeep Nilantha Perera, who retired by rotation and who has consented to be re-appointed for the position of Director.
- 7. To consider and if thought fit, to pass the following Ordinary Resolutions declaring that the provisions of Section 210 of the Companies Act No. 7 of 2007 (as amended) is not applicable:

"IT IS HEREBY RESOLVED THAT:

- 1) the age limit (70 years) referred to in Section 210 of the Companies Act No.07 of 2007 (as amended) ("Companies Act") shall not apply to Mr. Sunil Jayalath Watawala who has declared that he is 81 years of age in 2025 and accordingly, that Mr. Sunil Jayalath Watawala be and is hereby appointed a Director of the Company in terms of Section 211 of the Companies Act for another year.
- 2) the age limit (70 years) referred to in Section 210 of the Companies Act No.07 of 2007 (as amended) ("Companies Act") shall not apply to Mr. Joseph Felix Fernandopulle who has declared that he is 71 years of age in 2025 and accordingly, that Mr. Joseph Felix Fernandopulle be and is hereby appointed a Director of the Company in terms of Section 211 of the Companies Act for another year.
- 8. To consider and if thought fit, to pass the following Ordinary Resolutions declaring that the provisions of Section 210 of the Companies Act No. 7 of 2007 (as amended) is not applicable and that the appropriate procedure required under Rule 9.8.3 (ix) of the CSE Listing Rules as per Circular No.03/2025 dated 28th February 2025 has been adhered to and the re-appointment of Mr. Munaweera Aratchige Chithral Hilarian Munaweera as an Independent Director, as recommended by the Nominations and Governance Committee and confirmed by the Board of Directors, be approved:

"IT IS HEREBY RESOLVED THAT:

- 1) The age limit (70 years) referred to in Section 210 of the Companies Act No.07 of 2007 (as amended) ("Companies Act") shall not apply to Mr. Munaweera Aratchige Chithral Hilarian Munaweera who has declared that he is 70 years of age in 2025 and accordingly, that Mr. Munaweera Aratchige Chithral Hilarian Munaweera be and is hereby appointed a Director of the Company in terms of Section 211 of the Companies Act for another year.
- 2) Mr. Munaweera Aratchige Chithral Hilarian Munaweera be and is hereby re-appointed as an Independent Director of the Company, as recommended by the Nominations and Governance Committee and confirmed by the Board of Directors, in terms of the requirements under Rule 9.8.3 (ix) of the CSE Listing Rules as per Circular No.03/2025 dated 28th February 2025.



NOTICE OF MEETING (Contd.)

- 9. To re-elect Mrs. Gillian Auril Mary Edwards in terms of Article 79 of the Company;s Articles of Association.
- 10. To re-elect Mr. Wickramarathne Vidhanalage Jude Tiller Fernando in terms of Article 79 of the Company's Articles of Association.
- 11. To re-appoint the existing auditors, M/s. Kreston MNS (Chartered Accountants) as the Auditors for the ensuing year and to authorize the Directors to determine their remuneration.
- 12. To authorize the Directors to determine the contribution to charity for the ensuing financial year.
- 13. To transact any other business of which due notice has been given.

By order of the Board of Mahaweli Coconut Plantations PLC



KALRUPCO MANAGEMENT SERVICES (PRIVATE) LIMITED

(Company Secretaries) Reg. No. RCS2000144 Colombo.

14th August 2025

Notes:

- 1. A shareholder who is unable to attend the meeting is entitled to appoint a proxy in his / her place. A proxy so appointed need not be a member of the Company. A form of proxy accompanies this Notice.
- 2. If the shareholder is a body corporate (i.e. A Limited Liability Company) the person attending the meeting on behalf of such Company, should file a proxy (indicating the name and NIC number of the nominee) signed and stamped by 2 Directors of the Company.
- 3. Admission to the meeting will be allowed only on production of a valid identity.

Corporate Information

Name of the Company

Mahaweli Coconut Plantations PLC

Legal Form

Public Limited Liability Company up to 02.06.2019 & a Listed Public Company from 03.06.2019

Date of Incorporation

29th October 1996

Registered Office

No. 1/82, Kimbulapitiya Road, Bolawalana, Negombo.

Contact Nos.

Tel: 031-4924553/031-4936163, Fax: 031-2233304, E mail: mcpl@sltnet.lk

Website: https://www.mahawelicoconut.com

Company Registration Number

P B 191 PQ

Date, Place and Authority of Incorporation

A Listed Public Limited Liability Company incorporated in Sri Lanka on 29th October 1996 under the Companies Act No.17 of 1982 and re-registered on 6th February 2008 under the Companies Act No. 7 of 2007

Directors

Mr. S.D.W. Asitha Gunasekera Mr. J.F. Fernandopulle Mr. M.A.C.H. Munaweera Mr. S.D.S. Gunesekera Mr. A.J. Shamendra Jayakody Mr. G.J.L. Neomal Perera Mr. M.D.J.P. Nilantha Perera Mr. S.J. Watawala Mrs. Gillian Edwards Mr. W.V.J.T. Fernando

Secretary

Kalrupco Management Services (Private) Limited" No. 31/1, Castle Street, Colombo 08.

Internal Auditors

KPMG Sri Lanka 32A, Sir Mohamed Macan Marker Mawatha, P.O. Box 186 Colombo 03,

External Auditors

Kreston MNS & Co Chartered Accountants 1st & 2nd Floors Advantage Building, 74 A, Dharmapala Mawatha, Colombo 07.

Lawyers

Paul Ratnayake Associates International Legal Consultants, Solicitors and Attorneys-at-Law, No.59, Gregory's Road, Colombo 07.

Bankers

Commercial Bank of Ceylon PLC Seylan Bank PLC Peoples Bank





Form of Proxy

year.

I/We *			of
		being a memb	er /s * of Mahaweli Coconut Plantations PLC, hereby appoint Mr/Mrs/Miss *
(Holding	g of N.I.C. No) of	
	whom	n failing.	
	S.D.W. Asitha Gunasekera		of Nugegoda, failing him*
	J.F. Fernandopulle		of Colombo, failing him*
	S.J. Watawala		of Negombo, failing him*
	S.D.S. Gunesekera		of Battaramulla, failing him*
	G.J.L. Neomal Perera		of Colombo, failing him*
	A.J. Shamendra Jayakody		of Dankotuwa, failing him*
	M.D.J.P. Nilantha Perera		of Colombo, failing him*
	M.A.C.H. Munaweera		of Colombo, failing him*
	G.A.M. Edwards		of Dehiwala, failing her*
	W.V.J.T. Fernando		of Negombo, failing him*

as my/our * Proxy to represent me/us * and vote on/our * behalf at the Twenty Eighth Annual General Meeting of the Company to be held at Avenra Garden Hotel, No. 22, Negombo – Giriulla Road on 25th September 2025 at 10.30am or any adjournment thereof and at every poll which may be taken in consequence thereof.

Please indicate your preference by placing a ✓ in the box of your choice against and each Resolution

Against To receive and consider the Annual Report of the Board of Directors together with the Financial Statements of the Company for the financial year ended 31st March 2025 and the Report of the Auditors thereon. Passing an ordinary resolution to declare a final dividend of Rs. 2/- (Two Rupees) per Ordinary Share to the existing shareholders in the form of Cash for the financial year ended 31st March 2025. To re-elect Mr. Gammadiliyanage Joseph Lalith Neomal Perera as a Director, who retires in terms of Articles 73 and 74 of the Articles of Association of the Company. To re-elect Mr. Ashok Jerom Shamendra Jayakody as a Director, who retires in terms of Articles 73 and 74 of the Articles of Association of the Company. To re-elect Mr. Madurawalage Don John Pradeep Nilantha Perera as a Director, who retire in terms of Articles 73 and 74 of the Articles of Association of the Company Passing an Ordinary Resolution declaring the re-election of the Directors who have attained the age of 70 years and that the provisions of Section 210 of the Companies Act No. 7 of 2007 (as amended) is not applicable. **Ordinary Resolution** "IT IS HEREBY RESOLVED THAT: 1) the age limit (70 years) referred to in Section 210 of the Companies Act No.07 of 2007 (as amended) ("Companies Act") shall not apply to Mr. Sunil Jayalath Watawala who has declared that he is 81 years of age in 2025 and accordingly, that Mr. Sunil Jayalath Watawala be and is hereby appointed a Director of the Company in terms of Section 211 of the Companies Act for another year

2) the age limit (70 years) referred to in Section 210 of the Companies Act No.07 of 2007 (as amended) ("Companies Act") shall not apply to Mr. Joseph Felix Fernandopulle who has declared that he is 71 years of age in 2025 and accordingly, that Mr. Joseph Felix Fernandopulle be and is hereby appointed a Director of the Company in terms of Section 211 of the Companies Act for another



FORM OF PROXY (Contd.)

		For	Against
(∨ii)	To consider and if thought fit, to pass the following Ordinary Resolutions declaring that the provisions Section 210 of the Companies Act No. 7 of 2007 (as amended) is not applicable and that the appropri procedure required under Rule 9.8.3 (ix) of the CSE Listing Rules as per Circular No.03/2025 dated 2. February 2025 has been adhered to and the re-appointment of Mr. Munaweera Aratchige Chithral Hilar Munaweera as an Independent Director, as recommended by the Nominations and Governance Commit and confirmed by the Board of Directors, be approved:	iate 8th rian	
	"IT IS HEREBY RESOLVED THAT:		
	1) The age limit (70 years) referred to in Section 210 of the Companies Act No.07 of 2007 (as amend ("Companies Act") shall not apply to Mr. Munaweera Aratchige Chithral Hilarian Munaweera who I declared that he is 70 years of age in 2025 and accordingly, that Mr. Munaweera Aratchige Chith Hilarian Munaweera be and is hereby appointed a Director of the Company in terms of Section 212 the Companies Act for another year.	has hral	
	2) Mr. Munaweera Aratchige Chithral Hilarian Munaweera be and is hereby re-appointed as Independent Director of the Company, as recommended by the Nominations and Governal Committee and confirmed by the Board of Directors, in terms of the requirements under Rule 9.8.3 of the CSE Listing Rules as per Circular No.03/2025 dated 28th February 2025.	nce	
(viii)	To re-elect Mrs. Gillian Auril Mary Edwards in terms of Article 79 of the Company's Articles of Association.		
(ix)	To re-elect Mr. Wickramarathne Vidhanalage Jude Tiller Fernando in terms of Article 79 of the Compar Articles of Association.	ny's	
(x)	To re-appoint the existing auditors, M/s. Kreston MNS (Chartered Accountants) as the Auditors for the ensu year and to authorize the Directors to determine their remuneration.	ing	
(xi)	To authorize the Directors to determine the contribution to charity.		
Sign	ed on this2025.		
	ature		
Snar	reholder's NIC/PP/Co. Reg. No.		

* Please delete the inappropriate words





FORM OF PROXY (Contd.)

INSTRUCTIONS AS TO COMPLETION

- i) The full name and the address of the proxy and of the shareholder appointing the proxy should be entered legibly in the form of proxy.
- ii) In the case of a Corporation/Company this proxy shall be under its Common Seal duly signed.
- The complete form of proxy should be deposited at the Office of the Secretary, Kalrupco Management Services (Private) Limited, No. 31/1, Castle Street, Colombo 08, not less than 48 hours before the time appointed for the holding of the Meeting.