



UNWAVERING STRENGTH FULFILLED PROMISES

Ex-Pack Corrugated Cartons PLC - Annual Report 2024/25



UNWAVERING STRENGTH FULFILLED PROMISES

"The best way to predict the future is to create it."

Peter Drucker

At Ex-Pack Corrugated Cartons PLC, we understand the importance of taking our own measure, and in the necessity of securing our place in the future. In order to remain at the forefront of our industry, we must remain at the forefront of change with unwavering strength, which hinges upon our ability to continuously evolve through evaluation, enhancement and the elevation of our performance.

As a leader in the industry of corrugated carton manufacturing, we continue to push the boundaries of possibility with bold, strategic initiatives designed to drive growth, improve quality, and deliver exceptional value to every stakeholder. Having delivered on all of our promises to our customers, employees, partners as well as to the environment and to society, we prepare for a sustainable future, continuing to do so with determination and verve.

In our journey to align with the demands of today and tomorrow, we've upgraded our factory with state-of-the-art, future-ready technology. Equipped with the right tools and systems, we are building a stable foundation as we chart a bold path forward, redefining industry standards, ensuring excellence and upholding best manufacturing practices in every product we deliver.

With our unwavering strength and our fulfilled promises guiding us forward, at Ex-Pack, we're always ready for what's next.



CONTENTS

1

OVERVIEW

- 4 Our Approach to Reporting
- 9 About Us
- 12 Performance Highlights
- 15 Operational Highlights
- 16 Our Corporate Journey
- 18 Awards and accolades



Chairman's Message

2

LEADERSHIP

- 22 Chairman's Message
- 26 Managing Director's Review
- 30 Board of Directors
- 36 Corporate Management Team

4

MANAGEMENT DISCUSSION & ANALYSIS

- 68 Financial Capital
- 74 Manufactured Capital
- 80 Human Capital
- 89 Intellectual Capital
- 95 Social and Relationship Capital
- 103 Natural Capital
- 113 Independent Practitioner's Assurance Report

3

Strategic Framework and Value Creation

- 44 Operating Environment
- 48 Value Transformation Process
- 50 Value Transformation Scorecard
- 53 Stakeholder Engagement
- 53 Material Matters
- 64 Strategy



5

Governance & Risk

- 116 Risk Management
- 124 Corporate Governance
- 151 Annual Report on the Board of Directors Affairs on the Company
- 154 Report of the Board Audit Committee
- 158 Report of the Board Remuneration Committee
- 160 Report of the Board Related Party Transactions Review Committee
- 162 Report of the Nominations and Governance Committee
- 164 The Statement of Directors' Responsibility
- 165 Managing Director's, Chief Executive Officer's and Chief Financial Officer's Statement Of Responsibility
- 166 Share Information



Managing
Director's Review

6

Financial Statements

- 170 Independent Auditor's Report
- 174 Statement of Financial Position
- 175 Statement of Profit or Loss
- 176 Statement of Comprehensive Income
- 177 Statement of Changes in Equity
- 178 Statement of Cash Flows
- 180 Notes to the Financial Statements
- 223 GRI Content Index
- 229 SASB Index
- 231 Notice of Meeting
- 233 Form of Proxy
- 235 Registration Form
- 236 Corporate Information



30 BOARD OF DIRECTORS

48 VALUE TRANSFORMATION
PROCESS

53 MATERIAL MATTERS

116 RISK MANAGEMENT

124 CORPORATE GOVERNANCE

154 AUDIT COMMITTEE REPORT

OUR APPROACH TO REPORTING

Welcome to Ex-Pack Corrugated Cartons PLC's second integrated annual report.

In the last financial year, we took a significant step forward in our corporate reporting by presenting our inaugural Integrated Annual Report to stakeholders. Staying true to our commitment of continuously enhancing transparency and disclosure, we are pleased to present our second Integrated Annual Report, a more refined and insightful portrayal of our value creation journey.



REPORTING BOUNDARY

This Report covers the operations of Ex-Pack Corrugated Cartons PLC (Ex-Pack or the Company) and subsidiary entity Neptune Papers (Private) Limited (collectively referred to as the Group). Both the financial and non-financial information in the Report present a consolidated view of the Group, unless otherwise stated. There were no significant changes to the structure, supply chain or material restatements of information or changes to the reporting boundary during the year, compared to the previous year.

REPORTING PERIOD

This Report follows an annual reporting cycle for both financial and sustainability reporting covering Ex-Pack's financial year from 1 April 2024 to 31 March 2025. It is a continuation of the Company's most recent report for the year ended 31 March 2024. Comparative information from this most recent reporting period is provided where applicable. Material events subsequent to the end reporting period, 31 March 2025 and up to the Board approval date of 5th June 2025 have also been included.

COMBINED ASSURANCE

The reliability and integrity of this report are upheld through a comprehensive assurance model, which incorporates oversight from management, internal audit, and external auditors. Messrs. Ernst and Young have provided external assurance on our consolidated financial statements and conducted limited assurance on our Integrated Reporting practices and GRI Reporting.

REPORTING FRAMEWORKS

Our reporting practices go well beyond mere regulatory compliance, reflecting our continued commitment to adopting international best practices. As in previous years, our disclosures are guided by the Sri Lanka Financial Reporting Standards (SLFRS), the Listing Rules of the Colombo Stock Exchange, and globally recognised frameworks such as the International Integrated Reporting Framework, Global Reporting Initiative (GRI) Standards, and Sustainability Accounting Standards Board (SASB) Standards.

The SLFRS Sustainability Standards - SLFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and SLFRS S2 (Climate-related Disclosures) will become mandatory for Ex-Pack Corrugated Cartons PLC from the financial year beginning 01 April 2026. In preparation for full compliance, we have begun disclosing select information aligned with the requirements of these standards, demonstrating our proactive approach and readiness for the transition.

The full list of frameworks and guidelines adopted in this report is provided below.

Financial Statements and Related Disclosures

Regulatory Frameworks

- Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka
- Companies Act No. 7 of 2007 (as amended)
- Listing Rules of Colombo Stock Exchange

Internal Assurance

- Internal Audit
- Robust framework of internal controls
- Reporting to the Board Audit Committee and Board of Directors

External Assurance

- Independent Auditors' Report by Messrs. Ernst and Young

Integrated and Sustainability Reporting

Voluntary Frameworks

- Integrated Reporting Framework of the International Integrated Reporting Council
- "Guidelines for Presentation of Annual Reports" issued by the Institute of Chartered Accountants of Sri Lanka
- Non-Financial Reporting Guideline issued by the Institute of Chartered Accountants of Sri Lanka
- Global Reporting Initiative (GRI) Standards (2023)
- Sustainability Accounting Standards Board (SASB) Standards – Containers & Packaging
- Guide on communicating sustainability issued by the Colombo Stock Exchange

Internal Assurance

- Board and Board subcommittee review

External Assurance

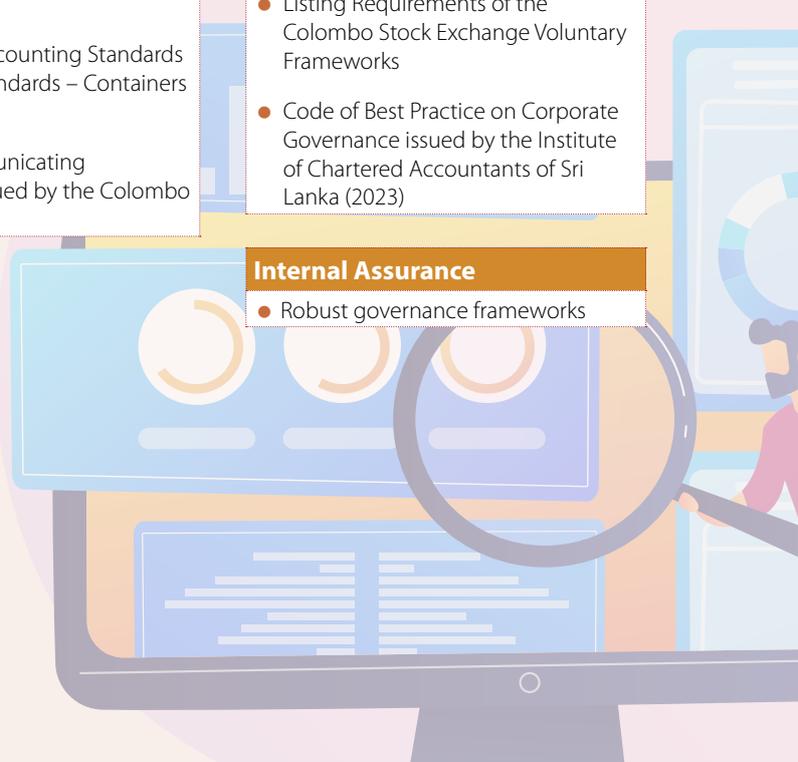
- Independent Assurance on Integrated Reporting by Messrs. Ernst and Young
- Independent Assurance on GRI Reporting by Messrs. Ernst and Young

Corporate Governance Regulatory Frameworks

- Listing Requirements of the Colombo Stock Exchange Voluntary Frameworks
- Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (2023)

Internal Assurance

- Robust governance frameworks



OUR APPROACH TO REPORTING

REPORT NAVIGATION ICONS

To improve clarity and flow, we have introduced navigation icons across this report. These visual elements highlight key connections between content, enhance cross-referencing, and reflect the integrated nature of our value creation process. By guiding readers through the report more intuitively, the icons support a smoother, more engaging stakeholder experience.



SIX CAPITALS



Financial Capital



Manufactured Capital



Human Capital



Intellectual Capital



Social and Relationship Capital



Natural Capital

STRATEGIC PRIORITIES



Profitable Growth



Market Leadership



Operational Excellence



Investment in Human Capital



ESG Priorities

OUR STAKEHOLDER UNIVERSE



Investors



Customers



Employees



Suppliers and Business Partners



Government and Regulators Partners



Communities

OTHER ICON REFERENCES



Outlook and Way Forward



Page Reference



FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements relating to the Group's anticipated performance and future outlook. These projections are based on information and assumptions available at the time of reporting. However, actual results may vary due to external influences, uncertainties, and unforeseen risks beyond the Group's control. It should also be noted that these statements have not been independently verified by the Group's auditor.

Key sections containing such forward looking statements under "Outlook" or Way Forward

	
Reflections from the Chairman	22
Managing Director's Review	26
Management Discussion and Analysis	68



Scan the QR code to view this Annual Report online

BOARD RESPONSIBILITY STATEMENT

Ex-Pack Corrugated Cartons PLC's Board of Directors is ultimately responsible for ensuring the integrity of this report. We hereby confirm that this Annual report for the financial year ended 31 March 2025 addresses all relevant material matters and fairly represents the Company's performance. The Board also confirms that the Report has been prepared in accordance with the requirements of the International Framework.

Signed on behalf of the Board

(Sgd.)

Mr. Zulficar Ghouse

5th June 2025

FEEDBACK

We like to hear from you about our second integrated annual report and on how we can further enhance the readability and relevance of it. Please share your feedback with Mr. Abdul Latiff Ahamed – Head of Finance. Please refer page 236 for full contact details.



OUR APPROACH TO REPORTING

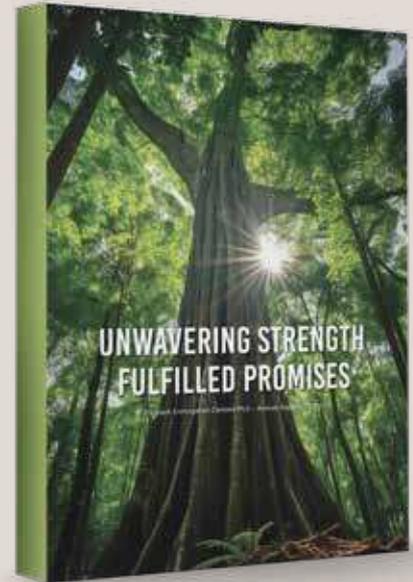


IMPROVEMENTS INTRODUCED TO THIS YEAR'S ANNUAL REPORT

In this year's Annual Report, we have made deliberate and meaningful enhancements to our reporting approach to better articulate how we utilise our capitals to deliver sustainable value. These enhancements reflect our response to a dynamic external landscape, the evolving expectations of our stakeholders, and our commitment to transparent and impactful corporate communication. They also incorporate valuable insights and recommendations received from the CA Sri Lanka TAGS Awards Committee on our 2023/24 Annual Report, titled "A Balanced Future."

Listed below are such enhancements introduced

- Enhanced linkages across the report among key elements such as Material Matters, Strategic priorities and Stakeholders
- A more comprehensive depiction of the Value Creation Model
- Better structured Capital reports, together with a Way Forward
- Adoption of SASB sector standard - Containers & Packaging



RECOGNITION FOR OUR 2023/24 ANNUAL REPORT

TAGS 2024 Awards – Corporate reporting awards presented by CA Sri Lanka

- Certificate of Compliance in the Manufacturing Sector (Group Turnover up to LKR 20 billion)
- Certificate of Recognition for Corporate Governance Disclosure (Non Financial Sector)
- Certificate of Recognition for Integrated Reporting
- Certificate of Recognition for Sustainability Reporting

ABOUT US

Ex-Pack Corrugated Cartons PLC is a leading Sri Lankan manufacturer specialising in high-quality, custom-printed corrugated cartons, tailored to meet a wide range of specifications across diverse industries. Established in 1994, the Company brings over three decades of expertise in delivering innovative and sustainable packaging solutions to sectors such as FMCG, pharmaceuticals, apparel, tea, seafood, and food processing.

Headquartered in Kelaniya, Ex-Pack operates with a clear focus on quality, customer satisfaction, and continuous improvement. As a subsidiary of Aberdeen Holdings (Pvt) Ltd, one of Sri Lanka's most diversified and dynamic conglomerates, the Company is driven by a well-defined growth strategy centred on operational excellence and market responsiveness.

Ex-Pack is ISO 9001:2015 certified and committed to maintaining international quality standards. The Company's extensive product portfolio includes regular slotted cartons, die-cut boxes, tuna and tea cartons, corrugated pallets, and other specialised packaging solutions. Serving both domestic and international markets, Ex-Pack has earned a reputation for reliability, performance, and innovation.

Listed on the Colombo Stock Exchange under the ticker symbol PACK.N0000, the Company reported revenue of LKR 6.3 Bn post-tax profit of LKR 426 Mn for the financial year ended March 2025. With a workforce of over 301 employees and a strong emphasis on sustainability and efficiency, Ex-Pack continues to play a key role in shaping the future of packaging in Sri Lanka and beyond.

OUR VISION

To be the most preferred corrugated cartons supplier in Sri Lanka

OUR MISSION

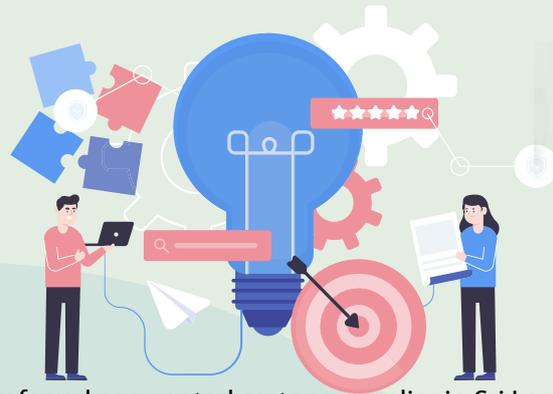
To lead the way in corrugated cartons manufacturing and add value to the stakeholders through operational excellence

OUR VALUES

- Be caring
- Be tenacious
- Be trusted
- Be responsive
- Be challenging

OUR CORE STRENGTHS

- Close liaison with the customer from project conception, design and prototyping to high volume production
- Timely deliveries powered by comprehensive computerised manufacturing and stock managing systems linked with our own extensive storage facilities
- Wide coverage across the island in product distribution carried out through our own fleet of vehicles with complete control in transit, assuring prompt delivery
- Empowered staff with sustained tenures and a wide pool of tacit knowledge



ABOUT US

OUR INNOVATIVE PRODUCT PORTFOLIO

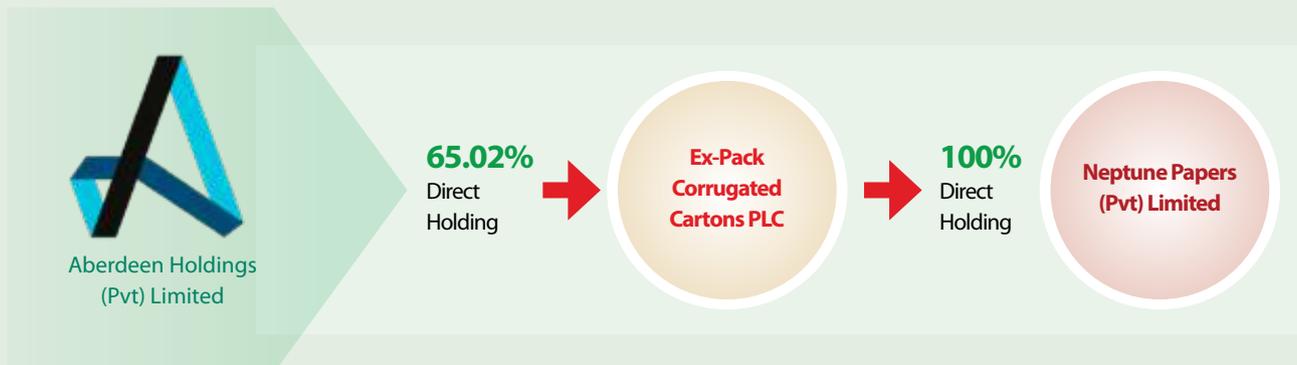
- Corrugated cartons
- Storage solutions covering the garment industry
- Paper-based environmental and eco-friendly warehousing accessories

OUR DYNAMIC SECTOR PENETRATION

- FMCG
- Home & Appliance
- Fruits and Vegetables Exporters
- Tea Exporters
- Garments & Accessory Suppliers
- Boards
- Seafood Exporters Manufacturers
- Rubber & Coir
- Bicycles
- Others



GROUP STRUCTURE



EMPOWERING ECONOMIC PROGRESS THROUGH SUSTAINABLE INDUSTRIAL LEADERSHIP

As a leading manufacturer and exporter in Sri Lanka's corrugated packaging sector, Ex-Pack Corrugated Cartons PLC plays a pivotal role in advancing the country's economic agenda. Through a strong focus on exports, innovation, employment generation, and ethical business practices, the Company contributes to national growth whilst positioning itself as a responsible industry leader. The following outlines how we drive sustainable economic value across key dimensions of Sri Lanka's development landscape.

Export-led growth and foreign exchange generation

Ex-Pack plays a critical role in strengthening Sri Lanka's export sector by supplying high-quality, value-added corrugated packaging solutions to regional and global markets. We are both a direct exporter and a B2B (business to business) supplier of exporters with up to 54% of total revenue coming from exports. As such, we bring in valuable foreign exchange, contributing directly to the national trade balance and economic resilience, especially vital in the post-crisis economic recovery phase.

Export sales vs Total Sales



Fiscal contributions and economic multiplier effect

As a publicly listed entity operating under robust compliance and governance frameworks, Ex-Pack contributes to Government revenue through taxes, duties, and levies. In addition to its direct fiscal contribution, its operations stimulate economic activity across the

supply chain, from paper suppliers to logistics and distribution partners, creating a ripple effect in the broader economy.

Tax Paid to Government LKR



Employment generation and skills development

With over 300 employees, Ex-Pack offers meaningful employment opportunities in both skilled and semi-skilled categories. Our commitment to training, employee development, and maintaining high workplace standards promotes long-term human capital development, helping uplift livelihoods and reduce unemployment in the manufacturing sector.

Expenses to Employees



Driving innovation and industrial modernisation

Ex-Pack is a pioneer in introducing cutting-edge packaging technologies and sustainable manufacturing practices to the local industry. By investing in automation, eco-friendly materials, and

process innovations, the company not only enhances its competitive edge but also contributes to the modernisation of Sri Lanka's manufacturing and packaging sectors. During the financial year, we introduced a state-of-the-art production line, equipped with modern machinery that spans the entire corrugated carton manufacturing process. This upgrade has automated several previously manual tasks, significantly enhancing productivity and reducing turnaround times.

Property plant and equipment



Upholding Ethical and Sustainable Business Practices

Guided by robust governance frameworks and sustainability commitments, Ex-Pack integrates ethical practices in its operations, from environmental compliance and waste management to community engagement and stakeholder transparency. These efforts reinforce investor confidence and serve as a model for responsible corporate citizenship in Sri Lanka's industrial landscape.

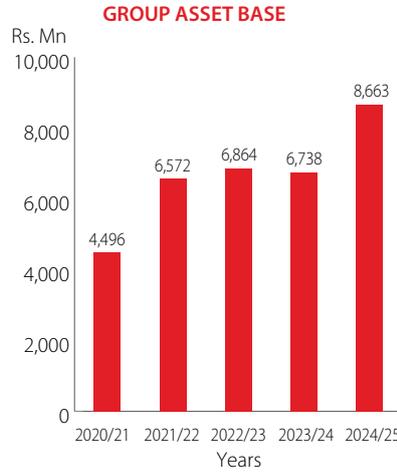
Community Engagements



FINANCIAL HIGHLIGHTS

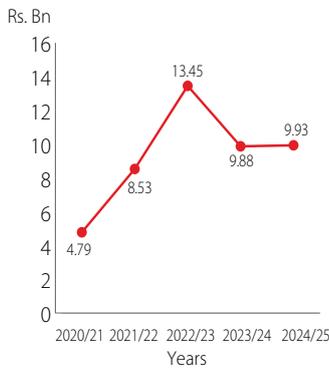
Group ('000)	2024/25	2023/24	2022/23	YoY % INC / (DEC)
FINANCIAL PERFORMANCE				
Revenue	9,932,074	9,875,059	13,451,044	1
Gross Profit	2,197,597	2,155,721	3,509,082	2
EBIT	922,035	1,016,884	2,365,001	(-9)
Profit Before Tax	721,667	810,616	1,895,202	(-11)
Net Profit for the year	453,021	580,489	1,412,959	(-22)
Total Comprehensive Income	459,272	570,953	1,753,963	(-20)
FINANCIAL POSITION				
Non – Current Assets	4,630,632	2,735,484	2,732,595	69
Total Current Assets	4,032,859	4,002,845	4,131,028	1
Total Assets	8,663,491	6,738,329	6,863,623	29
Stated Capital	1,200,000	1,200,000	1,200,000	-
Total Equity	3,431,436	3,178,831	2,831,211	8
Total Non- Current Liabilities	1,808,633	599,032	606,327	202
Total Current Liabilities	3,423,421	2,960,467	3,426,085	16
Total Liabilities	5,232,054	3,559,498	4,032,412	47
Total Equity & Liabilities	8,663,491	6,738,329	6,863,623	29
CASHFLOW				
Net Cash Flow from / (used in) Operating activities	708,283	802,638	1,011,877	(-12)
Net Cash Flow from / (used in) Investing activities	(1,931,900)	(127,978)	260,920	1,410
Net Cash Flow from / (used in) Financial activities	548,602	(633,650)	(1,559,191)	100
Cash and Cash Flow Equivalents at the end of the year	42,784	717,798	676,788	(-94)
KEY INDICATORS				
Revenue Growth Rate (%)	0.58	(-27)	58	
GP Margin (%)	22	22	26	-
NP Margin (%)	5	6	11	(-17)
ROA (%)	11	15	34	(-27)
ROE (%)	13	18	50	(-28)
ROCE (%)	14	19	45	(-26)
LIQUIDITY RATIOS				
Current Ratios (Times)	1.18	1.35	1.21	(-13)
Debt/Equity Ratios (%)	97	72	93	35
INVESTOR RATIOS				
Earnings Per Share (Rs)	1.36	1.74	4.24	(-22)
Net Asset Per Share (Rs)	10.29	9.54	8.49	8
Market Price Per Share (Rs)	13.90	14.30	14.60	(-3)
P/E Ratio	10.22	8.21	3.44	24
Float Adjusted Market Capitalisation	1,604,616	1,645,072	1,680,606	(-2)

The Group Improved Asset base by 28% during the year.



Rs. 8.6 Bn
Group Assets

GROUP TURNOVER



Rs. 9.9 Bn
Group Revenue



YEAR 2025

2.1 Bn

Group Gross Profit



46

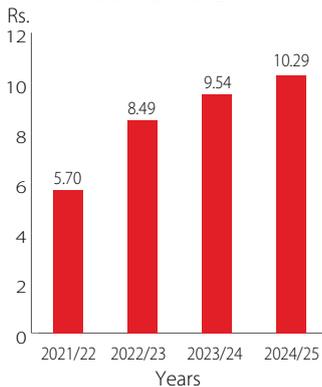
Dividend Payout %



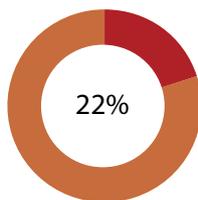
97

Debt to Equity %

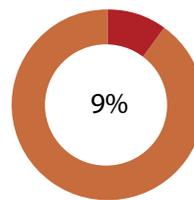
GROUP NET ASSETS



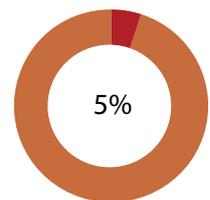
Profitability Ratios



Gross Profit



Operating Profit



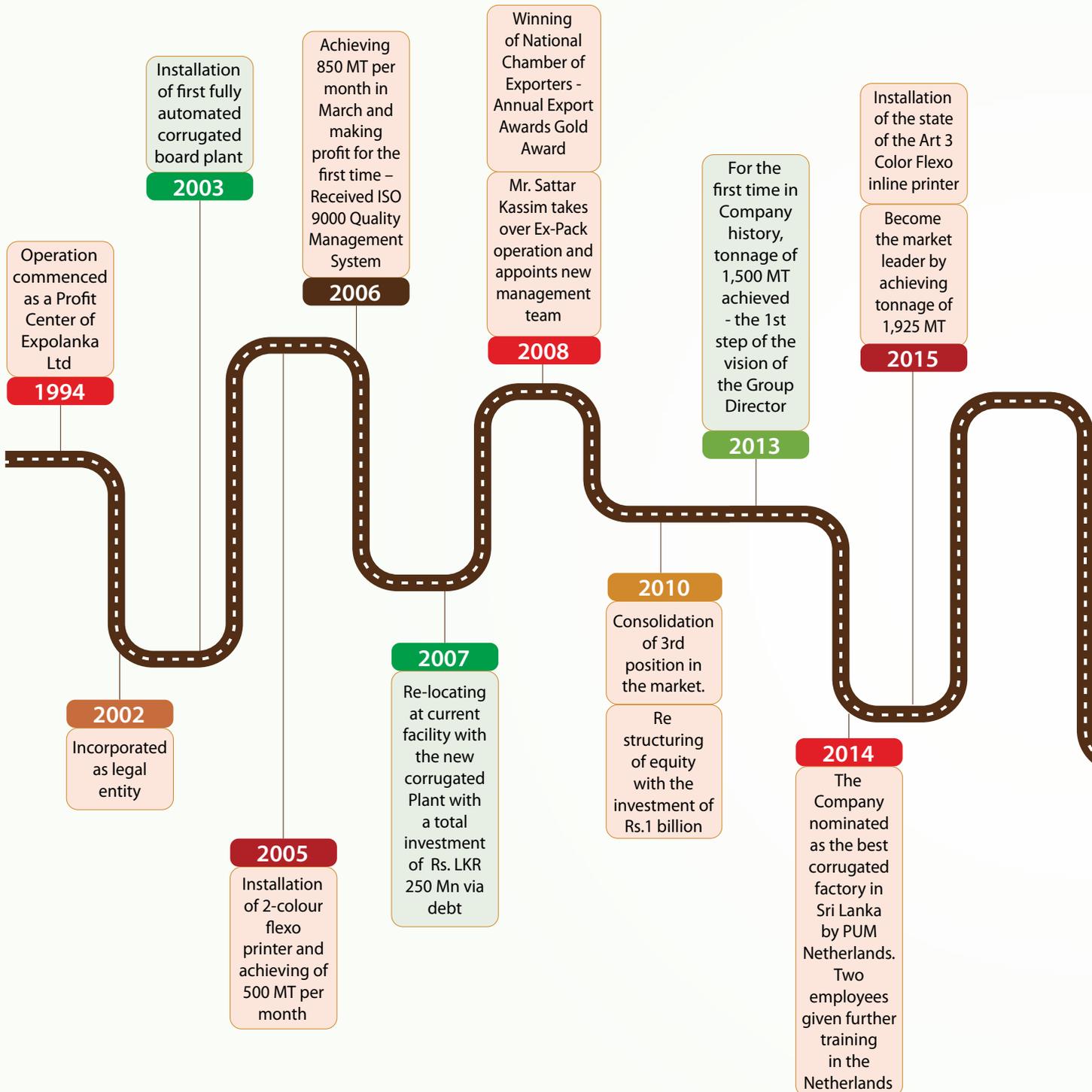
Net Profits



OPERATIONAL HIGHLIGHTS

Aspect	Indicator	Metric	2024/25	2023/24	YoY change
Environmental	Carbon footprint		4,559.46	3,078.89	1,480.57
	Total energy consumption	GJ	35,146	23,953	11,193
	Energy intensity	GJ/production in MT	1.4986	0.1426	1.356
	Total water consumption		1,268.46	1,001.00	267.46
Social – Employees	Total employees	No.	301	306	(5)
	Female representation	%	15	14	1
	Average tenure of employee service	No. of years	7	6	1
	Payments to employees	Rs. Mn	726	603	123
	Employee retention	%	95	97	(2)
	Investments in training and learning and development	Rs. Mn	0.825	0.736	0.089
	Average training hours per employee	Hrs.	13	14	(1)
	Employees injured of any severity	No.	14	13	1
	Fatalities	No.	0	0	0
	Employee hours lost due to injuries	No.	9	70.5	(61.5)
Social – Distributor, business partners and customers	Number of customer relationships exceeding ten years	No.	130	120	10
Social – Community	Investment in CSR initiatives	Rs. Mn	2.80	2.70	0.1
	Total beneficiaries	No.	4,765	5,940	(1,175)
Governance	Board directors	No.	08	08	0
	Independent Board directors	%	50	50	0
	Female representation in the Board	%	12.5	12.5	0
	Board meetings held during the year	No.	04	04	0
	Board sub-committees in function	No.	09	09	0
	Penalties imposed by the Government or any regulatory authority	No.	None	None	None
	Instances of non-compliance on environmental, social or economic aspects	No.	None	None	None

OUR CORPORATE JOURNEY





AWARDS AND ACCOLADES



Throughout the year, Ex-Pack Corrugated Cartons PLC has been honoured with several prestigious awards, reflecting our commitment to excellence in manufacturing, customer satisfaction, and corporate responsibility. These accolades are a testament to the hard work and dedication of our team, as well as our continued efforts to innovate and lead in the packaging industry. We take great pride in these achievements, as they reflect our role as a key player in Sri Lanka's economic development and our ongoing pursuit of operational excellence.

LIST OF AWARDS

Area of excellence	Awarding body	Award
Human resources 	Great Place To Work®	<p>One of the best 15 workplaces in the Manufacturing and production Industry 2024 - Presented by Great Place to Work Institute Sri Lanka affiliated to Great Place to Work Inc USA</p> <p>One of top 50 Great Place to Work – Sri Lanka – 6th year Presented by Great Place to Work Institute Sri Lanka affiliated to Great Place to Work Inc USA</p> <p>One of the top 100 Best Workplace in Asia in the Small and Medium Category Presented by Great Place to Work Institute Sri Lanka affiliated to Great Place to Work Inc USA.</p>
ESG 	Sri Lanka Islamic Banking and Finance Industry	Gold Award for Sustainable Development Goals – 2024 Presented by Sri Lanka Islamic Banking and Finance Industry.
	Islamic Finance Forum of South Asia	Gold Award for Sustainable Development Goals – 2024 Presented by Islamic Finance Forum of South Asia.
	Central Environmental Authority Sri Lanka	Silver Award in the Packaging Industries with Printing– Presidential Environment Awards 2024 Presented by Central Environmental Authority Sri Lanka.
Packaging 	Sri Lanka Institute of Packaging	LankaStar Silver – Consumer Packaging (Food): Fish and Meat Tube Pack - Presented by Sri Lanka Institute of Packaging
	Sri Lanka Institute of Packaging	LankaStar Silver – Consumer Packaging (Luxury): Fruits and Vegetable Basket (Produce) - Presented by Sri Lanka Institute of Packaging
	Sri Lanka Institute of Packaging	LankaStar Bronze – Consumer Packaging (Luxury): Shoe Rack/Box - Presented by Sri Lanka Institute of Packaging
Finance 	CA Sri Lanka	Certificate of Compliance in the Manufacturing Sector (Group Turnover up to LKR 20 billion) – TAGS 2024 Awards – Corporate Reporting Awards presented by CA Sri Lanka
	CA Sri Lanka	Certificate of Recognition for Corporate Governance Disclosure (Non-Financial Sector) - TAGS 2024 Awards – Corporate Reporting Awards presented by CA Sri Lanka
	CA Sri Lanka	Certificate of Recognition for Integrated Reporting - TAGS 2024 Awards – Corporate Reporting Awards presented by CA Sri Lanka
	CA Sri Lanka	Certificate of Recognition for Sustainability Reporting - TAGS 2024 Award – Corporate Reporting Awards presented by CA Sri Lanka

ETERNA



LEADERSHIP



Conquered Boundaries

In the year under review, our leaders have performed their duties with the purpose of conquering boundaries and ensuring that we not only develop in terms of volume, but also in terms of quality - their strategic decision making and meticulous planning have made certain that our promises to all stakeholders were fulfilled.

A tree's trunk ensures that all variables - sunlight, soil, roots, leaves, water - come together to perpetuate its constant growth. Like the tree trunk, our leaders ensure that our operation remains stable and develops with changing times.

CHAIRMAN'S MESSAGE



Dear shareholders

I am delighted to reach out to you once again to share the progress of Ex-Pack Corrugated Cartons PLC over the past year, which was a strong depiction of our unwavering strength and our ability to fulfill promises. It is with great pleasure that I present the audited financial statements and integrated annual report for the financial year ended 31 March 2025. This marks another milestone in our journey, and I am excited to update you on the strides we have made in strengthening the foundation of your Company.

Operating context

The financial year under review was marked by both uncertainty and recovery for Sri Lanka. The year witnessed two significant elections, the presidential and general elections, accompanied by considerable political uncertainty. However, the victory of the incumbent president and the government helped stabilise the political landscape. The government outlined its economic direction in the maiden budget, focusing on economic transformation through investments in infrastructure, digitalization, and social welfare, while ensuring prudent fiscal management.

A notable development during the year was the government's successful completion of the International Sovereign Bond (ISB) debt restructuring and alignment with the International Monetary Fund's (IMF) Extended Fund Facility (EFF). The IMF Executive Board completed the third review under the 48-month EFF, providing Sri Lanka with immediate access to SDR 254 million

(approximately USD 334 million) to support its economic policies and reforms. Subsequently, a staff-level agreement was reached with the IMF on the fourth review of the EFF, which, upon approval, will grant access to approximately USD 344 million in financing.

These developments contributed to the establishment of economic stability, with business activities resuming and economic confidence strengthening.

Inflation remained in negative territory, with core inflation, as measured by the Colombo Consumer Price Index, recording an inflation figure of negative 2.6% for March 2025. Finance cost rates also remained low, with the average weighted prime lending rate reaching 8.39% in March 2025. The economy grew by an encouraging 5% in 2024, reversing the negative GDP growth reported since 2022. The external sector also stabilised, with the Sri Lankan Rupee appreciating to Rs. 295.91 by end of March 2025, compared to Rs. 305.67 twelve months prior to that. The country's foreign exchange reserves also reached USD 6.4 billion, another healthy sign for the economy.

Amidst these developments, Ex-Pack reported sound results, adapting to the shifting dynamics of its clients and positioning itself to capitalise on the improving economic environment.

A milestone year

The financial year 2024/25 marked a significant milestone in Ex-Pack's journey. Following our listing on the Colombo Stock Exchange in 2021, our primary IPO objective was to establish a new manufacturing facility to expand production capacity. Although unforeseen external challenges delayed the original timeline, we remained steadfast in our commitment to shareholders and successfully completed the installation of our new state-of-the-art corrugated carton manufacturing line during the year.

This advanced machinery has increased our annual production capacity, while delivering energy efficiency that is three times greater than our legacy systems. This achievement is a testament to the dedication and perseverance of our management team and employees, and I extend my sincere congratulations to them for reaching this significant milestone in Ex-Pack's growth story.

“Ex-Pack remained steadfast in delivering tangible value to all stakeholder groups during the financial year 2024/25, driven by operational excellence, responsible corporate citizenship, and a sharp focus on long-term sustainability.”

↑
Rs. 9.9 Bn
Group Revenue



CHAIRMAN'S MESSAGE

Financial performance

Group Revenue for the year grew by 1% to Rs. 57 Mn, driven by increased volumes and upward price revisions. Strong cost controls helped manage operational expenses effectively, despite external pressures. The Company recorded a post-tax profit of Rs. 426 Mn, delivering a return on equity of 15% and earnings per share of Rs. 1.28. Profit after tax declined by 21% compared to the previous year, reflecting margin pressures. Further details on financial performance are available in the Managing Director's Review on pages 26 to 29.

Delivering value to our stakeholders

Ex-Pack remained steadfast in delivering tangible value to all stakeholder groups during the financial year 2024/25, driven by operational excellence, responsible corporate citizenship, and a sharp focus on long-term sustainability. Our ability to adapt to changing dynamics while staying aligned with stakeholder priorities enabled us to grow with purpose and resilience.

Investing in Our People

The strength of our organisation lies in our people. Our total workforce is 301 employees. Continuous investments were made in training and upskilling, while a range of engagement initiatives supported two-way communication, boosted morale, and fostered a workplace culture built on trust and performance. In recognition of rising living costs, we enhanced compensation and benefits to support employee wellbeing.

Partnering with customers

As packaging needs evolved across industries, we remained agile in responding to demand with timely, tailored solutions. Our upgraded capabilities and automation supported faster prototyping, improved turnaround times, and higher consistency, empowering our customers, including

leading exporters to thrive in a competitive marketplace. Our precision and reliability continued to play a critical role in their supply chain efficiency.

Strengthening supplier relationships

We prioritised inclusive and responsible sourcing, working closely with our supplier network to ensure continuity and quality. Approximately 65% of our primary raw material, paper, was sourced from local suppliers, supporting domestic industry and reducing reliance on imports.

Making a positive community impact

We continued to uplift surrounding communities through targeted social investments. Our Ex-Pack Medicare Medical Centre in Pattiwila, Kelaniya remained a cornerstone initiative, offering free medical services to underserved populations. Since its inception in 2011, the centre has provided healthcare to over 59,131 individuals, a testament to our enduring commitment to social impact.

Contributing to the national economy

Our performance supported broader economic recovery in Sri Lanka. We remained a consistent taxpayer, contributing Rs. 1,402 million to government revenue during the year, a reflection of our role in supporting the nation's fiscal stability and public services.

Strength in Stewardship

Our strong governance framework remained a cornerstone of resilience and responsible leadership during the year under review. The Board of Directors met 04 times over the financial year, devoting significant time and focus to key strategic areas including business continuity, capital investments, risk oversight, and sustainable growth. Notably, the Board closely monitored the progress of the new machinery installation, offering consistent guidance and support to management in achieving this critical milestone.

“
With the successful commissioning of our new machinery now complete and fully operational, our immediate focus will be to optimise its potential.”

In a year marked by dynamic economic and regulatory shifts, the Board maintained vigilant oversight of macroeconomic, political, and social developments to anticipate their implications for the Company's performance. This enabled us to respond proactively while safeguarding stakeholder interests.

As always, there was seamless and constructive engagement between the Board and management, reflecting a culture of transparency and mutual trust. The Board's effectiveness was further reinforced by its three subcommittees, whose diligence and expertise ensured that we upheld the highest standards of governance.

In alignment with the revised Listing Rules of the Colombo Stock Exchange-particularly Section 9-we implemented a range of new governance policies, enhancing transparency, accountability, and strategic alignment. These efforts collectively reinforce our commitment to long-term value creation and strong stakeholder confidence.

Appreciation

I would like to take this opportunity to extend my heartfelt gratitude to my fellow Board members for their unwavering support and strategic guidance throughout the year. I am immensely proud of the collective efforts that have contributed to the successful commissioning of our new machinery, a mammoth task that has significantly strengthened our production capabilities. This achievement would not have been possible without the tireless dedication and commitment of our executive leadership team, employees, and management, who all went above and beyond to ensure the seamless integration of the new operations.

I would also like to express my deep appreciation to our valued customers, business partners, and all stakeholders whose continued trust and collaboration have been instrumental in this success. Your support has been crucial in helping us navigate these challenging times and achieve remarkable results.

Way forward

With the successful commissioning of our new machinery now complete and fully operational, our immediate focus will be to optimise its potential. This is an ongoing process, as our employees continue to familiarise themselves with the full range of capabilities and possibilities the machinery offers. We are aware of the recovering economic landscape and anticipate increased demand for our packaging solutions. We are confident in our ability to deliver quality output promptly, meeting the evolving needs of our clients.

While geopolitical challenges, such as potential unfavourable on tax policies from the US and ongoing conflicts in Europe and South Asia, may pose risks to our operations, we are closely monitoring these developments. We recognise that change and disruption are constant in today's world, but we remain confident in our ability to navigate any challenges ahead.

We will continue to nurture our employees, empower our customers through our innovative products, and support the community through various empowerment initiatives. Above all, we remain committed to generating strong returns for our shareholders and creating sustained value for all our stakeholders.

As our theme for this year's annual report so precisely shows, with our unwavering strength and our fulfilled promises guiding us forward, at Ex-Pack, we're always ready for what's next.

Wishing you all continued success and prosperity in the year ahead.

(Sgd.)
Sattar Kassim
Chairman

5th June 2025
Colombo



MANAGING DIRECTOR'S REVIEW





Rs. 453 Mn
Net Profit

Dear stakeholders

It gives me great pleasure to address you at the end of what has been a defining year in Ex-Pack Corrugated Cartons PLC's journey. The year 2024/25 marked a bold leap forward in our manufacturing capabilities with the successful installation and commissioning of our state-of-the-art corrugation machinery, a milestone that underscores our commitment to growth, innovation, and delivering on our promises to shareholders. This achievement, made possible through the dedication of our team and the support of our stakeholders, positions us strongly to meet rising demand with greater efficiency, agility, and confidence.

Strengthening our financial foundation

Ex-Pack Corrugated Cartons PLC (Ex-Pack or the Company) delivered sound results for the financial year ended 31 March 2025. The Company posted a revenue of Rs. 9.9 Bn, a marginal growth of 1% over the prior year. This translated to a volume of 23,575 MT, a 9% increase over the prior years. The prolonged uncertainty leading up to the two major elections, coupled with the general slowdown in economic activity during the post-crisis recovery period, resulted in subdued demand from our customers. Cost of sales was Rs. 7.7 Bn almost flat compared to the prior year, which enabled us to maintain our gross profits at Rs. 2.2 Bn, 2% higher compared to the prior year. Selling and distribution expenses for the year was Rs. 460.9 Mn and increase of 9% whilst administration expenses was Rs.877.1 Mn an increase of 10% over the prior year. Strong cost disciplines and strategic route planning in deliveries enabled us to curtail increase in costs at manageable levels.

Given the reduction and stabilisation of market interest rates under 10%, both finance expenses on our investments and finance income on our investments reduced by 8% and 37% respectively. The resultant profit before tax for the year was Rs. 721.7 Mn, and post-tax profit was Rs. 453.0 Mn, reductions of 11% and 22% respectively.

We made a contribution of Rs. 1,402 Mn to the Government of Sri Lanka by way of taxes on profits.

Our balance sheet strengthened during the year, with the total asset base increasing by 29% to Rs. 8.7 Bn. Property, plant and equipment increased by 73% to Rs. 4.1 Bn, driven by the installation of our new machinery. Our non-current liabilities also increased due to part funding of the new machinery via borrowed funds. Our total equity base strengthened by 8% to Rs. 3.4 Bn, through organic increase of our retained earnings.

As was elaborated in the Reflections from the Chairman, our financial performance led to a return on equity of 15%. The net asset value per share was Rs. 8.66 (Company) and compared with a share price of Rs. 13.90 at the end of the year.

Strategic capacity expansion for sustainable growth

In a bold demonstration of our commitment to innovation and growth, Ex-Pack successfully completed the installation of a state-of-the-art corrugated carton manufacturing machine during 2024, a strategic initiative that marks a defining milestone in our journey. This investment, originally conceptualised in 2020 as part of our long-term growth plan, was the cornerstone of our decision to list on the Colombo Stock Exchange in 2021 and raise capital through our IPO. Although initial timelines projected completion by 2023, the external shock of the Sri Lanka economic crisis and steep increases in machinery costs, triggered by a heavily depreciated Sri Lankan Rupee, necessitated a delay.

Despite the challenges, our team rose to the occasion with strategic foresight and operational agility. A dedicated team from Ex-Pack travelled to China

“

In a bold demonstration of our commitment to innovation and growth, Ex-Pack successfully completed the installation of a state-of-the-art corrugated carton manufacturing machine during 2024, a strategic initiative that marks a defining milestone in our journey."

to work closely with our supplier, conducting a comprehensive evaluation to ensure the new machinery aligned with our manufacturing requirements. This close collaboration enabled us to tailor the equipment to suit our factory infrastructure, and the installation was executed without disrupting operations of our legacy machinery, a task that required careful coordination and round-the-clock effort.

This complex project demanded the collective strength of the entire Ex-Pack team, from factory-floor employees and engineers to management and the Board. With unwavering commitment and unity, we overcame each hurdle and brought to Sri Lanka one of the world's most advanced corrugation technologies. Our team has swiftly adapted to the new systems, and while they continue to climb the learning curve, operations are already running smoothly. This cutting-

MANAGING DIRECTOR'S REVIEW

edge machinery enhances our maximum annual production capacity to 48,000 MT, positioning us to meet evolving customer needs, expand market reach, and create superior value for all stakeholders.

Empowering our people: The heart of our progress

At Ex-Pack, we firmly believe that no amount of technological advancement can substitute the value of our people. Our employees are not just part of our business, they are the very force that propels us forward. We take immense pleasure in nurturing a workplace culture where every individual is valued, supported, and empowered to thrive.

During the year, we spent Rs. 726 Mn on employee-related costs, of which Rs. 0.825 Mn was invested in training and development, a testament to our ongoing commitment to continuous learning and capability building. Our investments go beyond technical skills, extending to holistic well-being through comprehensive medical insurance, accident cover, and meal provision, because we care deeply about every aspect of our employees' lives.

We were honoured to be named one of the Best 15 Workplaces in the Manufacturing and Production Industry in 2024 by the Great Place to Work and One of the top 100 Best Workplace in Asia in the Small and Medium Category Presented by Great Place to Work Institute Sri Lanka affiliated to Great Place to Work Inc USA Institute Sri Lanka, alongside other accolades from the same esteemed body. These endorsements affirm our dedication to creating an inclusive and supportive work environment where every employee, regardless of grade or job role, is seen, heard, and respected.

We remain steadfast in our mission to offer meaningful and rewarding careers, ensuring that our entire team grows together - as one family.

Evolving with our customers

We continue to stay closely attuned to the evolving needs of our customers, many of which are shaped by the dynamic requirements of their own end markets across the globe. One such

trend is the increasing demand from overseas supermarket chains for shelf-ready packaging, solutions that eliminate the need for separate shelving and instead enable immediate display. These packaging solutions must be structurally robust and visually appealing, and manufactured to highly specific, often unique, dimensional standards.

At Ex-Pack, we possess the full range of in-house capabilities, from design to production, to meet these complex requirements efficiently and consistently. Backed by these strengths, we are well-positioned to support our customers as they respond to emerging global trends, while simultaneously contributing to Sri Lanka's export revenue drive by powering their competitiveness in international markets.

Advancing our sustainability journey and reporting readiness

As a company whose core raw material, paper, is derived from nature, we remain ever mindful of our environmental footprint. While paper is a renewable resource when sourced responsibly, we understand that its usage must be balanced with strong environmental stewardship. To this end, we ensure that 100% of our paper inputs are sourced from suppliers certified by the Forest Stewardship Council (FSC), affirming our commitment to sustainable forestry practices.

We are also on a defined path toward reducing our carbon footprint, with a long-term goal of achieving net zero emissions across our operations by 2050. The commissioning of our new state-of-the-art machinery during the year represents a significant step in this journey, as it brings advanced energy efficiencies that will substantially reduce our environmental impact.

In parallel, we are preparing for a transformative chapter in our corporate reporting journey. With SLFRS S1 and S2 becoming mandatory from 1 April 2026, we are proactively strengthening internal capabilities and refining our systems to ensure full and meaningful adoption. Our approach is not just about compliance, but about embracing the spirit of integrated sustainability thinking, transparency, and accountability.

Our employees are not just part of our business, they are the very force that propels us forward. We take immense pleasure in nurturing a workplace culture where every individual is valued, supported, and empowered to thrive."

Performance of Neptune Papers (Pvt) Limited

Neptune Papers (Pvt) Limited (Neptune), a fully owned subsidiary of Ex-Pack, is committed to recycling Sri Lanka's waste, from paper and fabric to polythene and plastic, under the banner of "Driving Sri Lanka's Circular Economy." Beyond generating revenue from recyclables, Neptune plays a vital role in diverting waste from landfills, reducing environmental harm, and creating meaningful impact.

We take pleasure in having Neptune as our flagship environmentally focused subsidiary, as its operations extend well beyond commercial value to encompass a greater purpose: protecting the planet.

During the year under review, Neptune recycled 39,475 metric tons of material and recorded revenue of LKR 3,593 Mn, reflecting a 5% year-on-year increase. Notably, 64% of this revenue was derived from exports. The company also contributed to social development by employing 145 permanent staff members, and was recognised as a Great Place to Work.

Under the visionary leadership of Managing Director Abdullah Kassim, Neptune made significant strides in expanding its environmental footprint during the year, forging partnerships with several leading Sri Lankan corporates to address plastic pollution.

Neptune also contributes strategically to Ex-Pack by providing valuable market intelligence on global paper prices, availability, and recycling trends, creating synergies that strengthen the Group's competitive edge.

We extend our heartfelt appreciation to the Neptune team for their hard work and their continued contribution to both Ex-Pack and the broader national economy. Please refer pages 110- 112 for a full review of Neptune's value proposition.

Awards and Accolades

The year 2024/25 was yet another period of recognition, where company awarded with One of the best 15 workplaces in the Manufacturing and production Industry 2024 - Presented by Great Place to Work Institute Sri Lanka affiliated to Great Place to Work Inc USA, One of top 50 Great Place to Work – Sri Lanka – 6th year presented by Great Place to Work Institute Sri Lanka affiliated to Great Place to Work Inc USA, one of the top 100 Best Workplace in Asia in the Small and Medium Category Presented by Great Place to Work Institute Sri Lanka affiliated to Great Place to Work Inc USA, Gold Award for Sustainable Development Goals – 2024 Presented by Sri Lanka Islamic Banking and Finance Industry, Gold Award for Sustainable Development Goals – 2024 Presented by Islamic Finance Forum of South Asia, Silver Award in the Packaging Industries with Printing– Presidential Environment Awards 2024 Presented by Central Environmental Authority Sri Lanka, LankaStar Silver – Consumer Packaging (Food): Fish and Meat Tube Pack - Presented by Sri Lanka Institute of Packaging, LankaStar Silver – Consumer Packaging (Luxury): Fruits and Vegetable Basket (Produce) - Presented by Sri Lanka Institute of Packaging, LankaStar Bronze – Consumer Packaging (Luxury): Shoe Rack/ Box - Presented by Sri Lanka Institute of Packaging, Certificate of Compliance in the Manufacturing Sector (Group Turnover

up to LKR 20 billion) – TAGS 2024 Awards – Corporate reporting Awards presented by CA Sri Lanka, Certificate of Recognition for Corporate Governance Disclosure (Non-Financial Sector) - TAGS 2024 Awards – Corporate reporting Awards presented by CA Sri Lanka, Certificate of Recognition for Integrated Reporting - TAGS 2024 Awards – Corporate reporting Awards presented by CA Sri Lanka and Certificate of Recognition for Sustainability Reporting - TAGS 2024 Award – Corporate reporting Awards presented by CA Sri Lanka.

where our efforts were validated by respected independent institutions. We were honoured with a total of thirteen awards, spanning diverse areas including excellence in packaging, human capital development, alignment with the Sustainable Development Goals (SDGs), and corporate reporting.

Each accolade reaffirms the value we strive to create, not just for our customers and employees, but also for the broader community and the environment. These recognitions serve as both encouragement and motivation, pushing us to continuously elevate our standards and pursue excellence across every facet of our operations.

Charting the path ahead

Sri Lanka is gradually emerging from one of its most challenging economic chapters. As part of the business community, we are encouraged by the political and economic stability now taking root. We are hopeful that this will be sustained through greater policy clarity, enhancements in ease of doing business, improved governance, and inclusive economic planning - paving the way for equitable growth and a fair distribution of wealth across all segments of society.

At Ex-Pack, we stand ready to support this national recovery and growth agenda by continuing to generate employment, strengthening our link in the critical supply chain, and enabling the smooth flow of goods both within and beyond our borders. Our value proposition goes far beyond corrugated cartons - we deliver reliable, tailor-made packaging solutions that help transport everything

from fresh seafood to garments, bicycles, and consumer goods safely to destinations around the world.

With our newly commissioned machinery offering significant technological and operational advantages, we are well-positioned to scale new heights. We will leverage these capabilities to deliver strong financial returns to our shareholders, offer a fulfilling and rewarding work environment to our employees, and continue creating value for all our stakeholders, locally and globally.

A note of gratitude

Our achievements during this milestone year are a true testament to the collective strength and resilience of the Ex-Pack family and our broader network of stakeholders. I express my heartfelt appreciation to our Chairman and the Board of Directors for their foresight and strategic counsel, which have been instrumental in shaping our direction.

To our Chief Executive Officer, executive leadership, and every member of our team, your dedication, adaptability, and unwavering drive have powered our progress, even in the face of complex challenges.

Our customers, shareholders, suppliers, and community partners have been steadfast in their trust and collaboration. Your continued belief in our purpose has fuelled our determination to grow, evolve, and serve with excellence.

As we step into the future, I am confident that together we will continue to rise above challenges and unlock new possibilities with courage, conviction and unwavering strength.

(Sgd.)
Zulficar Ghouse
Managing Director

5th June 2025
Colombo

BOARD OF DIRECTORS



SATTAR KASSIM
Non-Executive
Non-Independent
Director / Chairman



ZULFICAR GHOUSE
Executive Non-Independent
Director / Managing Director



SHAFIK KASSIM
Non-Executive
Non-Independent Director



ABDULLAH KASSIM
Executive
Non-Independent Director



THULCI ALUWIHARE
Non-Executive
Independent Director





DINESH DHARMADASA
Non-Executive
Independent Director



SHEHARA DE SILVA
Non-Executive
Independent Director



**U D W CHATHURANGA
ABEYRATNE**
Non-Executive
Non-Independent Director



BOARD OF DIRECTORS

SATTAR KASSIM

Non-Executive Non-Independent Director / Chairman

Sattar Kassim is a Founding Director and the Group Chairman of Aberdeen Holdings (Pvt) Ltd, a diversified conglomerate with a portfolio spanning across various industry sectors including Aviation, Commodities, Agriculture and Farming, Tea and Coffee, Pharmaceuticals, Packaging, Power and Energy, Recycling, Transport, Logistics, Courier and Supply Chain. The group also has strategic investments, including the country's pioneers in Oceanic Fish Farming, along with numerous international partnerships and ventures spanning over 30 countries. He is also a founding Director of Expolanka Holdings PLC, which today is a global diversified conglomerate with interests in Logistics, Leisure, International Trade, and Technology.

Sattar Kassim is a Non-Executive Director of Vidullanka PLC and serves as the Chairman of the Board for many organisations namely Bio Extracts (Pvt) Ltd, the Largest Black Seed Extractor in South-East Asia; Roar Media (Pte) Ltd, a South Asian Multilingual Media Platform; Ruhunu Farms (Pvt) Ltd, a 15-acre state-of-the-art poultry farm; Globe Air (Pvt) Ltd, General Sales Agents (GSA) for Saudi Arabian Airlines' Cargo; Hienergy Services (Pvt) Ltd, a leading solar energy service provider; Lanka Commodity Holdings (Pvt) Ltd, an end-to-end supply chain solution of importing and distribution of Agriculture Commodities and owner of 'Expo Cement' brand of ordinary Portland cement; and Expo Commodities Global (Pvt) Ltd; a leading supply chain specialist for the spice industry.

He also holds directorships in Fits Aviation (Pvt) Ltd, Fits Retail (Private) Limited, Lanka Commodity Holdings (Pvt) Ltd, Expoceylon pharmaceuticals (Pvt) Ltd, Expoteas Ceylon (Pvt) Ltd, Lanka Commodity Trading (Pvt) Ltd, Aberdeen Produce (Pvt) Ltd, Colombo Realty (Pvt) Ltd, Classic Enterprises (Pvt) Ltd, Neptune Recyclers (Pvt) Ltd, Denshun Industries (Pvt) Ltd, Fairfax Holdings Pte. Ltd, Antler Foundry (Pvt) Ltd, Expo Commodities DMCC, Roar Advertising (Pvt) Ltd, and Expoasia Holdings (Pvt) Ltd among others.

ZULFICAR GHOUSE

Executive Non-Independent Director / Managing Director

M. Zulficar Ghouse currently functions as the Managing Director of Ex-Pack Corrugated Cartons Limited, a leading Corrugated Carton Manufacturer in Sri Lanka. He also serves as the Group Director of Aberdeen Holdings (Pvt) Ltd and as the Chairman of Amana Takaful PLC.

A Fellow Member of the Institute of Chartered Accountants of Sri Lanka and Chartered Institute of Management Accountants, trained at KPMG, Zulficar has over 35 years of extensive expertise in the Senior Management position in private sector organisations, in overseas and local multi-national and listed companies.

Zulficar held many directorships in his career spanning over 35 years. These include Country Manager EDS Philippines, and Managing Director of EDS Lanka (Pvt) Limited, subsidiaries of Royal Clicks Limited, a company listed on the Singapore Stock Exchange. Director/CEO of Colombo Land & Development Co Limited, a company listed in the Colombo Stock Exchange. Asiabike Industrial Limited, pioneers in bicycle manufacturing and exporting mainly to countries in the European Union. He also served as an Independent Director at Vidullanka PLC, a company listed in the Colombo Stock Exchange, from 2007 to January 2019, Muvumbe Hydro (Uganda) Limited, Norfolk Foods (Pvt) Ltd, Vidul Engineering (Pvt) Ltd, Gurugoda Hydro Pvt Limited, Muvumbe Hydro (Uganda) Limited & Lower Kotmale Oya Hydro (Pvt) Ltd.

Zulficar is a professional of wide interests and held several positions at the International Chamber of Commerce Sri Lanka Branch from 2002 to 2017, including Senior Vice President and Treasurer. He also held the post of Treasurer of the National Chamber of Exporters in 2016 & 2017. He served as a Founding Committee Member of the Philippines-Sri Lanka Business Council and the IT Faculty of the Institute of Chartered Accountants of Sri Lanka.

He also served the Institute as a member of the Strategic Management and Accounting Faculty and the Public Lectures Committee. He is an Industrial Specialist for the Annual Accounts Awards conducted by the Institute of Chartered Accountants of Sri Lanka in 2005 and 2007. Zulficar has been a visiting lecturer at the Keel University – UK, MSc Program on Entrepreneurship and given numerous lectures on Balanced Scorecard at the Postgraduate Institute of Management, Sri Jayewardenepura, IT Faculty of Colombo University, and the Chartered Institute of Management Accountants.

In addition, Zulficar has been the nominee representative of the Institute of Chartered Accountants of Sri Lanka in the panel of Judges at the Sri Lankan Entrepreneur of the Year Award for 2003 and 2004 and the National Best Quality Software Awards organised by the British Computer Society from 2005 to 2014.



SHAFIK KASSIM **Non-Executive Non-Independent Director**

Shafik Kassim is a widely renowned icon and pioneer in the domestic air travel industry. He presently serves as the Chairman of Fits Air (formerly Expo Air), the country's largest private airline operating scheduled passenger service within Sri Lanka as well as international cargo flights to several cities across countries in three continents. Shafik Kassim is a founding director of Expolanka Holdings PLC, a global diversified conglomerate with interests in Logistics, Leisure, International Trade, and Technology.

Today, the group's Logistics arm is a leader in global supply chain solutions with 60+ owned offices in 29 countries. He is a founding Director of Aberdeen Holdings (Pvt) Ltd, a privately held conglomerate formed by the Kassim family prior to Expolanka's travel and transport sector going public, with

a growing portfolio spanning across various industry verticals including Aviation, Commodities, Agriculture, and Farming, Tea and Coffee, Pharmaceuticals, Packaging, Power and Energy, Recycling, Transport, Logistics, Courier and Supply Chain. The group also has strategic investments along with numerous international partnerships and ventures spanning over 30 countries.

He holds a degree in Commerce. Also he is well known for his strong business acumen and exceptional negotiation skills which helped transform the former Expolanka Holdings and currently Aberdeen Holdings to the pinnacle in their respective industrial sectors.

ABDULLAH KASSIM **Executive Non-Independent Director**

Abdullah Kassim is a young business leader with over 15 years of experience in Senior Management, specialising in Business Process Re-Engineering, Mergers & Acquisitions, High-Level Strategy, and General Management. His experience spans several industries, including Environment Management, Sustainability, Financial Services & Insurance, among others.

Abdullah is the Managing Director of Neptune Papers (Pvt) Ltd, Sri Lanka's Premier Resource Recovery, Environment Management, and Recycling Company with interests in the Paper, Fabric, and Plastic Recycling Spaces. His interests and passion in Environment Management led him to transform the company from a small recycler to the largest company in the country over a 10-year period. He has added on several verticals to the business, which is expected to gather steam over the upcoming years.

Abdullah is also a Director of Aberdeen Holdings (Pvt) Ltd, a diversified conglomerate with operations spread across the world. He also serves as a Director at Amana Takaful PLC, Sri Lanka, and Amana Takaful Maldives PLC. Previously he played the role of Head of Business Development of Expo Lanka Holdings PLC and was part of the core team that floated the company in the Colombo Stock Exchange.

THULCI ALUWIHARE **Non-Executive Independent Director**

An experienced business strategist and an Investment professional with international experience in corporate wealth creation, specialised in investment strategy, transaction advisory, divestiture, capital raising and restructuring. +23 years of work experience in London, Melbourne and Colombo.

Thulci is the Deputy Managing Director of CHEC Port City Colombo (Pvt) Ltd and was a member of the Colombo International Financial Centre (CIFIC) – Steering Committee Task Force and worked closely with the Presidential Secretariat to set up the first foreign currency designated multi services Special Economic Zone (SEZ) in Sri Lanka. With the enactment of the Colombo Port City Economic Commission Act, Thulci's primary role now is to promote FDIs and create a destination appeal for International businesses to set up in Port City. Port City project is a USD 15 billion new township development, an extension of the existing Colombo CBD.

Prior to joining CHEC Port City Colombo (Pvt) Ltd, Thulci was the Director, Head of Mergers & Acquisitions at PwC, Sri Lanka and Maldives. He spent 14 years with PwC including at PwC Melbourne office where he was involved in large cross-border MNC transactions. Thulci was also selected to the Global PwC Panel of Trainers for Mergers & Acquisitions and successfully conducted training for managers in the Advisory University Program held in Copenhagen, Stockholm, Dublin, Rome, Warsaw and Abu Dhabi.

He is currently serving as a Non-Executive Independent Director of Abans Finance PLC. He also served as a member of the Investment Advisory Panel of Soft Logic Asset Management Company from 2021-2023. Thulci is also a member of the Ceylon Chamber of Commerce Investment Promotion Sector Committee and Infrastructure Sector Committee.

Thulci is an Economics graduate from the University of West London, UK, and holds an MSc in Financial Economics from the University of Colombo.

BOARD OF DIRECTORS

DINESH DHARMADASA Non-Executive Independent Director

Dinesh Dharmadasa a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and Chartered Institute of Management Accounts – UK, commenced his career as a finance professional at KPMG. He subsequently joined Ceylon Tobacco Ltd Plc (CTC), a subsidiary of British American Tobacco (BAT) in 1990 at the level of Finance Manager and rose to the position of Director – Legal and External Affairs in 2005. He completed his illustrious career at CTC in 2019.

As Director of Legal and External Affairs and also as a Senior Member of the Executive Committee/Company Secretary, Dinesh oversaw the areas of regulatory and legal affairs, trade and fiscal affairs, internal and external communications, CSR, and sustainable business initiatives.

Dinesh also served as the Chairman of the Industrial Association of Sri Lanka from 2016 to 2018. During his tenure, he developed strong links with stakeholders, public sector officials, multilateral agencies based in Sri Lanka, and local and overseas Chambers formulating strategies for a balanced and steady industrial growth. He also served as a board member of the Ceylon Chamber of Commerce during the periods 2012 to 2014 and 2016 to 2018 and also a Board Member of CIMA – Sri Lanka in 2016.

Since March 2023, Dinesh is functioning as Non-Executive Director of HNB General Insurance Company.

SHEHARA DE SILVA Non-Executive Independent Director

Shehara De Silva has over 40 years of experience in media, marketing, strategic planning, advocacy and competitiveness consultancy in Malaysia, Sri Lanka and East Asian markets. She has held senior-level posts in private, multinational, Government and development organisations with a focus on Public- Private Partnerships, Strategic social responsibility, and Gender equality. She holds Non-Executive Board Directorships at Keells Foods PLC, Sarvodaya Development Finance, The Neelan Tiruchelvan Trust (NTT), The Family Planning Association, Amana Takaful life Insurance, Informatics Institute of Technology (IIT), Optima Design PVT. Ltd and Quickshaws (Pvt) Ltd. She has been previously on the board of the Arthur C. Clarke Centre for Science and Technology, Eagle Fund Management and Tharuna Aruna (Sri Lanka National Youth Employment Network). The Environment Foundation Limited,

She was formerly Deputy Director General of the BOI (Board of Investment), Marketing Director of New Zealand Milk Products and GM-Sales and Marketing Janashakthi Insurance.

She has also helped manage the brand transformations of Singer in retailing, Janashakthi in Insurance, and NDB in banking. Shehara spent over a decade in Malaysia where she headed strategy in several Omnicom-related companies of Foetus International Malaysia's leading diversified advertising and communication group. She was also Managing Director of Interbrand Malaysia one of the world's leading brand consultancies.

Most recently, she was Deputy Program Director USAID/IESC You lead program. She has also worked in the development sector with ILO, Internews, USAID, NORAD, GIZ, and Plan International.

She has sat on several advisory boards and think tanks, judged and mentored several start-ups and Innovation and Leadership awards from the Eisenhower fellowship and Ray awards to MIT global start-ups and the Roger Herschel Creativity Award, WIM NG Awards, GIZ Historical Dialogue Film Awards etc.

She has spoken extensively at international conferences on branding, strategy and gender issues and won several international marketing and women in leadership awards. 'Women & Leadership: Top 50 Power Women' (Echelon Magazine), Woman Leader in Finance and Woman on Boards (Women in Management), World Women Super Achiever (World Women Leadership Congress), Brand Leadership (CMO Asia), and DDB Pinnacle Award amongst others.



**U D W CHATHURANGA
ABEYRATNE**
**Non-Executive Non-
Independent Director**

Chathuranga Abeyratne possesses over 15 years of experience in various multinational and public quoted companies in diverse industries, providing strategic and operational leadership to drive the transformational journeys of many organisations.

He served as the Group CFO at Aberdeen Holdings (Private) Limited while functioning as a Non independent, Executive Director of Neptune Papers (Pvt) Ltd from 2021 to 2023. He was the Group CFO of Bairaha Farms PLC from 2018 to 2021 and Hoodvian Ltd from 2012 to 2018.

Abeyratne is a Fellow Member of both ACCA (UK) and CIMA (UK) and an associate member of CA Sri Lanka. He is also a Certified Tax Advisor and holds an MBA from Cardiff Metropolitan University (UK) and a B.Sc from the University of Colombo, Faculty of Science.

CORPORATE MANAGEMENT TEAM



ZULFICAR GHOUSE
Managing Director



MOHAMED RIYAZ
Chief Executive Officer



AHAMED MURSHID
Chief Operating Officer



DEEPAL PERERA
Head of Sales



AZHAR SHERIFF
Head of Human Resources
and Compliance



ABDUL LATIFF AHAMED
Head of Finance



SHARFAZ ABDEEN
Head of Credit
Management



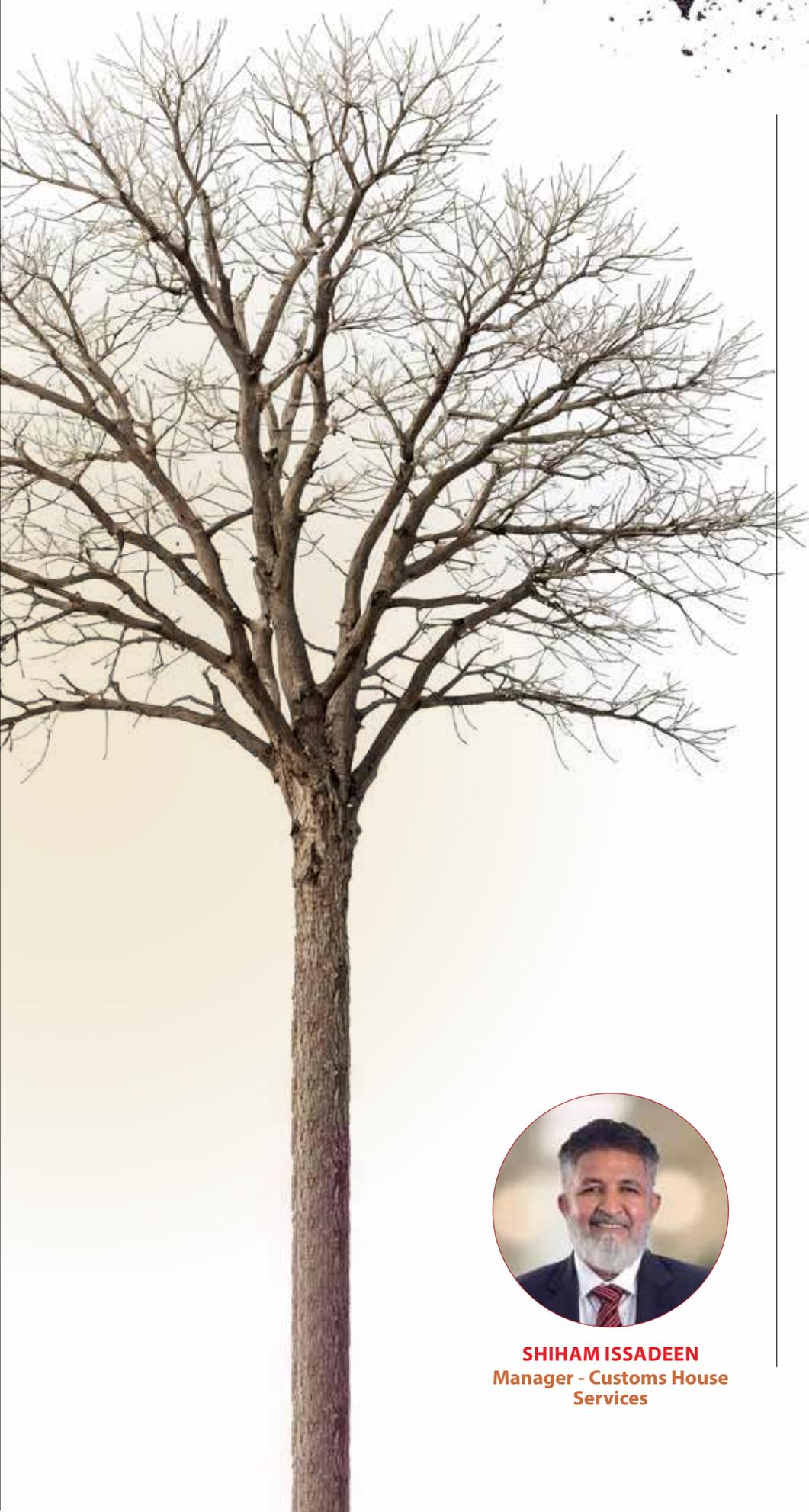
JUMARDEEN DHARWESH
Head of Factory
Operations



MOHAMED SHAMIL
Senior Manager - Finance
& Compliance



SUDATH SERASUNDARA
Senior Sales Manager



ISURU DIAS
Production Manager



JERAD PERERA
Consultant



NISANKA WEERASEKARA
Quality Assurance
Manager



SHIHAM ISSADEEN
Manager - Customs House
Services



ABDUL HAKEEM
Manager - Procurement

CORPORATE MANAGEMENT TEAM

ZULFICAR GHOUSE

Managing Director

Zulficar joined the organisation in 2009. He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and the Institute of Certified Management Accountants. Having more than 36 years of experiences in senior management positions overseas, and locally in multinational & listed companies.

Zulficar currently holds Directorships in Aberdeen Holding PLC, Amana Takaful Plc, and several other companies. He has held the positions of Senior Vice President of the International Chamber of Commerce - Sri Lanka and served as a member of the Judging Panel for the Sri Lankan Entrepreneur in 2003 and 2004 and The Best Quality Software Award organised by the British Computer Society in 2004 – 2012. He had also been the Hon. Treasurer of the National Chamber of Exporters of Sri Lanka (NCE) for many years. Visiting lecturer for the Keel University (UK), MSC program on Entrepreneurship. Zulficar has played a pivotal role and been instrumental in transforming Ex-pack Corrugated Cartons Plc to be one of most respected entities in Sri Lanka. (The detailed profile is given under the Board of Directors).

MOHAMED RIYAZ

Chief Executive Officer

Riyaz Joined the organisation in 2008 and counts over 27 years of Management Experience and exposure in the areas of Operations Management, Production, Sales & Marketing and Customer Service among varying industries in entities both Locally and Overseas. While serving as the Chief Executive Officer at Ex-Pack currently, he has also held the positions of President and Secretary of the Lanka Corrugated Cartons Manufacturers Association

(LCCMA) the industry association in Sri Lanka. LCCMA is a member of the Asian Corrugated Case Association – (Members are from Singapore, Malaysia, Indonesia, Taiwan, Thailand & China). He also functions as the Hon. Treasurer of the Association of Packaging Consultants (APC), Executive Committee member at Sri Lanka Institute of Packaging (SLIP), Advisory Committee member at Ministry of Industry and National packaging Center (NPC)

AHAMED MURSHID

Chief Operating Officer

Ahamed joined Ex-Pack in the year 2000 in the field of Sales & Marketing. He is a practicing Six Sigma professional and specialist, subsequently promoted to improve technology and develop key functions of production, industrial engineering, and operations management in the total manufacturing process.

He was selected by PUM Netherlands (The PUM is Programma Uitzending Managers institution) to undergo extensive industrial training in corrugated packaging manufacturing factories in Netherland, France, and Belgium in productivity and process re-engineering.

Ahamed has over 25 years of experience and possesses sound knowledge in manufacturing practices and is a key member of the management team on strategy development. Further he specialises in international industrial procurement & Sourcing processes and strategies related to

packaging while maintaining strong business networking with global manufacturers and supplier bases.

Ahamed was recently promoted as the Chief Operating Officer to overlook the manufacturing process and for the key role he played in driving the recent investment in advanced machinery, factory modernisation and process enhancement.

DEEPAL PERERA

Head of Sales

Deepal joined the organisation in 2002 initially and then 2013. He is a member of the Chartered Institute of Marketing, (CIM, UK) possesses the Post Graduate Diploma in Marketing with "Chartered Marketer" status, and has also obtained his Master of Business Administration, (MBA) from American City University, USA. Deepal received his Doctor of Philosophy (PhD) in Management thesis based on "Entrepreneurship of Small & Medium sized Enterprises" from ICFAI University, India. He also gained more than 22 years of experience in blue chip and multinational corporations both local and overseas covering the whole gamut of strategic management functions of Sales & Marketing, Human Resource Management, Operations Management, and Administration. He is also a fellow member of the Chartered Professional Managers of Sri Lanka (CPM) and a member of the Sri Lanka Institute of Marketing (SLIM).

AZHAR SHERIFF **Head of Human Resources and Compliance**

Azhar joined Ex-Pack in 2007. He has obtained the degree of Master of Business Administration (MBA) from Cardiff Metropolitan University in the UK and MSc in Sustainable Management from the University of Bedfordshire (UK). He is an Associate member of the Association of Human Resources Professionals in Sri Lanka, and holds memberships in National Institute of Occupational Safety and Health (NIOSH) and Chartered Institute of Professional Managers (CPM). a HR Generalist with experience spanning over 26 years, having served mostly for international companies based in Sri Lanka, Azhar currently heads the Human Resources, Learning and Development, Health and Safety, Social and Ethical Compliance, Sustainability, and CSR activities of the Company. He was the past Secretary and Vice President - Membership of Expolanka Toastmasters Club.

ABDUL LATIFF AHAMED **Head of Finance**

Abdul Latiff joined the Company in 2008. He is a Licentiate member of the Institute of Chartered Accountants of Sri Lanka (ICASL) and completed his internship and audit training at Price Waterhouse Coopers (PWC). Has more than 20 years in the field of accounting and finance management in both local and overseas organisations. Latiff has spearheaded and was instrumental in organising the accounting and finance functions to be more efficient and effective in its processes where preparing periodical financial information, organised and presented promptly. He also acted effectively as a coordinator for the Holding Company during the implementation of Oracle ERP amongst line companies. Latiff is a result-oriented team player with strong inter personnel skills with all stakeholders in the business.

SHARFAZ ABDEEN **Head of Credit Management**

Sharfaz is one of few employees who has served the organisation for over 25 years by now and laddered up from Customer Service Executive and today to be the Head of Credit Management of the company. He has played a significant role in setting up the Ex-Pack Credit Management team with the guidance and directions from the Directors/CEO. A truly loyal and trustworthy member of the Ex-Pack Team who strives to be accomplishing the task assigned.

Sharfaz has obtained a Master of Business Administration (MBA) from University of Bedfordshire in UK. He has completed the Advance Diploma in Credit Management from The Institute of Credit Management of Sri Lanka while he is also an associate member of the same Institution being professionally qualified.

Further Sharfaz has attended several important workshops and training sessions both locally and overseas held in expanding his knowledge horizons.

JUMARDEEN DHARWESH **Head of Factory Operations**

Dharwesh joined the company in 2009. He counts over 25 years of diverse experience in the management of manufacturing concerns in several companies in Sri Lanka and overseas.

He was selected by PUM Netherlands (The PUM is Programma Uitzending Managers institution) to undergo extensive training in packaging manufacturing factories in the Netherlands, France, and Belgium in productivity and process re-engineering.

He has also contributed quite significant manner to upgrade the current Ex-Pack manufacturing process and factory environment

through his exposure to industrial engineering in different industries. An excellent communicator, motivator, and change agent.

Dharwesh is currently heading the Manufacturing process, being head of the factory operations successfully. He has also attended many overseas workshops, training sessions and capacity building events to further and update his skills and knowledge in corrugated packaging technology and manufacturing.

Dharwesh played a significant role in the recent upgrade of machinery, factory modernization and process enhancement.

MOHAMED SHAMIL **Senior Manager Finance & Compliance**

Shamil Joined the Ex-Pack Finance Team in 2014 and has been serving the company for over 10 years. An Associate Member of the Chartered Institute of Management Accountants (CIMA-UK) of the United Kingdom (ACMA) and having obtained post graduate qualification of an MBA (Master of Business Administration) from Cardiff Metropolitan University, United Kingdom, Shamil has been instrumental in many financial value creations during his accomplished career trajectory so far at Expack.

Prior to joining Expack, he had completed his financial and management accounting internship and auditing and assurance training at Ernst & Young. In total Shamil possesses more than 15 years' experience and exposure in the field of Finance. Additionally, he continuously sharpening and upgrading his technical skills, soft skills and live skills by attending various both local and overseas training sessions through reputed professional financial and management accounting related bodies and institutions.

CORPORATE MANAGEMENT TEAM

SUDATH SERASUNDARA

Senior Sales Manager

A veteran and champion corrugated packaging sales personnel having over 30 years of industry experience. Sudath has achieved a Diploma in Sales Management and has been with the Ex-Pack Sales Team for over 18 years now. He has a remarkable passion and commitment to B2B selling and has been a consistent achiever having been recognised as "Best Sales Performer" for the last 10 continuous years. Sudath's client management & relationship building have always been excellent. Sudath has also been exemplary to his team utilising his strong industry network to benefit selling process and with strong sense of perseverance.

ISURU DIAS

Production Manager

Isuru Dias joined the organisation in 2024, bringing over eight years of experience in operations management across leading companies. He is a certified Incorporated Engineer, with NDT from the Institute of Technology, University of Moratuwa. He also holds a Master of Business Administration (MBA) from the University of the West of Scotland and is a certified Lean Six Sigma Black Belt from the Dr. Mikel J Harry Six Sigma Management Institute Asia.

In addition to his engineering and operational expertise, Isuru is currently pursuing a Postgraduate Diploma from the Chartered Institute of Marketing (CIM), UK, further strengthening his strategic and commercial insight. His professional background includes extensive, hands-on experience with Industry 4.0 technologies, Lean Six Sigma methodologies assisted in improved productivity, and successful process re-engineering initiatives. He has consistently demonstrated strong capabilities in integrating industrial engineering principles with data-driven operational optimisation.

Isuru is also known for his effective leadership in managing dynamic industrial workforces and for his collaborative mindset qualities that align with and support the company's vision for sustained success.

JERAD PERERA

Consultant

Corrugated packaging production specialist having been in the industry for over 35 years. Technical personnel with impressive track records having exposure to the whole gamut of production and operations processes in corrugated packaging currently serving as the Consultant. His contributions have been remarkable - able to recent operational improvements at Ex-Pack. His vast corrugated packaging knowledge and innovative approach has well supported the Ex-pack sales team to penetrate niche marketings in the packaging industry. Jerad also displays a strong sense of customer orientation in his work though being a production specialist.

NISANKA WEERASEKARA

Quality Assurance Manager

Nisanka initially commenced as a production specialist and turned into a Quality Assurance professional. Joined Ex-Pack in the year 2007 and served for the last 18 years with dedication and commitment in the capacity of Quality Assurance Manager and he has been industries for the last 36 years. He has undergone extensive in-house and external training in Quality Assurance and technical aspects and being knowledgeable in his expertise and he is an active member of the Packaging Consultants Association as a packaging consultant. Nisanka works effectively and quite successfully along with

the Production team to create a formidable Product Development Team to extend remarkable support to the Sales & Marketing team to penetrate new markets. He also possesses a sharp flair towards customer care and service.

SHIHAM ISSADEEN

Manager - Customs House Services

Shiham Issadeen has been a dedicated member of the Ex-Pack Corrugated Cartons PLC team since 2014. With over 30 years of experience in the clearance field, Shiham brings a wealth of knowledge and expertise to his role. As Manager Customs House Services, he is responsible for overseeing all import clearance-related procedures, ensuring smooth and efficient operations.

Shiham manages the clearance process for a substantial volume of imports, playing a critical role in the company's supply chain. Additionally, he handles the GRN (Goods Received Note) cancellation process for nearly 100 BOI (Board of Investment) and TIEP (Temporary Import for Export Processing) customers, showcasing his attention to detail and commitment to customer satisfaction.



His extensive experience and meticulous approach make him an invaluable asset to Ex-Pack Corrugated Cartons PLC, contributing significantly to the company's ongoing success and growth.

ABDUL HAKEEM
Manager – Procurement

Joined the company in 2014 as procurement executive and has been serving the company for over 10 years. Hakeem also displays a strong sense of purchasing orientation in his work though being a procurement specialist. He has been instrumental in driving the success of Ex-Pack Corrugated Cartons PLC's procurement operations. Holding an OTHM Postgraduate Diploma in Logistics and Supply Chain, and as an Associate Member of the Institute of Supply and Materials Management (ISMM), he combines advanced expertise with practical industry knowledge.

Hakeem has spearheaded strategic procurement initiatives, leading to significant cost reductions and improved supplier relationships. His focus on process optimisation and risk management has enhanced the efficiency and reliability of our supply chain, ensuring continuity and high standards.

His commitment to excellence continues to contribute significantly to our operational success and aligns with our company's vision for sustainable growth and efficiency.

This collaborative mindset qualities align with and support the company's vision for sustained success.

CORPORATE MANAGEMENT TEAM

Neptune Papers (Pvt) Ltd



ABDULLAH KASSIM
Executive Non-Independent
Director

Abdullah Kassim is a young business leader with over 15 years of experience in Senior Management, specializing in Business Process Re-Engineering, Mergers & Acquisitions, High-Level Strategy, and General Management. His experience spans several industries, including Environment Management, Sustainability, Financial Services & Insurance, among others.

Abdullah is the Managing Director of Neptune Papers (Pvt) Ltd, Sri Lanka's Premier Resource Recovery, Environment Management, and Recycling Company with interests in the Paper, Fabric, and Plastic Recycling Spaces. His interests and passion in Environment Management led him to transform the company from a small recycler to the largest company in the country over a 10-year period. He has added on several verticals to the business, which is expected to gather steam over the upcoming years.

Abdullah is also a Director of Aberdeen Holdings (Pvt) Ltd, a diversified conglomerate with operations spread across the world. He also serves as a Director at Amana Takaful PLC, Sri Lanka, and Amana Takaful Maldives PLC. Previously he played the role of Head of Business Development of Expo Lanka Holdings PLC and was part of the core team that floated the company in the Colombo Stock Exchange.



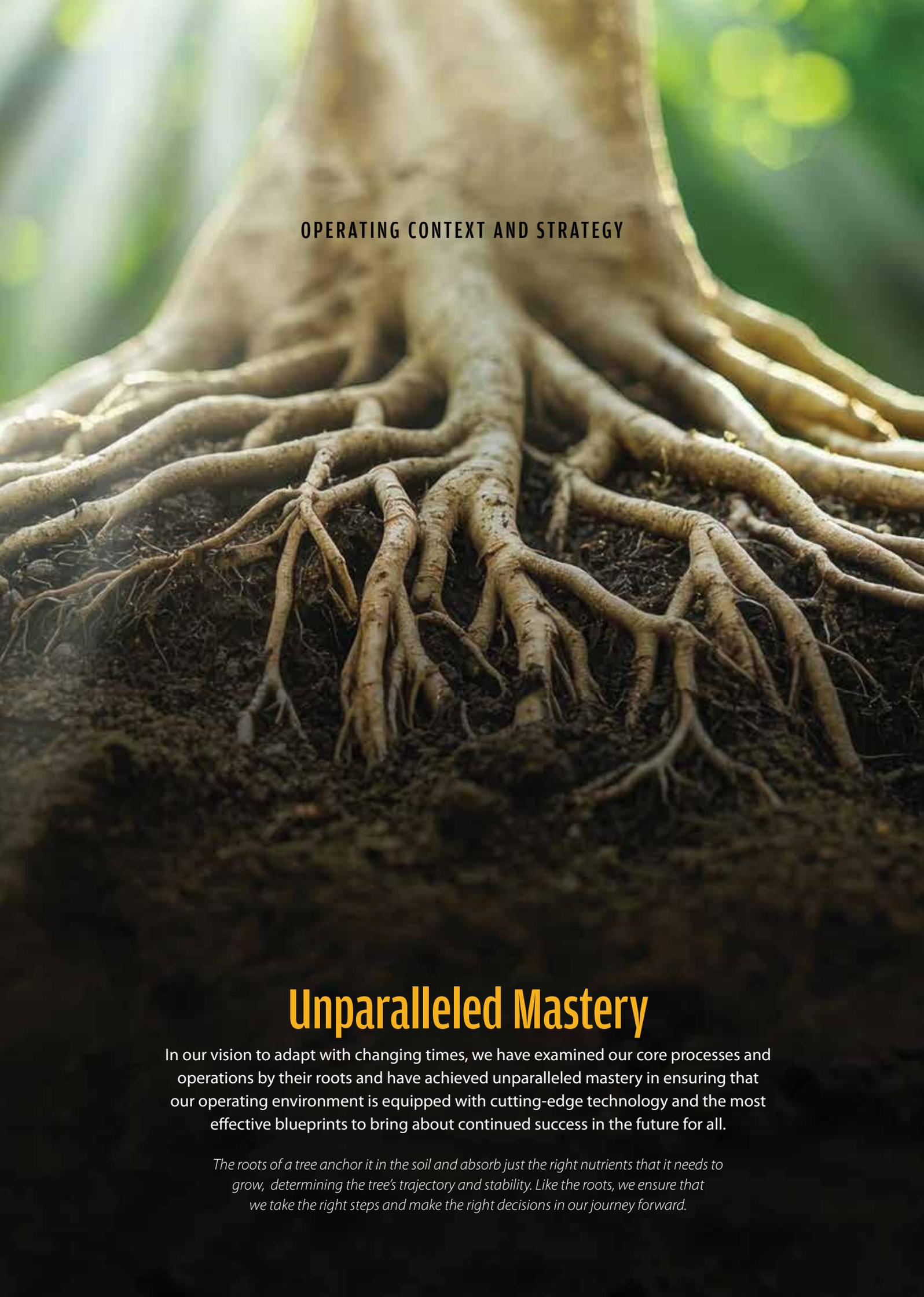
RIZAN JAUFER
Executive - Director

Rizan Jaufer is a seasoned business professional equipped with experience of over one and a half decades in the paper industry and he is considered as a pioneer and a forerunner in the Waste Management Industry in Sri Lanka with significant contributions to the industry over the years. He joined the group in 2005 as the Manager - of Commercial and Finance. Rizan holds a BBA in Business Administration from the University of Colombo and Associate Member of Certified Management Accountants Australia.



FAZLEEN MAJEED
Chief Executive Officer

Fazleen Majeed joined the Group in 2003 and has gained diverse exposure in the Holding Company's Group Finance Division by spearheading wide-ranging Group Finance-related activities including Group Restructure, Financial Policy Development, and Group Financial Reporting. Qualified in the fields of Business Administration, Finance, Marketing, and Human Resources Management, Fazleen's experience and contribution gained momentum at Neptune Papers where he showcased smart operational, people management, change management, and leadership skills. He has played a pivotal role in the company's cultural transformation, strategy implementation, new business segment developments, and sustainable growth.



OPERATING CONTEXT AND STRATEGY

Unparalleled Mastery

In our vision to adapt with changing times, we have examined our core processes and operations by their roots and have achieved unparalleled mastery in ensuring that our operating environment is equipped with cutting-edge technology and the most effective blueprints to bring about continued success in the future for all.

The roots of a tree anchor it in the soil and absorb just the right nutrients that it needs to grow, determining the tree's trajectory and stability. Like the roots, we ensure that we take the right steps and make the right decisions in our journey forward.

OPERATING ENVIRONMENT

During the financial year 2024/25, the Sri Lankan economy demonstrated a strong rebound from the crisis period, supported by improved macroeconomic fundamentals, external debt restructuring progress, and the continued implementation of IMF-backed reforms. This period of stabilisation and growth saw declining inflation, lower interest rates, and a strengthening of investor confidence, factors that collectively contributed to improved business sentiment across sectors.

The broader operating environment also evolved amidst global economic uncertainties, climate-related challenges, and shifting consumer and regulatory expectations. Ex-Pack Corrugated Cartons PLC remained vigilant and adaptive, continuously monitoring changes in the external landscape. The Company proactively aligned its strategies to mitigate emerging risks, navigate market complexities, and seize new opportunities in domestic and export markets to drive long-term value creation.

Key milestones achieved in the Sri Lankan economy



- ▶ **Strengthening macroeconomic fundamentals:** The implementation of disciplined fiscal consolidation and prudent monetary policy since mid-2022 played a crucial role in stabilising the macroeconomic environment, helping to contain inflation, ease interest rates, and restore confidence in economic governance.
- ▶ **Continued multilateral support:** The sustained engagement with the International Monetary Fund under the Extended Fund Facility (EFF) programme, along with near-completion of external debt restructuring, significantly improved Sri Lanka's creditworthiness and supported the overall economic recovery framework.
- ▶ **Renewed investor sentiment:** Upgrades in sovereign credit ratings and improving economic indicators led to a notable resurgence in both domestic and foreign investor interest. This was evident in enhanced capital flows and increased activity in equity and debt markets.

Performance of key macro-economic indicators

▶ GDP growth	<ul style="list-style-type: none"> ▶ Sri Lanka recorded 5.0% real GDP growth in 2024, marking a strong recovery after two years of economic contraction. ▶ Growth was broad-based and consistent across all four quarters, the first such trend since 2017. ▶ GDP per capita increased to Rs. 1.36 million (USD 4,516), up from Rs. 1.24 million (USD 3,801) in 2023.
▶ Inflation and price stability	<ul style="list-style-type: none"> ▶ Inflation moderated significantly in 2024, driven by tighter monetary and fiscal policies combined with declining global and local energy prices. ▶ By September 2024, inflation dipped into negative territory, marking a temporary period of deflation that helped reduce cost burdens on both households and businesses.
▶ Finance Cost Rates	<ul style="list-style-type: none"> ▶ Policy rates were reduced by 125 basis points in 2024, contributing to a total easing of 775 bps since June 2023, helping drive down market interest rates. ▶ A new single-rate framework was introduced with the launch of the Overnight Policy Rate (OPR) in November 2024, stabilising short-term rates around 8.0%. ▶ Lending and deposit rates declined as reflected in key market rates such as Average Weighted Prime Lending Rate (AWPLR)

Performance of key macro-economic indicators

<ul style="list-style-type: none"> ▶ External sector 	<ul style="list-style-type: none"> ▶ Although the trade deficit expanded amid increased imports, robust growth in tourism revenues and workers' remittances provided critical support to the balance of payments. ▶ Sri Lanka maintained an external current account surplus for the second year in a row, reflecting improved external sector dynamics. ▶ Record-high foreign exchange purchases by the Central Bank strengthened gross official reserves and led to a second consecutive year of currency appreciation.
<ul style="list-style-type: none"> ▶ Fiscal discipline 	<ul style="list-style-type: none"> ▶ Progress in debt restructuring and fiscal discipline contributed to macroeconomic stability and encouraged credit rating upgrades.

IMPLICATIONS ON EX-PACK

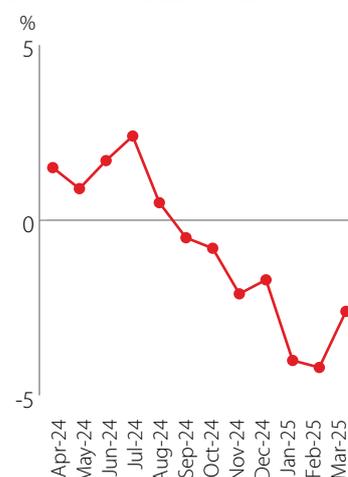
- ▶ Lower input cost pressures: The disinflationary and temporary deflationary environment reduced cost pressures on raw materials and other operational inputs.
- ▶ Greater costing precision: Continued exchange rate stability enhanced forecasting accuracy and pricing confidence for imported raw materials.
- ▶ Improved financing conditions: Lower ifinance cost rate and a stable monetary environment helped reduce financing costs, supporting capital investment decisions.
- ▶ Uplift in demand: The broad-based economic rebound, especially in manufacturing and exports, increased packaging requirements, positively impacting order volumes.
- ▶ Stronger customer liquidity: Improved fiscal conditions and access to credit enhanced the repayment capacity and procurement budgets of key B2B customers.

Response from Ex-Pack

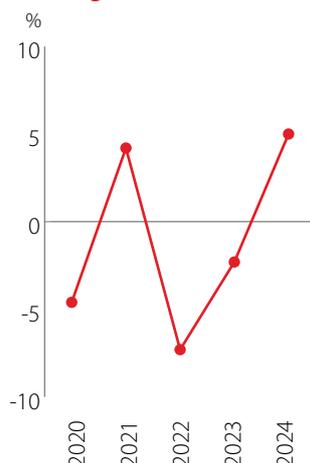
- ▶ Strategic capacity expansion: Commissioned new state-of-the-art Carton manufacturing machinery during the year, significantly boosting production capacity and product quality to meet increased demand.
- ▶ Cost optimisation: Leveraged reduced input cost pressures and stable exchange rates to offer more competitive pricing while safeguarding margins.

- ▶ Focused capital allocation: Utilised the favourable finance cost rate environment to refinance short-term borrowings at lower rates and fund medium-term capital investments.
- ▶ Market responsiveness: Strengthened customer partnerships by offering customised, value-added packaging solutions, helping clients manage their own cost and efficiency targets.
- ▶ Operational efficiency drive: Implemented leaner production workflows and increased automation in select processes to enhance productivity and contain cost amidst wage and energy-related fluctuations.

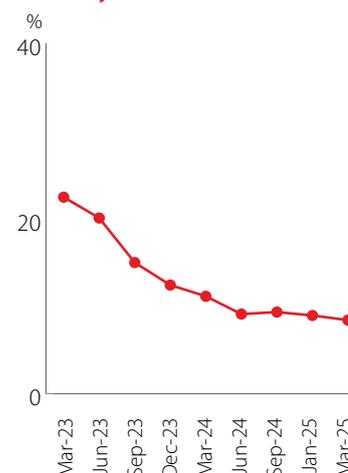
Inflation - Headline - CCPI



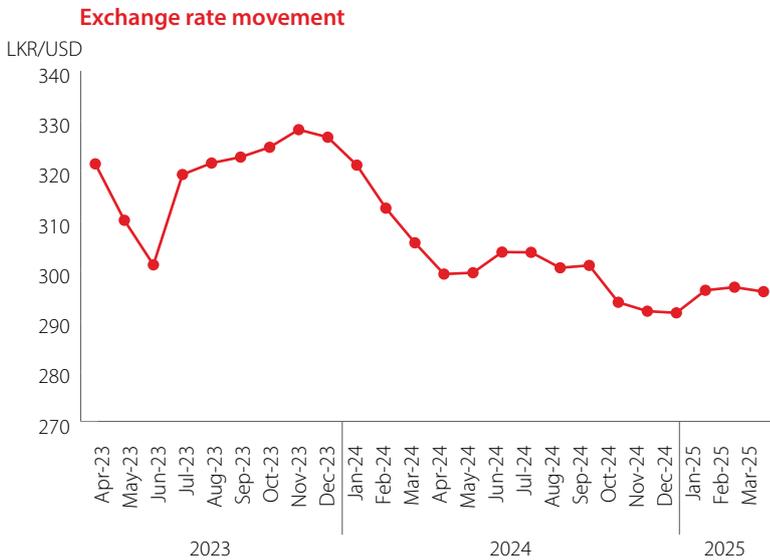
YoY GDP growth



Monthly AWPLR



OPERATING ENVIRONMENT



Source: Central Bank of Sri Lanka

Other aspects

Employees

Labour market conditions in 2024/25 remained stable, with a shift towards upskilling and productivity enhancement in response to business recovery and the integration of advanced technologies in manufacturing.

Impact on Ex-Pack:

- ▶ Demand for more technically skilled operators increased, particularly with the commissioning of new machinery
- ▶ Retention of trained talent became crucial to maintain efficiency in high-precision production environments

Response from Ex-Pack:

- ▶ Ex-Pack invested in structured training to upskill its workforce in advanced corrugation techniques
- ▶ The Company strengthened employee engagement and welfare initiatives to improve retention and ensure continuity in operational excellence

IT Developments

Technology advancements in smart manufacturing and digitisation continued to reshape the packaging industry. Automation, AI-assisted quality control,

and real-time production analytics became more mainstream in 2024/25.

Impact on Ex-Pack:

- ▶ Increasing competitiveness in the sector required Ex-Pack to elevate its technological edge to maintain product quality and throughput
- ▶ Legacy systems and machinery were becoming less efficient and less aligned with market expectations for precision and speed

Response from Ex-Pack:

- ▶ Commissioned state-of-the-art high-speed printing and converting machinery equipped with automated controls and real-time monitoring features
- ▶ Invested in digital production planning and inventory systems to enhance end-to-end operational visibility and decision-making agility, enabled through the new machinery installed

Environmental aspects

Climate change remained a key macro concern, with heightened stakeholder expectations around energy efficiency, waste reduction, and eco-friendly materials.

Impact on Ex-Pack:

- ▶ Rising focus on environmental compliance and sustainable operations influenced customer buying decisions
- ▶ Energy price volatility and changing weather patterns had implications on operational costs and supply chain reliability

Response from Ex-Pack:

- ▶ Continued to enhance energy efficiency through process optimisation and investment in cleaner production technologies enabled through the new machinery
- ▶ Ensured 100% of waste generated in the corrugated Carton manufacturing is directed for recycling with none going to landfills
- ▶ Continued to engage suppliers who are certified for environmentally friendly practices (e.g. Forest Stewardship Council Certification)



VALUE TRANSFORMATION PROCESS

CAPITAL INPUTS



FINANCIAL CAPITAL

- Equity capital
- Borrowings



MANUFACTURED CAPITAL

- Property, plant and equipment (PPE)
- Including the newly installed state-of-the-art production machinery line



HUMAN CAPITAL

- Collective competence, experience and knowledge and 301 employees



INTELLECTUAL CAPITAL

- Strength of the Ex-Pack Corrugated Cartons brand name amongst our diverse clientele
- Organisational tacit knowledge
- R&D capabilities
- Certifications and standard



SOCIAL & RELATIONSHIP CAPITAL

- Customers
- Suppliers and business partners
- The community that we function in



NATURAL CAPITAL

- Land
- Water
- Electricity and other energy

RESOURCE ALLOCATION

- Total equity capital - **Rs. 2,888 Mn**
- Short-term borrowings - **Rs. 1,228 Mn**
- Long-term borrowing - **Rs. 979 Mn**

- Capital expenditure on PPE - **Rs. 1.895 Mn**

- Total employees - **301**
- New recruits during the year - **135**

- R&D staff strength - **05**
- Number of ISO standards maintained - **02**
- ISO 9001-2015, ISO 14001-2015, WRAP, FSC COC, NCE CET

- Continued strong relationship with our customers
- **Rs. 2.38 Mn** invested in community empowerment initiatives

- Land extent: **4 Acres**
- Water usage: **13,993 m³**
- Total energy consumption: **35,146 GJ**

ADEQUACY OF AND ACCESS TO CAPITAL

Adequate equity capital base, relatively high current liability basis. Low finance cost rate environment having a positive impact on cost of capital. Improved access to debt capital in an expansionary monetary policy scenario

Strong Manufactured Capital base. New machinery installed during the financial year

Solid base of long-standing employees. Relatively high attrition and recurring need to replace staff at the production facility which at times is a challenge to source

Continuously evolving Intellectual Capital base driven by a strong emphasis on talent retention, continuous learning, and organisational agility

Diverse and loyal customer portfolio spanning multiple market segments and niches, strong community presence and trust and continuously expanding supplier network ensuring reliable access to high-quality inputs

Adequate access to natural resources at present. Depleting natural resources and impact of climate change necessitating responsible usage of natural resources

VALUE TRANSFORMATION



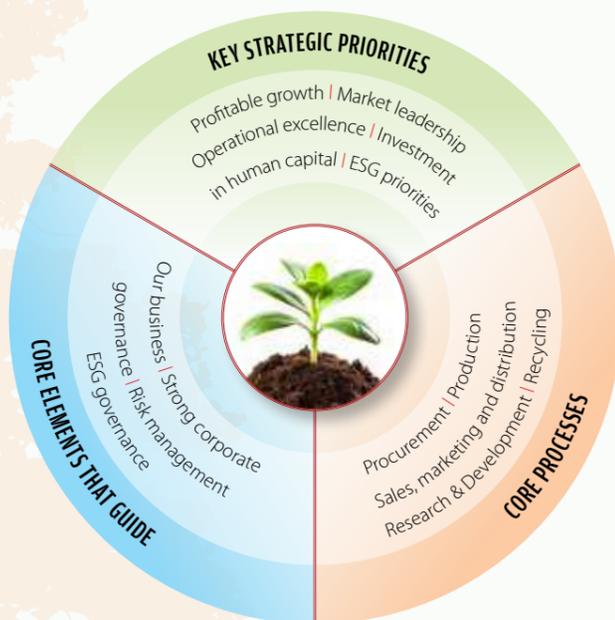
VISION
To be the most preferred packaging solution supplier in Sri Lanka



MISSION
To lead the way in corrugated cartons manufacturing and add value to the stakeholders through operational excellence



VALUES
Be Caring
Be Trusted
Be Challenging
Be Tenacious
Be Responsive



KEY RISKS

- Macro-economic risks
- Operational risks
- Sourcing raw materials and other input costs
- Talent management and retention
- Health and safety
- Legislation and regulatory environment related risks
- Cyber and information security risk
- Climate change and environmental linked risks

KEY OPPORTUNITIES

- Rising global demand for sustainable packaging
- Export market expansion
- Nearshoring and supply chain diversification trends
- Government incentives for export-oriented manufacturers
- E-commerce boom
- Technological advancements in automation and printing
- Regional trade agreements and SAARC/ASEAN integration
- Growing preference for FSC-certified and eco-friendly packaging

KEY OUTPUTS



High quality corrugated cartons catering to

- **Over 500** customers of which **21** are export customers
- **10%** of production directly exported to **02 countries**
- Total Production tonnage - **23,575 MT**



Diverse packaging solutions

- For products ranging from perishables such as coconut water to other items such as bicycles



Waste and emissions generated in the process

- Total GHG emissions - **4,559.46 t co2e**
- Total waste generated - **2,857.89 MT**

OUTCOMES

FINANCIAL CAPITAL

- Pre-tax profit (Company) - **Rs. 628 Mn**

MANUFACTURED CAPITAL

- PPE (Company) - **Rs. 3,954 Mn**
- Depreciation and amortisation (Company) - **Rs. 178 Mn**

HUMAN CAPITAL

- Expenses to employees - **Rs. 726 Mn**
- Investment on training and development - **Rs. 0.893 Mn**

INTELLECTUAL CAPITAL

- Expenses on R&D - **Rs. 9.1 Mn**
- **13** awards won

SOCIAL AND RELATIONSHIP CAPITAL

- Total payments to suppliers - **Rs. 5,305 Mn**
- Taxes paid to the Government - **Rs. 1,402Mn**
- Satisfied customers

NATURAL CAPITAL

- Water recycled - **1268.46 m3**
- Renewable energy generated - **0 Mwah**
- Increase in total emissions - **48.58%**

IMPACT ON STAKEHOLDERS

SHAREHOLDERS

- Net asset value per share: **Rs. 8.66** (company)
- ROE - **13%**

CUSTOMERS AND EMPLOYEES

- Enhanced production capacity
- **80- 120 MTs** per 12 hours

EMPLOYEES

- Average training hours per employee - **13**
- Improved attrition from **3.59% to 3.49%**

CUSTOMERS

Superior quality products, zero recalls due to quality defects

CUSTOMERS

Dynamic, high quality products

SUPPLIERS

Continued patronage and cash flows

COMMUNITY

4,765 beneficiaries of CSR initiatives

MATERIAL MATTERS

- Profitable growth
- Manufacturing capabilities
- Creating an attractive employee value proposition
- Employee health and safety
- Good governance and compliance to all laws and regulations applicable
- Managing macro-economic headwinds
- Good governance and compliance to all laws and regulations applicable
- Ethical procurement practices
- Customer health, safety and satisfaction
- Superior, innovative and quality products
- Community engagement
- Energy consumption
- Water and effluents
- Emissions and waste
- Climate change adaptation

SDG INVOLVEMENT



Value Transformation Process

VALUE TRANSFORMATION SCORECARD

Capital	KPI	Metric	Value as at 31 March 2024
Financial capital 	Gross income	Rs. Mn	1,681
	Total assets	Rs. Mn	5,499
	Total equity	Rs. Mn	2663
	Total borrowings	Rs. Mn	1,635
	Market capitalisation	Rs. Mn	1,645
	Return on assets	%	10
	ROE	%	20
Manufactured capital 	Property, plant and equipment		2,237
	Total production volume	Tonnes per year	21,591
	Machine uptime / equipment availability	%	100
	Production yield	%	99
	Defect rate / rejection rate		1
	Capital expenditure on plant and equipment	Rs. Mn	86
	Average production lead time		2 days
Human capital 	Total employees	No.	306
	Profitability per employee	Rs. Mn	1,492
	New recruits during the year	No.	152
	Employee retention ratio	%	97
	Total training hours	No.	4,294
Social and Relationship Capital 	Customer satisfaction score	Score out of 100	90
	Investment in corporate social responsibility initiatives (CSR)	Rs. '000	2.7
	Beneficiaries of targeted CSR initiatives	No.	5,648
	Supplier base	No.	220
	Payments to suppliers	Rs. Mn	4,418
Intellectual capital 	Value of intangible assets	Rs. Mn	946
	Employees with service exceeding 10 years	No.	140
	Investments in staff training and development	Rs. Mn	0.736
	Total awards won	No.	6
	ISO certifications	No.	2
Natural capital 	Energy consumption	Kwh	6,653,611
	Percentage of renewable energy used	%	0
	Water consumption	m3	12,213
	GHG emissions	tco2e	3,078.89
	Effluent discharge levels vs. regulatory limits	%	0
Number of environmental compliance violations	No.	0	

Value drivers through the year	Value as at 31 March 2025	Value movement
Financial capital strengthened through prudent cost management, improved operational efficiencies, and strategic investments in state-of-the-art production facility and automation. Enhanced profitability and disciplined working capital management supported reinvestment efforts.	1,708	27
	6,847	1,348
	2,888	225
	2,207	572
	1,604	-41
	6	-4
	15	-5
Installation of a state-of-the-art production line, fully automating the end-to-end corrugated carton manufacturing process. This investment boosted operational efficiency and output quality, reduced manual interventions, enabling greater consistency and scalability. Better equipped to meet rising demand with improved lead times and precision.	3,954	1,717
	23,575	1,984
	100	0
	97	-2
	3	2
	1,500	1,414
	2 days	0
Continuous investments in upskilling, employee engagement, and building a culture of performance. Despite some attrition at factory level, maintained a strong core team committed to operational excellence. Ongoing training and development initiatives enhanced workforce agility and alignment with business goals.	301	-5
	1,928	436
	135	-17
	95	-2
	3,966	-328
Strong relationships with our customers, suppliers, and the wider community, anchored in trust and mutual value creation. Commitment to ethical conduct and responsible business practices strengthened stakeholder confidence and brand reputation. Contributions through taxes and community engagement further strengthened our social license to operate.	90	0
	2.8	0.1
	4,765	-883
	252	32
	5,305	887
	1,402	212
Strengthened through employee expertise, robust internal processes, and a culture of continuous improvement. Recognitions and ISO certifications demonstrated quality and operational excellence. Collectively supported innovation and sustained competitiveness in a dynamic market.	1,913	967
	120	-20
	0.825	0.089
	13	7
	2	0
Focused on responsible resource management by improving energy efficiency, reducing waste, and expanding the use of sustainably sourced materials. Environmental compliance was maintained across operations, while investments in cleaner processes supported the Company's long-term sustainability goals.	1,751,667	4,901,944
	0	0
	13,993	1,780
	4,559	1,481
	0	0
	0	0

J.S.M.
HIGH-SPEED INTEL

J.S. Machine



MASTER ON/OFF

CORRALIGNER

TENSION MASTER

ET

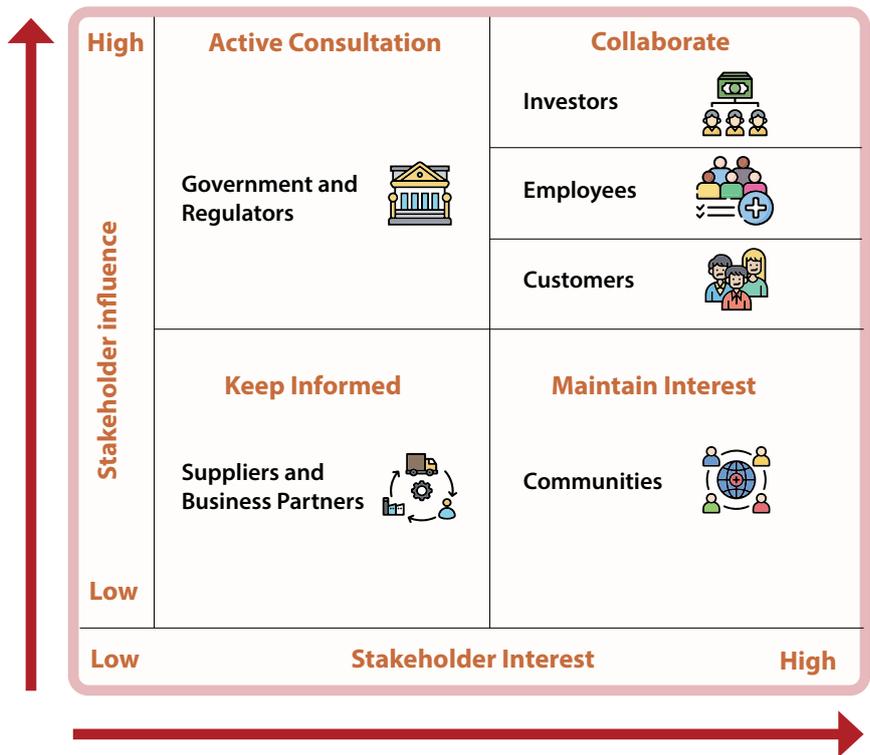
STAKEHOLDER ENGAGEMENT

Ex-Pack Corrugated Cartons PLC has established a robust governance framework to guide its stakeholder engagement practices, ensuring that all interactions are aligned with the Company's values and strategic objectives. The Company adheres to a well-defined stakeholder engagement policy, which sets clear guidelines for identifying, engaging, and communicating with key stakeholders, including shareholders, customers, employees, suppliers, regulators, and the local community. This policy is regularly reviewed to ensure it reflects best practices and evolving expectations.

The Board of Directors, along with the senior management team, oversees the stakeholder engagement process, ensuring that it is integrated into the Company's broader strategy. Dedicated teams are responsible for maintaining regular communication channels with each stakeholder group, ensuring that feedback is collected, analysed, and acted upon. Additionally, Ex-Pack's ethical standards and commitment to transparency are embedded in its engagement processes, with clear procedures for addressing concerns, ensuring accountability, and fostering long-term, trust-based relationships. This governance structure allows Ex-Pack to effectively manage its stakeholder relationships and support sustainable growth.

HOW WE ENGAGE WITH OUR STAKEHOLDERS

We prioritise precise stakeholder engagement by actively assessing both the influence and interest of each stakeholder group on our organisational performance. We tailor our communication and engagement strategies to align with the specific needs and expectations of stakeholders, ensuring that their feedback informs decision-making.



STAKEHOLDER ENGAGEMENT

Investors

Profile

<p>5.104</p>  <p>Shareholders</p>	<p>99%</p>  <p>Local shareholders</p>	<p>96%</p>  <p>Individual shareholders</p>
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Engagement Mechanisms

Modes	Related publications/documentation	Dedicated point of contact
<ul style="list-style-type: none"> ▶ Annual General Meetings ▶ Extraordinary General Meetings ▶ Quarterly financial results publications ▶ Meetings/road-shows with investment analysts, stock brokers, etc. as and when required 	<ul style="list-style-type: none"> ▶ Annual Reports ▶ Quarterly financial statements ▶ Announcements to the Colombo Stock Exchange 	<ul style="list-style-type: none"> ▶ Company Secretary ▶ Head of Finance

Key concerns raised and connectivity to material matters

Key Concerns Raised	Response Action	Corresponding Material Topics
<ul style="list-style-type: none"> ▶ Robustness of the Company’s strategy in navigating the Company through macro-economic and political challenges that prevailed through the year ▶ Financial performance and profitability of the Company ▶ Efficiency of operational processes and cost management ▶ Transparency in corporate governance and adherence to ethical standards ▶ Effectiveness of risk management practices, especially in supply chain and raw material costs ▶ Strength of leadership and succession planning within the Company ▶ Retention and development of skilled workforce in a competitive industry ▶ Impact of market conditions on demand for corrugated packaging solutions 	<ul style="list-style-type: none"> ▶ Strong strategy continually reviewed by the Management with due updates to and oversight of the Board of Directors ▶ Strengthened governance and risk management practices which enabled the Company to navigate the business smoothly through external environmental volatilities ▶ Continued development of talent pipe-line. 	<ul style="list-style-type: none"> ▶ Profitable growth ▶ Good governance and compliance to all laws and regulations applicable ▶ Managing macro-economic headwinds ▶ Geo-political tensions

Driving value and strategy

Value Delivered	Link to Strategy
Pre-tax profits – Rs. 628 Mn	Profitable growth
Total equity – Rs. 2,888 Mn	Market leadership

Customers



Profile

All corporate customers (B2B) comprising SMEs, exporters and large scale multinational firms. Both local and foreign customers

250



Total customer base

15



Long-standing multi-national corporates

50



Export customers

Engagement Mechanisms

Modes	Related publications/ documentation	Dedicated point of contact
<ul style="list-style-type: none"> ▶ Customer meetings and briefs ▶ On-going communications via emails ▶ Print, electronic and social media presence on a needs basis ▶ Bi-annual customer surveys in line with ISO 9001 requirements, extended up to quarterly surveys where necessary ▶ Periodic hosting of customers/ their global representatives at Company factory premises for observation of production and R&D processes ▶ Connectivity via trade fairs, exhibitions and conventions 	<ul style="list-style-type: none"> ▶ Product brochures ▶ Press releases 	<ul style="list-style-type: none"> ▶ Head of Sales

Key concerns raised and connectivity to material matters

Key Concerns Raised	Response Action	Corresponding Material Topics
<ul style="list-style-type: none"> ▶ Uninterrupted supply of high-quality products despite challenges ▶ Adapting packaging solutions to meet evolving customer demands ▶ Pricing strategies that align with customers' cost structures ▶ Requests for extended credit periods ▶ Ability to meet new packaging requirements promptly and accurately ▶ Incorporating ESG considerations in the production process 	<ul style="list-style-type: none"> ▶ Ongoing dialogue with customers to understand and address their unique needs ▶ Enhanced R&D efforts focused on developing advanced and tailored packaging solutions ▶ Transparent and fair pricing aligned with internal cost structures ▶ Commitment to responsible sourcing and sustainable production practices ▶ Streamlined supply chain management to ensure timely delivery of products ▶ Adoption of flexible payment terms to accommodate customer requests for extended credit periods ▶ Integration of customer feedback into product development for continuous improvement ▶ Implementation of sustainability initiatives to align with evolving ESG expectations 	<ul style="list-style-type: none"> ▶ Manufacturing capabilities ▶ Ethical procurement practices ▶ Customer health, safety and satisfaction ▶ Superior, innovative and quality products

Driving value and strategy

Value Delivered	Link to Strategy
Zero lapses in customer quality requirements 97% timely deliveries	Profitable growth Market leadership. ESG priorities

STAKEHOLDER ENGAGEMENT



Employees



Profile

All corporate customers (B2B) comprising SMEs, exporters and large scale multinational firms. Both local and foreign customers

<p>301</p> <p>Total employees</p>	<p>15%</p> <p>Female representation</p>	<p>41%</p> <p>Staff with service exceeding 10 years</p>
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Engagement Mechanisms

Modes	Related publications/ documentation	Dedicated point of contact
<ul style="list-style-type: none"> ▶ Employee satisfaction surveys ▶ Virtual questions and small group sessions with Ex-Pack C-Level Executives ▶ Career website and social media presence ▶ Induction and training programmes ▶ Staff appreciation/service recognition initiatives ▶ Periodic meetings within and across functions ▶ HR system - Microimage 	<ul style="list-style-type: none"> ▶ HR policy and manual ▶ Staff emails ▶ Notices displayed across factory premises 	<ul style="list-style-type: none"> ▶ Head of HR ▶ Line management ▶ Open-door policy which affords access to any top management person

Key concerns raised and connectivity to material matters

Key Concerns Raised	Response Action	Corresponding Material Topics
<ul style="list-style-type: none"> ▶ Robust performance management and competitive compensation packages ▶ Work place safety ▶ Clear career growth and progression pathways ▶ Opportunities for skill enhancement and professional development ▶ Commitment to diversity and fostering an inclusive workplace ▶ Support for a healthy work-life balance 	<ul style="list-style-type: none"> ▶ Competitive and fair remuneration for employees ▶ Stringent measures ensuring work place safety ▶ Ongoing training, development, and career progression opportunities ▶ Comprehensive support programs for employees and their families ▶ Dedicated initiatives to promote mental well-being and employee satisfaction 	<ul style="list-style-type: none"> ▶ Creating an attractive employee value proposition ▶ Employee health and safety

Driving value and strategy

Value Delivered	Link to Strategy
Rs. 726 Mn total payments to employees	Investment in Human Capital

Suppliers and Business Partners

Profile

Strong network of local and international suppliers and other business partners

212



Local suppliers (84%)

40



Overseas Suppliers (12%)

3



Suppliers across continents

Engagement Mechanisms

Modes	Related publications/ documentation	Dedicated point of contact
<ul style="list-style-type: none"> ▶ Supplier assessments, meetings ▶ Information sources of suppliers such as their websites ▶ Connectivity via trade fairs, exhibitions and conventions 	<ul style="list-style-type: none"> ▶ Supplier agreements ▶ Terms and conditions 	<ul style="list-style-type: none"> ▶ Chief Executive Officer and Procurement Manager

Key concerns raised and connectivity to material matters

Key Concerns Raised	Response Action	Corresponding Material Topics
<ul style="list-style-type: none"> ▶ Prompt and complete payments ▶ Steady demand and long-term partnerships ▶ Clear and efficient communication in transactions ▶ Reliability in order fulfilment ▶ Transparent procurement processes ▶ Timely feedback and response to queries ▶ Fair and consistent contract terms ▶ Ensuring mutual growth opportunities ▶ Commitment to ethical sourcing and production practices 	<ul style="list-style-type: none"> ▶ Timely and full payment settlements ▶ Consistent demand due to competitive pricing and quality offerings ▶ Streamlined supplier engagement processes for improved efficiency ▶ Transparent and fair contract negotiations ▶ Prompt communication and resolution of supplier queries 	<ul style="list-style-type: none"> ▶ Ethical procurement practices

Driving value and strategy

Value Delivered	Link to Strategy
<p>Total payments to local suppliers - Rs.2,584 Mn</p> <p>Local Suppliers Payments are 48% of the total payment.</p>	<p>Profitable growth</p> <p>Market leadership</p> <p>ESG priorities</p>

STAKEHOLDER ENGAGEMENT

Government and Regulators



Profile

The Government of Sri Lanka, related regulatory bodies such as the Colombo Stock Exchange (CSE), Central Environment Authority (CEA), Inland Revenue Department, etc.

Engagement Mechanisms

Modes	Related publications/ documentation	Dedicated point of contact
<ul style="list-style-type: none"> ▶ Compliance with statutory reporting requirements ▶ Regular liaison with regulatory authorities on sector-related issues ▶ Active participation in industry associations and forums 	<ul style="list-style-type: none"> ▶ Quarterly financial statement ▶ Other statutory information releases/ announcements to the CSE ▶ Submissions to the Inland Revenue Department ▶ Documents submission to the CEA, etc. 	<ul style="list-style-type: none"> ▶ Head of Human Resources and Compliance

Key concerns raised and connectivity to material matters

Key Concerns Raised	Response Action	Corresponding Material Topics
<ul style="list-style-type: none"> ▶ Adherence to all relevant laws, regulations, and standards ▶ Contribution to national economic growth and development ▶ Commitment to environmental responsibility and social well-being 	<ul style="list-style-type: none"> ▶ Strict adherence to all relevant laws, regulations, and standards ▶ Timely and accurate payment of taxes ▶ Contribution to economic growth through job creation, national production, and foreign exchange generation 	<ul style="list-style-type: none"> ▶ Good governance and compliance to all laws and regulations applicable

Driving value and strategy

Value Delivered	Link to Strategy
Total taxes paid - Rs. 1.402 Mn	Market leadership

Communities



Profile

The diverse communities within which we operate

Engagement Mechanisms

Modes	Related publications/ documentation	Dedicated point of contact
<ul style="list-style-type: none"> ▶ Through community-focused programs and initiatives ▶ Active engagement on social media platforms 	<ul style="list-style-type: none"> ▶ Press releases 	<ul style="list-style-type: none"> ▶ Head of Human Resources and Compliance

Key concerns raised and connectivity to material matters

Key Concerns Raised	Response Action	Corresponding Material Topics
<ul style="list-style-type: none"> ▶ Addressing community challenges through targeted contributions ▶ Mitigating environmental impact from Company operations ▶ Creating local employment opportunities to drive economic growth 	<ul style="list-style-type: none"> ▶ Implementation of corporate sustainability initiatives ▶ Ensuring open job vacancies and fair recruitment processes ▶ Offering vocational training opportunities for higher education students ▶ Managing the Company's environmental impact through defined strategies 	<ul style="list-style-type: none"> ▶ Community engagement ▶ Climate change adaptation

Driving value and strategy

Value Delivered	Link to Strategy
Spend on CSR projects – Rs. 2.8 Mn	ESG priorities

MATERIAL MATTERS

Determining our material matters – The process

As we entered the second year of GRI compliant reporting, we fine-tuned the process via which we arrive at our material matters. In doing so, we adopted the below specified five steps approach as prescribed in GRI 3: Material Topics 2021.



We have taken into consideration, the GRI topic standards and SASB sector standard - Containers & Packaging throughout this process. We have also considered feedback we have obtained from our stakeholders from various engagements we have had with them. Additionally, we have considered the time horizon within which each of the material topics identified can impact Ex-Pack, over the time horizon of short, medium and long term.

Furthermore, we adopted a double materiality perspective in determining our material topics, encompassing both the impact on the Company's financial position (financial materiality) and the impact on the environment and society (impact materiality). This approach has strengthened our ability to identify and assess sustainability-related risks and opportunities (SRROs) as well as climate-related risks and opportunities (CRROs) with more depth and relevance.

Further enhancements

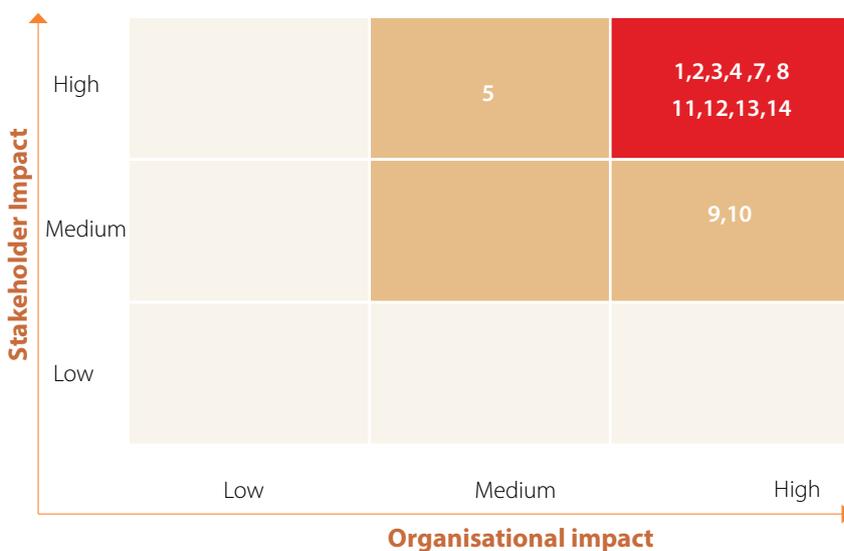
For clarity in reporting we have classified our material topics in to three broad themes as follows.

1. Sustainable business model
2. Impact of PESTEL factors
3. Stakeholder value creation

New additions
Manufacturing capabilities
Climate change adaptation
Geo-political tensions

Scope enhancements	
Material topic 2023/24	Scope enhanced material topic 2024/25
Sound financial performance	Profitable growth
Motivated and competent staff and Diversity and equal opportunity	Creating an attractive employee value proposition
Customer health and safety	Customer health, safety and satisfaction
Input material	Consideration embedded under the material topic Ethical procurement practices

Materiality Matrix



	Material topic	Justification for materiality	Topic boundary	Relevant GRI Topic	Stakeholder group impacted	Further reference
1	Sound financial performance	Shareholder value creation, establishing business resilience	Internal	GRI 207- Tax GRI 201- Economic Performance	Shareholders	
2	Macro-economic headwinds	Turbulences in the economy and unfavourable movement in key economic factors such as inflation, exchange rate, finance cost rates and economic growth rates have direct impact on the operational and financial performance of the Company thereby affect value creation process	Internal/ External	-	Shareholders, employees, customers	
3	Motivated and competent staff	Our employees are a critical factor in delivering our strategy and they also drive intellectual capacity of the Company and is linked to the strategic pillar Investment in Human Capital	Internal	GRI 401: Employment GRI 402: Labour/ Management Relations GRI 404: Training and Education	Employees	
4	Employee health and safety	Our employees' health, safety and well-being are integral components of managing a motivated team and ensuring their retention	Internal	GRI 403: Occupational Health and Safety	Employees	
5	Diversity and equal opportunity	We believe in the strength in diversity and how performance can be enhanced by affording equal opportunities	Internal	GRI 405: Diversity and Equal Opportunity	Employees	
6	Ethical procurement practices	As a responsible corporate - fair and transparent procurement processes are important to us in ensuring multiple aspects such as sound supplier relations and quality input	Internal/ External	GRI 204: Procurement Practices	Business partners	
7	Customer health and safety	Ensuring our customers well-being fosters long term relationships with them, drives value for business and enhances our strategic pillar Market Position		GRI 416: Customer Health and Safety	Customers	
8	Energy consumption	Strategic priorities of Operational Excellence and ESG Priorities	Internal/ External	GRI 302: Energy	Communities	
9	Water and effluents	We are deeply concerned of our environmental footprint, linked to our strategic pillar ESG Priorities and as a responsible corporate citizen we take all measures to reduce/manage our environmental foot-print	Internal/ External	GRI 303: Water and Effluents	Communities	
10	Emissions and waste		Internal/ External	GRI 305: Emissions GRI 306: Waste	Communities	
11	Community engagement	This ensures that we act in the best interest of our communities, empower their progress and stay aligned to our strategic pillar ESG Priorities	Internal/ External	GRI 413: Local Communities	Communities	
12	Good governance and compliance to all laws and regulations applicable	Through this we affirm our corporate stewardship and make due contributions to fiscal revenue in form of taxation	Internal/ External		Government and regulatory bodies	

MATERIAL MATTERS

Ex-Pack’s Value-Centred Strategy

Ex-Pack Corrugated Cartons PLC follows a governance-based, growth-focused strategy aimed at driving shareholder and stakeholder value. As a publicly listed company on the Colombo Stock Exchange, our strategy is firmly rooted in good governance principles and is designed to foster sustainable growth. The strategic direction focuses on the long-term value creation that benefits both the Company and its stakeholders.

Mechanism towards strategy formulation

The formulation of our strategy is driven by a comprehensive analysis of several critical factors that impact our performance. These include:

- ▶ **Macro-economic conditions:** Understanding global and local economic trends that influence industry dynamics.

- ▶ **Stakeholder expectations:** Carefully considering the interests of our key stakeholders, including customers, employees, suppliers, and shareholders.
- ▶ **Organisational growth targets:** Setting clear objectives for scaling our operations and enhancing operational efficiencies.
- ▶ **Adequacy of internal resources:** Evaluating our internal capabilities and resources, and ensuring access to necessary external resources to meet growth targets.

Given the current volatility in the macro-economic environment, we have maintained the flexibility to adapt our strategy. Where necessary, we have implemented tactical adjustments to remain responsive to emerging conditions while still adhering to our long-term goals.

Depiction of Strategy

This year, our strategy is encapsulated under five key pillars, which have been refined and revised for better clarity and coherence. This new framework is an updated version of the six-pillar strategy we demonstrated last year, ensuring a more cohesive and focused approach. The five pillars reflect a sharper alignment with our vision, enhancing both strategic clarity and execution effectiveness.

These pillars form the backbone of our strategy and guide the Company towards achieving sustainable growth, operational excellence, and value creation for all stakeholders.



Strategic priority: Profitable growth

Focuses on driving sustainable financial performance by increasing operational efficiency, expanding market presence, and innovating product offerings. Through strategic investments in advanced technology, automation, and market diversification, Ex-Pack aims to enhance profitability while ensuring long-term growth and value creation for stakeholders.

Resource Allocation	Impact on capitals
Rs. 1,500 Mn investment in machinery upgrades	(-) Financial Capital in the immediate term + Financial Capital in the long-term

Key strategic actions rolled out in 2024/25

- ▶ Investment in state-of-the-art production plant
- ▶ Process automations on the production line with the aid of the new machinery
- ▶ Supply chain optimisation in enhancing working capital cycles thereby drive down finance cost
- ▶ R&D and innovation enabling superior products to our customers which in turn enhance our revenue
- ▶ Market expansion and customer base diversification for revenue resilience
- ▶ Strategic partnerships and alliances in ensuring the sustainability of our business

KPIs delivered	Stakeholders impacted
13% ROE	Shareholders
1% increase in revenue	Employees
78% cost to income ratio	

Way forward

- ▶ Continued investment in advanced machinery and automation
- ▶ Expansion into new local and international markets
- ▶ Increased focus on innovation and sustainable packaging solutions
- ▶ Strengthening relationships with key suppliers
- ▶ Streamlining internal processes for improved operational efficiency
- ▶ Enhancing customer relationships through tailored solutions and services
- ▶ Diversification of product offerings to capture new revenue streams

Read more information: Financial capital – page 68

Strategic priority: Market leadership

Centred on positioning Ex-Pack as the top provider in the corrugated packaging industry. By consistently delivering high-quality products, fostering strong customer relationships, and embracing innovative solutions, the Company aims to expand its market share and strengthen its competitive edge.

Resource Allocation	Impact on capitals
Rs. 9.1mn spent of research and development of our products	+ Social and Relationship Capital
Rs. 1,500 Mn investment in machinery upgrades	

Key strategic actions rolled out in 2024/25

- ▶ Enhancements to the product quality and turnaround time with the new machinery in place
- ▶ Competitive pricing offered
- ▶ Ethically sources raw material accentuating the Company's product acceptance in international/ EU markets

KPIs delivered	Stakeholders impacted
Ranked as one of leading among corrugated cartons manufactures in Sri Lanka based on new customers on-boarded during the year	Customers Suppliers and business partners
1% increase in revenue	

Way forward

Ex-Pack will focus on expanding its market share through targeted product innovations and geographical diversification. The Company aims to enhance customer loyalty by continuing to deliver high-quality, tailored packaging solutions while fostering long-term relationships. Additionally, Ex-Pack will prioritise investments in cutting-edge technology and sustainable practices to stay ahead of competitors and meet evolving market demands.

Read more information:
Social and Relationship Capital – page 95

STRATEGIC FOCUS

Strategic priority: Operational excellence

Aims at efficiency, quality, and innovation within our production processes. Centred on optimising every aspect of manufacturing, from the integration of state-of-the-art technology and automation to streamlining workflows and reducing waste. By maintaining high standards in production, Ex-Pack ensures consistent delivery of superior quality products while maximising cost-effectiveness and productivity, reinforcing its commitment to customer satisfaction and business sustainability.

Resource Allocation	Impact on capitals
Capital expenditure of Rs. 1,500mn on property, plant and machinery	+ Manufactured Capital + Intellectual Capital
Rs. 2.3mn spent on certifications and standards	
3,966 training hours spent by employees on production process related training	

Key strategic actions rolled out in 2024/25

- ▶ Investment in state-of-the-art production plant
- ▶ Employee training on the new plant
- ▶ Due renewal of 05 certifications and standards

KPIs delivered	Stakeholders impacted
▶ Production Efficiency: 97%	Employees
▶ Cycle Time: 2 working days	Customers
▶ Machine Downtime: 3%	
▶ On-Time Delivery Rate: 97%	
▶ Safety Incidents: 14 incidents	



Way forward

To drive operational excellence, Ex-Pack is committed to continuously improving its production processes by investing in state-of-the-art machinery and automating key operations. Moving forward, Ex-Pack plans to further streamline its supply chain, reduce waste, and improve efficiency through lean management practices and ongoing employee training. This will help maintain competitive advantage and ensure long-term operational sustainability.

Read more information: Manufactured Capital – page 74, Intellectual Capital – page 89

Strategic priority: Investment in human capital

The Company recognises that a skilled and motivated workforce is essential for achieving sustained growth and operational excellence that Ex-Pack has strategised to achieve. By focusing on talent development, training, and career progression, Ex-Pack aims to enhance employee engagement and retain top-tier professionals. This investment ensures the Company's long-term competitiveness, drives product innovation, and drives continuous improvement across all areas of the business.

Resource Allocation	Impact on capitals
Expenses to employees: Rs. 726 Mn	+ Human Capital - Financial Capital in the immediate term
Investment in training and development: Rs. 0.825 Mn	+ Financial Capital in the long term
Total training hours: 3,966	

Key strategic actions rolled out in 2024/25

- ▶ Employee engagement initiatives
- ▶ Continuous training and development
- ▶ Initiatives in ensuring employee well-being through the provision of wide range of benefits

KPIs delivered	Stakeholders impacted
Employee retention ratio: 95%	Employees
Pre-tax profit per employee generated: Rs. 2 Mn (Company)	
Average training hours per employee: 13 hrs.	



Way forward

Moving forward, Ex-Pack will continue to prioritise the development of its Human Capital by expanding training programmes, enhancing career progression opportunities, and fostering a culture of continuous learning. The Company will also invest in leadership development to ensure a robust pipeline of future leaders.

Read more information: Human Capital – page 80

Strategic priority: ESG priorities

The strategic pillar of ESG (Environmental, Social, and Governance) priorities focuses on embedding sustainable practices into every facet of Ex-Pack's operations, starting from the formulation of its strategy. By integrating environmental, social, and governance considerations, the Company aims to drive long-term value while minimising negative impacts on society and the environment. This approach ensures that Ex-Pack meets regulatory standards and takes proactive steps to contribute positively to its stakeholders and the broader community.

Resource Allocation	Impact on Capitals
Rs. 2.8 Mn spent on corporate social sustainability initiatives	(-) Financial Capital
Rs. 1 mn spent on quantification of GHG emissions	+ Social and relationship Capital
Rs. 4.9 Mn spent on responsible disposal of waste and effluent	+ Natural Capital
490 hrs staff volunteer hours spent on CSR initiatives	

Key strategic actions rolled out in 2024/25

- ▶ Quantification and verification of GHG emissions for the 04th consecutive year
- ▶ 04 CSR projects conducted during the year
- ▶ Conducting safety compliance sessions.

KPIs delivered	Stakeholders impacted
48.58% Increase in GHG emissions	Community
4,765 beneficiaries of the Company's CSR initiatives	
Zero lapses in governance related matters	

**Way forward**

The way forward for Ex-Pack under ESG priorities involves continuing to integrate sustainable practices across all business functions, with a focus on reducing environmental impact through efficient resource management and waste reduction. The company will also work to enhance social responsibility by fostering community engagement and supporting employee well-being. Strengthening governance practices will remain a priority, ensuring transparency, ethical conduct, and compliance with industry standards.

Read more information: Social and Relationship Capital – page 95, Natural Capital – page 103





MANAGEMENT DISCUSSION & ANALYSIS

Supreme Dedication

As one of the country's leading manufacturers of corrugated cartons, we at Ex-Pack remain supremely dedicated to ensuring that our every operational element runs with exceptional coherence and that our stakeholders receive only the best that we have to offer, and are secure through our stability in the considerable future.

As trees grow, each tree is its own ecosystem and coexists with others, to facilitate prosperity for all. At Ex-Pack, we make certain that each operational element works in tandem with one another so that the company develops at a steady pace.

FINANCIAL CAPITAL



Financial Capital: Powering Performance, Enabling Growth What Financial capital means to Ex-Pack

At Ex-Pack Corrugated Cartons PLC, Financial Capital represents the foundation of our value creation journey. It encompasses the funds we generate and deploy, from equity, retained earnings, and borrowings, that enable us to invest in capacity expansion, operational efficiency, and innovation. Effective stewardship of our Financial Capital allows us to maintain a resilient balance sheet, manage risks prudently, and deliver consistent returns to our shareholders, while funding long-term growth aligned with sustainable packaging trends.

Financial capital inputs



Equity funds



Borrowed funds

Value drivers

- ▶ **Maintaining a disciplined capital structure and prudent cash flow management**

A conservative yet agile approach to managing gearing, working capital, and liquidity ensures that Ex-Pack remains financially resilient, even amid external shocks. This discipline enables timely investments in capacity, technology, and sustainability, while safeguarding shareholder value.

- ▶ **Investing strategically to enable scalable growth**

Financial Capital is deployed towards targeted capex, process improvements, and innovation, strengthening production capabilities and enabling Ex-Pack to scale efficiently in response to growing domestic and export market demand.

Value created



Rs. 453 Mn

Profit after tax



Rs. 3.4 Bn

Total equity

Link to our material matters

- ▶ Profitable growth

Link to SDGs



“
Effective stewardship
of our Financial Capital
allows us to maintain
a resilient balance
sheet.”

What to expect in this chapter

Driving strategy through Financial Capital

Income, cost and profitability analysis

Balance sheet performance analysis

Cash flows analysis

Key investor ratios

Other key financial ratios

Way forward

Disclosure requirements met

GRI 3: Material Topics 2021

GRI 201: Economic Performance

GRI 207: Tax

SASB - Containers & Packaging Sustainability Accounting Standard

No SASB topics/metrics discussed under this section

Driving strategy through Financial Capital

Strategic initiative	Link to strategy
Funding capacity expansion and technology upgrades Strategic investments funded through a mix of retained earnings and borrowings supported the installation of high-performance machinery, enhancing production efficiency and enabling us to meet rising demand from export and local markets.	 Operational excellence
Strengthening financial resilience We maintained a disciplined capital structure, effectively managing liquidity and working capital to navigate macroeconomic uncertainties while preserving our ability to fund growth and meet stakeholder obligations.	 Profitable growth
Enabling sustainable value creation Financial Capital was channelled into sustainability-focused initiatives such as energy efficiency, waste reduction, and packaging innovation, aligning our business model with evolving global and client expectations.	 ESG priorities
Supporting market development and customer engagement Targeted allocation of financial resources enabled deeper market penetration through trade promotions, participation in international exhibitions, and improved client servicing capabilities, reinforcing long-term commercial relationships.	 Market leadership

Income, cost and profitability analysis

In'000 As at 31 March	Group		Change	
	2025	2024	Change	Change
	Rs.	Rs.	Rs.	%
Revenue from Contracts with Customers	9,932,074	9,875,058	57,016	1%
Cost of Sales	(7,734,477)	(7,719,337)	(15,140)	0%
Gross Profit	2,197,597	2,155,721	41,876	2%
Other Operating Income	62,485	83,887	(21,402)	-26%
Selling and Distribution Expenses	(460,932)	(423,977)	(36,955)	9%
Administrative Expenses	(877,115)	(798,747)	(78,368)	10%
Results from operating activities	922,035	1,016,884	(94,849)	-9%
Finance Cost	(221,256)	(239,423)	18,166	-8%
Finance Income	20,888	33,154	(12,266)	-37%
Profit Before Tax	721,667	810,616	(88,949)	-11%
Income Tax Expense	(268,646)	(230,127)	(38,519)	17%
Profit for the Year	453,021	580,489	(127,468)	-22%

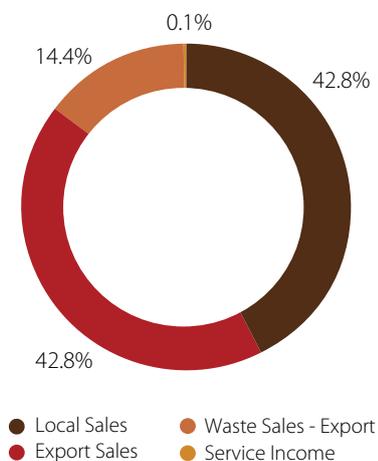
FINANCIAL CAPITAL

Revenue from contracts with customers

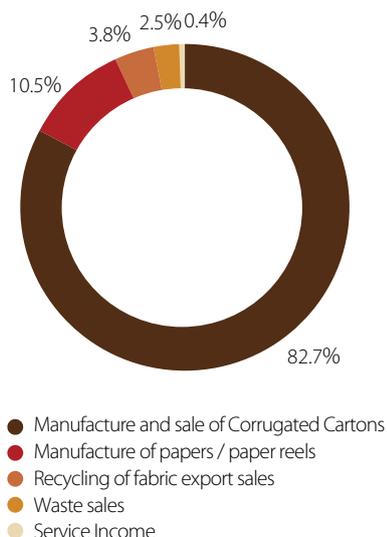
Revenue from contracts with customers for the year was Rs. 9,932 Mn, a marginal growth of 1% over the prior year. Revenue moderated due to demand moderation in the market. Within revenue, export sales and service income reported a year-on-year (YoY) growth.

Revenue analysis

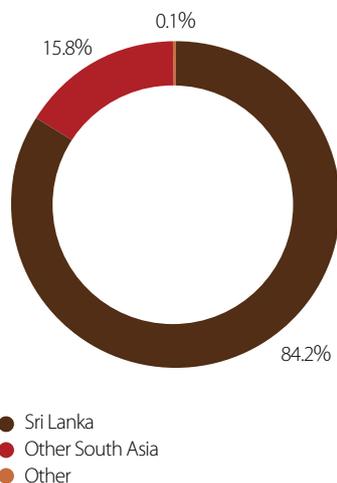
Composition of revenue by source



Composition of revenue by types of products and services



Composition of revenue based on the geographical locations of the customers



Cost of sales and gross profits

Cost of sales of the Group increased only marginally, attuned to the similar increase in revenue. Gross profits were Rs. 2.2 Bn, a YoY growth of 2%.

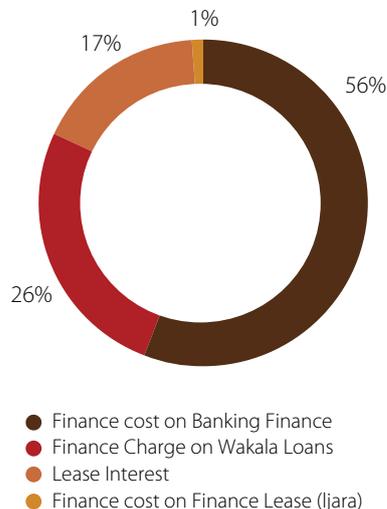
Expenses

Selling and distribution expenses for the year was Rs. 461 Mn, a YoY increase of 9%, whilst Administrative expenses was Rs. 877 Mn, a YoY increase of 10%. Targeted marketing campaigns, route optimisation in distributions and general cost consciousness across the team throughout the year enabled curtailing increase in costs at these rates.

Finance cost and Finance income

Finance cost for the period was Rs.221 Mn. This was an 8% reduction over the past year. Similarly finance income was Rs. 21 Mn, a decline of 37% YoY. This is partly attributable to the reduction in finance cost rates in the market compared to one year ago. We expect an increase in our finance costs from the next financial year on, on account of increased borrowings.

Composition of finance cost by product



Driving Forward with Purpose

At Ex-Pack, Financial Capital is more than just numbers on a balance sheet, it's the enabler of our strategic ambitions. Our disciplined approach to capital allocation ensures we invest in areas that drive long-term value, from capacity expansion to sustainability. As we navigate dynamic market conditions, maintaining financial resilience remains key to sustaining stakeholder confidence and funding future growth.



Abdul Latiff Ahamed
Head of Finance

Taxes and profitability

The resultant pre-tax profit of the Group was Rs. 722 Mn, a YoY decline of 11%. Income tax expenses netted Rs. 269 Mn, leading to a post-tax profit of Rs. 453 Mn.

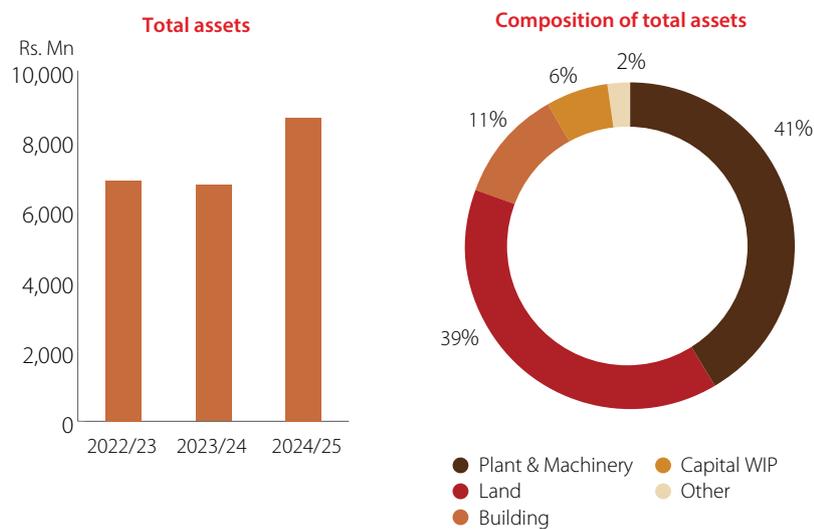
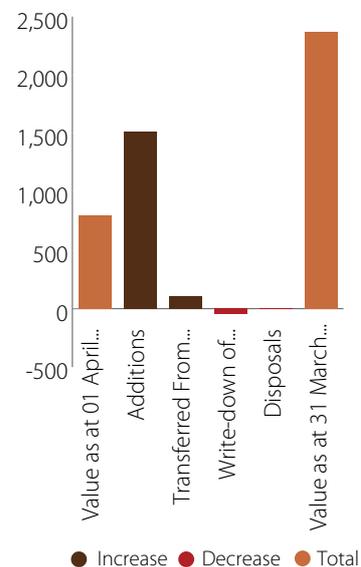
Tax management

The Group's tax strategy is formulated and implemented by the Finance Division with skilled finance professionals. A tax consultant has been engaged to compute the income tax liability and handle the administrative functions relating to filing of income tax returns. Tax compliance is consistently monitored by Internal Audit and the external auditors. The team liaises with the tax authorities on a regular basis, while engagement is also supported by the tax consultant. The Company was fully compliant with all tax related regulations during the year.

Income, cost and profitability analysis

In'000 As at 31 March	Group			
	2025	2024	Change	Change
	Rs.	Rs.	Rs.	%
Non-Current Assets				
Property, Plant and Equipment	4,061,544	2,344,188	1,717,356	73.3%
Right to Use of Assets	363,329	181,467	181,862	100.2%
Intangible Assets	205,760	204,972	788	0.4%
Investment in Subsidiary	-	-	-	
Deferred Tax Assets	-	4,857	(4,857)	(100.0)%
	4,630,632	2,735,484	1,895,148	69.3%
Current Assets				
Inventories	1,482,240	1,141,612	340,628	29.8%
Trade and Other Receivables	2,186,403	1,847,399	339,005	18.4%
Advances and Prepayments	295,229	293,004	2,225	0.8%
Cash and Cash Equivalents	68,987	720,831	(651,844)	(90.4)%
	4,032,859	4,002,845	30,014	0.7%
Total Assets	8,663,492	6,738,329	1,925,162	28.6%

Composition of total assets



FINANCIAL CAPITAL

Balance sheet funding

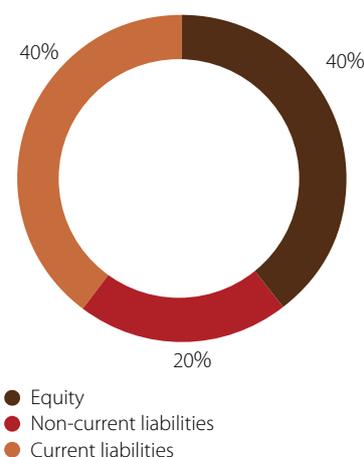
In'000 As at 31 March	Group			
	2025	2024	Change	Change
	Rs.	Rs.	Rs.	%
Stated Capital	1,200,000	1,200,000	-	0%
Revaluation Reserves	623,223	623,223	-	0%
Retained Earnings	1,609,347	1,356,650	252,697	19%
Equity Attributable to Equity Holders of the Parent	3,432,571	3,179,874	252,697	8%
Non Controlling Interest	(1,134)	(1,043)	(91)	9%
Total Equity	3,431,437	3,178,831	252,606	8%
Non-Current Liabilities				
Deferred Tax Liability	409,966	311,097	98,869	32%
Retirement Benefit Liability	157,982	149,261	8,721	6%
Finance cost Bearing Loans and Borrowings	1,240,685	138,673	1,102,012	795%
	1,808,633	599,032	1,209,602	202%
Current Liabilities				
Finance cost Bearing Loans and Borrowings	2,100,607	2,156,794	(56,186)	-3%
Trade and Other Payables	1,244,046	634,996	609,050	96%
Income Tax Payable	78,768	168,676	(89,908)	-53%
	3,423,421	2,960,467	462,955	16%
Total Equity and Liabilities	8,663,492	6,738,329	1,925,162	29%

Ex-Pack's balance sheet remained well-capitalised, supported by a balanced mix of equity and debt financing. Equity capital grew by 8% during the year, reaching Rs. 3,431 Mn, driven primarily by higher retained earnings. As a result, equity accounted for 40% of the overall funding structure.

On the liabilities side, current liabilities continued to form the bulk of total obligations, representing 65% of total liabilities, consistent with the previous year's trend. During the year, non-current Finance cost bearing loans and borrowings increased considerably, as funding for the new plant and equipment installed.

Ex-Pack's gearing ratio stood at 97%, reflecting a leveraged yet managed capital structure that supports operational flexibility and strategic investments.

Balance sheet funding composition



Cash flows analysis

In Rs. Mn – For the financial year ended 31 March 2025	Rs.
Cash and cash equivalents at the beginning of the year	717.8
Net cash (used in)/from operating activities	708.3
Net cash flows used in investing activities	(1,931.9)
Net cash flows from/(used in) financing activities	548.6
Cash and cash equivalents at the end of the year	42.8

Ex-Pack Corrugated Cartons PLC began the financial year with cash and cash equivalents of Rs. 717.8 Mn. During the year, the Company generated a strong net cash inflow of Rs. 708.3 Mn from operating activities, reflecting improved profitability, disciplined working capital management, and robust collections.

Net cash used in investing activities amounted to Rs. 1.9 Bn, primarily due to capital expenditure incurred for the installation of new machinery aimed at enhancing operational efficiency and expanding production capacity. This strategic investment aligns with Ex-Pack's long-term growth objectives.

Financing activities contributed a net inflow of Rs. 548.6 Mn, supporting the investment drive while optimising the capital structure. Despite healthy operational inflows, the combined impact of the investment outflows and working capital adjustments resulted in a closing cash balance of Rs. 42.8 Mn as at 31 March 2025.

Overall, Ex-Pack demonstrated strong cash generation capacity and sound capital deployment during the year, reinforcing its financial resilience and future-readiness.



▶ Way forward

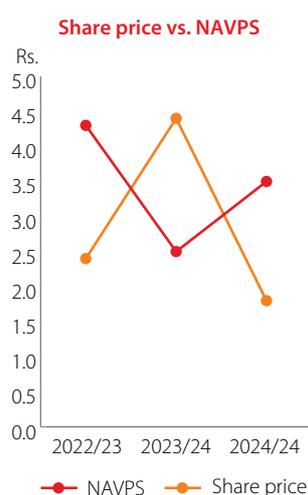
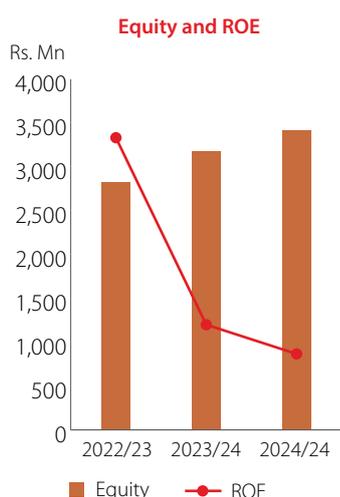
As we advance into the next financial year, we anticipate an increase in finance costs, reflecting the full impact of borrowings undertaken to fund our investments in advanced machinery. The operationalisation of the new machinery is expected to drive revenue growth by enabling us to meet increasing market demand and by improving cost efficiencies. We are committed to optimising the utilisation of this new capacity, thereby maximising returns on our investment.

Our proactive approach to balance sheet management will continue to drive our financial strategy. We aim to maintain a balanced capital structure, ensuring financial flexibility and resilience. This includes careful monitoring of debt levels and finance cost obligations to safeguard our financial health.

Through disciplined financial stewardship and strategic investments, Ex-Pack is committed to deliver sustainable value to our shareholders over the short, medium, and long term.

Key investor ratios

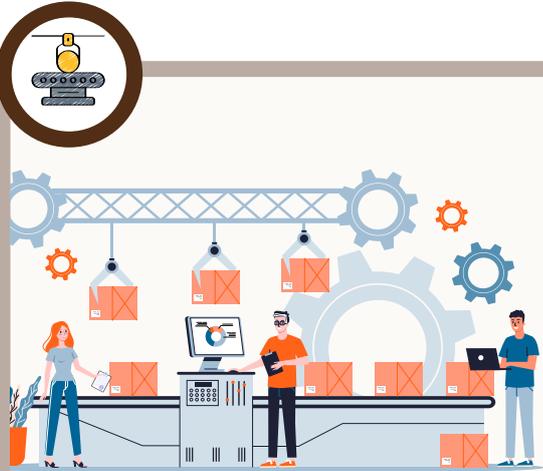
Financial year ended 31 March		2025	2024	2023
Return on equity (ROE)	%	13	18	50
Earnings per share	Rs.	1.36	1.74	4.24
Net assets value per share (NAVPS)	Rs.	10.29	9.54	8.49
Dividend per share	Rs.	0.62	0.67	2.47
Dividend payout ratio	%	45	38	58
Closing share price	Rs.	13.90	14.30	14.60
Price earning ratio	Times	10.22	8.21	3.44
Price to book value	Times	1.35	1.49	1.72
Total shareholder returns	%	2	3	64



Other key financial ratios

Financial year ended 31 March		2025	2024	2023
Debt/equity ratio	%	97	72	93
Finance cost cover	Times	4.17	4.39	4.71
Quick asset ratio	Times	0.75	0.97	0.77

MANUFACTURED CAPITAL



ASSET NEXUS: POWERING OUR PRODUCTION CORE

What Manufactured Capital means to Ex-Pack

At Ex-Pack, our Manufactured Capital comprises the physical assets—such as machinery, equipment, and factory infrastructure—that are essential to our production processes. These tangible resources form the foundation of our operational capabilities, enabling us to efficiently transform raw materials into high-quality products. By continually investing in and maintaining our Manufacturing facilities, we ensure the reliability and scalability of our operations. Our commitment to enhancing Manufactured Capital supports our strategic objectives and drives sustainable value creation for our stakeholders.

Human capital inputs



Our state-of-the-art machinery installed at our premises during the year



Total property, plant and equipment (PPE) of
Rs.3,954 Mn
(Company)



Warehouse premises



Research and development laboratory

Value drivers

Advanced production infrastructure

- ▶ In the 2024/25 financial year, Ex-Pack invested in a state-of-the-art production line, enhancing manufacturing efficiency and capacity. This upgrade positions the company to meet increasing demand and maintain high-quality standards in its product offerings.

Commitment to quality and sustainability

- ▶ Ex-Pack's manufacturing facilities are certified under ISO 9001:2015 for quality management and ISO 14001:2015 for environmental management. Additionally, the company holds FSC Chain of Custody and WRAP certifications, reflecting its dedication to responsible sourcing and ethical production practices.

Strategic capacity expansion

- ▶ The installation of new machinery is part of Ex-Pack's strategic plan to increase monthly production capacity from 2,650MT to 4,000MT by 2025. This expansion supports the Company's growth in both domestic and international markets, catering to diverse sectors such as FMCG, apparel, and fisheries.

Link to our material matters

- ▶ Manufacturing capabilities
- ▶ Energy consumption
- ▶ Emissions and waste
- ▶ Employee health and safety
- ▶ Superior, innovative and quality products

Link to SDGs



Ex-Pack now stands at the forefront of corrugated carton manufacturing in Sri Lanka, better equipped than ever to support our clientele as the economy moves toward recovery"



What to expect in this chapter

Driving strategy through Manufactured Capital

A milestone achieved in Ex-Pack growth journey

Our Manufactured Capital portfolio

Operational excellence

Research and Development facility

Way forward



Disclosure requirements met

GRI 3: Material Topics 2021

No GRI Material Topics relevant to Ex-Pack covered under this section

SASB - Containers & Packaging Sustainability Accounting Standard

Product Safety - RT-CP-250a. and RT-CP-250a.2

Driving strategy through Manufactured Capital

Strategic initiative	Link to strategy
<p>Expansion of production capacity</p> <p>In the fiscal year 2024/25, Ex-Pack significantly enhanced its production capabilities by installing a state-of-the-art machinery line. This strategic investment increased operational capacity, enabling the Company to meet growing market demands and improve production efficiency.</p>	<p>Operational excellence</p>
<p>Infrastructure modernisation</p> <p>Alongside machinery upgrades, Ex-Pack undertook comprehensive infrastructure improvements within its factory premises. These enhancements optimised workflow, reduced bottlenecks, and created a more conducive environment for high-quality production.</p>	<p>Operational excellence</p>
<p>Sustainability and efficiency</p> <p>The new machinery incorporated energy-efficient technologies, aligning with Ex-Pack's commitment to sustainable operations.</p>	<p>ESG priorities</p>
<p>Workforce development</p> <p>To maximise the benefits of the new machinery, Ex-Pack invested in targeted training programmes for its employees. These programmes ensured that the workforce was proficient in operating advanced equipment, thereby enhancing productivity and maintaining high safety standards.</p>	<p>Investment in human capital</p>
<p>Quality assurance enhancement</p> <p>The integration of advanced machinery allowed for improved quality control measures. Real-time monitoring and precision engineering contributed to consistent product quality, reinforcing Ex-Pack's reputation for excellence in the packaging industry.</p>	<p>Market leadership</p>

Driving Forward with Purpose

We are pleased to have successfully delivered on our key IPO 2021 objective by commissioning our state-of-the-art production line, a milestone that reflects our commitment to responsibly deploying shareholder funds. This strategic investment is already enhancing our production capacity, improving cost efficiencies, and positioning us to generate stronger returns for our valued shareholders. With this advancement, Ex-Pack now stands at the forefront of corrugated carton manufacturing in Sri Lanka, better equipped than ever to support our clientele as the economy moves toward recovery.



Ahamed Murshid
Chief Operating Officer

MANUFACTURED CAPITAL

A milestone achieved in Ex-Pack growth journey

In 2021, Ex-Pack Corrugated Cartons PLC launched a highly successful Initial Public Offering (IPO), which was oversubscribed elevenfold. The primary objective of the IPO was to partially fund the development of a new, state-of-the-art manufacturing facility, aimed at expanding production capacity from 2,650 to 4,000 metric tonnes per month by 2025.

Despite considerable external challenges, particularly economic volatility that drove project costs above initial projections, we remained resolute in delivering on this strategic priority. Through prudent financial management and focused execution, we successfully completed the installation of the new production line.

This cutting-edge machinery introduces the world’s latest corrugated carton production technologies to Sri Lanka, significantly elevating our manufacturing capabilities. It enables us to produce high-quality cartons tailored to the needs of our diverse customer base, including exporters who take Sri Lankan-made products to global markets.

Importantly, the new line automates several previously manual, labour-intensive processes such as loading paper rolls (our primary raw material) and transferring finished goods to the humidifier as part of the final stage. These once time-consuming tasks are now carried out seamlessly, enhancing efficiency, reducing physical strain on employees, and significantly accelerating production throughput.



Highlights

	Legacy machinery	New production line
Production capacity	2,650 MT (Monthly)	4,000 MT (Monthly)

Our Manufactured Capital portfolio

Item	Extent/ quantum	Capacity	Location
Factory premises	<ul style="list-style-type: none"> Over 145,000 sq feet factory premises established on a plot of 4.25 acre plot of land Rented factory premises for 38,000 sq feet area 	2,750 MTs per month	Kelaniya
Warehouses	Rented storage facility for raw material and finished goods covering a 22,000 sq feet area		Kelaniya
Research and development laboratory	State of the art machinery of latest technology facilitating quality checks of our products and new product development		Kelaniya

Machinery and equipment

Factory 1

- ▶ 5 Ply Automatic Board Production Line
- ▶ 2 Colour Flexo Printer with Rotary Die Function
- ▶ 4 Colour Flexo Printer Stacker
- ▶ 4 Colour Flexo Folder Gluer with Rotary Die and Automatic Bundling Function
- ▶ Automatic Die Cutter
- ▶ Digital Cutter
- ▶ Laminator
- ▶ Auto Folder Gluer
- ▶ Auto Folder Stitcher
- ▶ Double Head Stitching Machine
- ▶ Semi Auto Gluer Please update with suitable wording

Factory 2

- ▶ 2 Colour Flexo Printer with Rotary Die and Vibrator function
- ▶ Pattern punch Die cutter with auto feeding and collection
- ▶ Bottom Lock Multipoint gluer
- ▶ Semi Auto Gluer

Other

- ▶ Vehicles/other equipment
- ▶ Forklifts
- ▶ Van
- ▶ Buses
- ▶ Bikes
- ▶ Cars Vehicles fleet
- ▶ Lorry

Operational excellence

Seamless transition to advanced manufacturing

Ex-Pack successfully transitioned to the new production line during the year, enhancing our manufacturing capacity from 2,650 metric tonnes to 4,000 metric tonnes per month. This upgrade was executed within our existing factory premises without halting operations, ensuring uninterrupted production and consistent supply to our clients. The simultaneous operation of both legacy and new machinery facilitated a smooth transition, while significant facility enhancements were undertaken to accommodate the advanced equipment. There was considerable effort invested by all our staff members, which ensured a smooth transition.

Our production lines functioned 97% of the time, other than for mandatory shut downs for periodic maintenance.

Quality of our products

We are committed to operational excellence through a focus on maximizing productivity, minimizing waste, optimising costs, and maintaining strict adherence to our quality standards. Our customer base includes multinational corporates and clients in the food and beverage sector, where stringent packaging standards are essential. This commitment has enabled us to meet demanding requirements and foster long-standing relationships with some of our largest clients.

Standards and certificates that govern our manufacturing processes



ISO 9001-2015 - Quality management systems



ISO 14001-2015 - Environmental management systems



Worldwide Responsible Accredited Production (WRAP) Certification

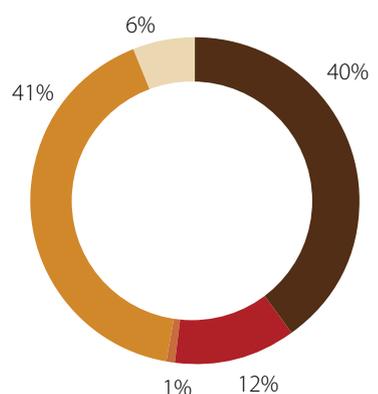


Forest Stewardship Council

The mark of responsible forestry

Composition of PPE

PPE N.B.V % As at 31 March 2025



- Land
- Plant & Machinery
- Building
- Capital WIP
- Moter Vehicles

Total corrugates cartons production



23,575 MT (2025/24)

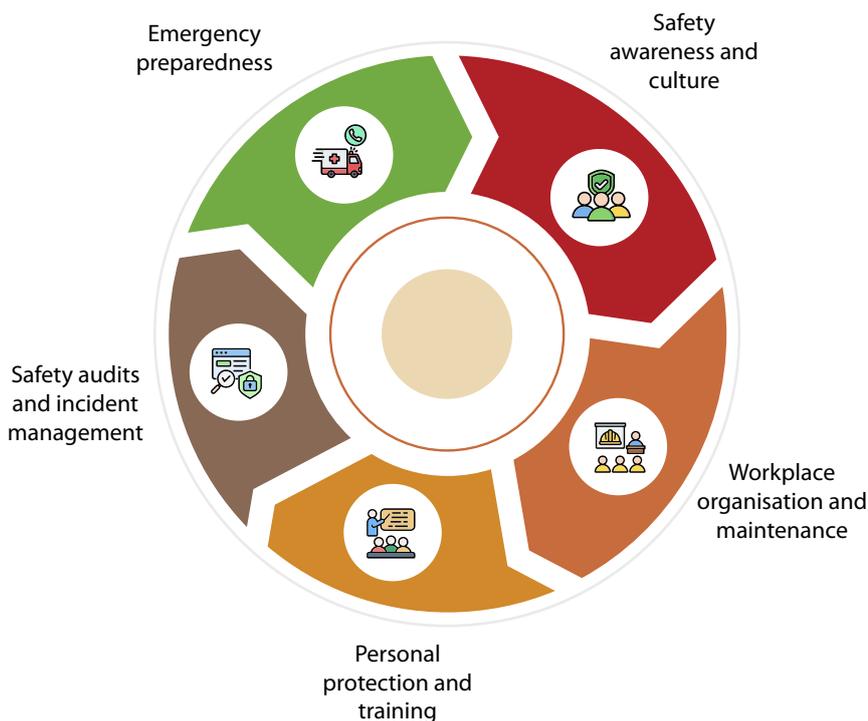
21,591 MT (2024/23)

9%

MANUFACTURED CAPITAL

Workplace Safety

We place significant emphasis on ensuring a hazard-free and accident-free environment for both employees and third-party visitors. Workplace safety is not just a checklist but is deeply ingrained in the culture at Ex-Pack, with employees encouraged to adopt safety measures as an integral part of their daily operations. This commitment is supported by a comprehensive Occupational Safety and Health Policy. The following measures are implemented consistently throughout the year:



Personal protection and training

1. Provision of appropriate Personal Protective Equipment (PPE) to all workers, along with training in their correct usage
2. Regular fire prevention and First Aid training sessions for the Emergency Response Team (ERT)

Safety audits and incident management

1. Monthly safety audits with risk assessments and concerns captured for continuous improvement
2. Recording of accident statistics and providing immediate, short-term, and long-term solutions

Emergency preparedness

1. Establishment and training of an Emergency Response Team (ERT)
2. Fire certificate obtained from the Colombo Fire Brigade of the Colombo Municipal Council

Safety awareness and culture

1. Display of health and safety imagery and alerts in prominent areas within the factory as continuous visual reminders
2. Safety discussions as a mandatory topic in all internal meetings
3. Yearly comprehensive occupational health and safety awareness training for employees

Workplace organisation and maintenance

1. Adherence to the 5S methodology (Seiri, Seiton, Seiso, Seiketsu, Shitsuke) to ensure orderly and well-maintained spaces, minimising errors and accidents
2. Marking of safety zones on the premises, with each zone assigned to an Executive for responsibility



Research and Development facility

Our Research and Development capabilities play a vital role in delivering customer satisfaction and sustaining our competitive market position. The fully-equipped R&D laboratory is fitted with modern testing instruments, supporting innovation and quality assurance. A key highlight is our state-of-the-art Digital Cutting Machine, which enables rapid prototyping and model development, significantly reducing turnaround time. What traditionally takes up to two days can now be accomplished within minutes, giving us a distinct edge in providing timely, customised packaging solutions. For more details, please refer to page 94 Way forward.



Our product safety

During the year, there were no notable recalls, such as those that affected a significant number of products, a significant number of units of a given product, or those related to serious injuries or fatalities.

Definition of recall

A recall is defined as any repair, replacement, refund or notice/warning programme intended to protect consumers from products that present a safety risk. Involuntary recalls are those requested or mandated by applicable jurisdictional legal or regulatory authorities, and they are issued when a product does not comply with regulatory safety standards or when a safety-related defect in a product is identified. Voluntary recalls are those initiated by the entity to remove products from the market for safety-related concerns.

Discussion of process to identify and manage emerging materials and chemicals of concern

Ex-Pack's production process involves minimal use of materials, chemicals, or substances that pose risks to human health or the environment. Our primary raw materials include paper, glue, ink, and starch, all of which are procured, handled, and utilised in a controlled environment that adheres to the ISO standards we comply with. This ensures safety for our employees, consumers, and customers throughout the value chain.

Way forward

The recent installation of state-of-the-art machinery marks a significant milestone in Ex-Pack's journey toward manufacturing excellence. Looking ahead, the focus will be on fully leveraging this advanced machinery to drive multiple strategic outcomes, including enhanced operational efficiency, increased productivity, superior product quality, and improved employee well-being.

While the new machinery brings world-class capabilities to our production line, its full potential is yet to be realised, as teams continue to familiarise themselves with its operations. In the coming year, structured training programmes and hands-on experience will empower employees to optimise machine performance, enabling a more seamless and productive workflow.

Ongoing infrastructure developments within the factory premises will also continue, with a view to streamlining factory layout and material flow for greater operational efficiency. These enhancements are designed to complement the capabilities of the new machinery and support end-to-end process optimisation.

As utilisation rates improve, we aim to reduce turnaround times, minimise waste, and strengthen our ability to meet complex customer requirements with agility. The automation and precision offered by the new equipment will also help ease the physical burden on employees, contributing to a safer and more ergonomic workplace.

Ultimately, these advancements in our manufacturing infrastructure will serve as a strong foundation for scaling up output, maintaining the highest quality standards, and reinforcing Ex-Pack's position as a preferred packaging partner for both local and global clients.

HUMAN CAPITAL



THE CORE OF OUR COMPETITIVE ADVANTAGE
What Human Capital means to Ex-Pack

At Ex-Pack, our Human Capital is the driving force behind our operational excellence and strategic resilience. It encompasses the skill, dedication, and growth mindset of our people, from the production floor to the leadership team. We believe empowered, well-trained, and motivated individuals are essential to achieving sustainable growth. By nurturing talent, fostering leadership, and promoting a culture of continuous learning, we unlock the full potential of our workforce to deliver superior value across all facets of our business.

Human capital inputs



Value drivers

Future-ready workforce through training

- ▶ Ongoing training and leadership development ensure employees are skilled to meet evolving business needs

Employee engagement and wellbeing

- ▶ A strong focus on engagement, wellness, and recognition drives performance and retention

Value created



Link to our material matters

- ▶ Creating an attractive employee value proposition
- ▶ Employee health and safety

Link to SDGs



“

We unlock the full potential of our workforce to deliver superior value across all facets of our business.”



What to expect in this chapter

Driving strategy through Human Capital

Detailed discussion of HR management

Way forward



Disclosure requirements met

GRI 3: Material Topics 2021

GRI 2-7 Employees

GRI 2-8 Workers who are not employees

GRI 401: Employment

GRI 402: Labour/Management Relations

GRI 403: Occupational Health and Safety

GRI 404: Training and Education 2016

GRI 405: Diversity and Equal Opportunity

SASB - Containers & Packaging Sustainability Accounting Standard

Number of employees – RT-CP-000.C

Driving strategy through Human Capital

Strategic initiative	Link to strategy
1. Leadership pipeline development We focused on identifying and grooming future leaders across key functions, ensuring continuity and strengthening internal mobility.	 Investment in Human Capital
2. Skill enhancement through structured training Tailored technical and soft skills training were rolled out company-wide, aligned with evolving operational and client demands.	 Investment in Human Capital
3. HR digitalisation drive Core HR processes were integrated into a centralised Human Capital Management (HCM) platform, enhancing service delivery, MIS, and employee self-service.	 Investment in Human Capital
4. Employee wellness and engagement programmes Initiatives promoting physical, mental, and emotional wellbeing were expanded, reinforcing Ex-Pack's commitment to being an employer of choice.	 Investment in Human Capital

Human resources management approach and governance

Our approach to managing our most valued asset, our employees, is guided by a comprehensive set of HR policies and procedures aligned with ISO 9001:2015 standards and benchmarked against industry best practices. These policies reflect our core philosophy of treating employees with dignity and mutual respect, while fostering an inclusive, supportive work environment that prioritises wellbeing. All employees are expected to uphold the Company's Code of Conduct, which outlines the professional and ethical standards we stand by.

Key HR Policies

At Ex-Pack, our HR policies provide a structured and transparent framework for managing our workforce, aligned with best practices and legal compliance. These policies ensure fairness, promote ethical conduct, and support a workplace culture rooted in respect, equity, and continuous improvement.

- ▶ Recruitment and selection policy
- ▶ Reward and recognition policy
- ▶ Compensation and benefits policy
- ▶ Policy against sexual harassment and policy
- ▶ Anti-fraud policy
- ▶ Disciplinary procedure
- ▶ Diversity, Equity and Inclusion related policies
- ▶ Performance management policy
- ▶ Leave policy
- ▶ Code of conduct
- ▶ Policy on equal opportunity and non-discrimination
- ▶ Grievance handling policy
- ▶ Whistle blowing policy

HUMAN CAPITAL

HR governance

Board of Directors

Approves the HR strategy and responsible for monitoring the implementation of strategy and managing related risks

Remunerations Committee

Assists the Board in discharge of its duties by recommending HR strategy, policy and monitoring implementation of strategy and related risks

Managing Director

Responsible for implementing strategy and managing related risks

Head of HR

Implements the HR alongside the business strategy whilst ensuring full compliance with applicable regulations



Our award winning HR management proposition

- ▶ One of the best 15 workplaces in the Manufacturing and Production Industry 2024 - Presented by Great Place to Work Institute Sri Lanka affiliated to Great Place to Work Inc USA
- ▶ One of top 50 Great Place to Work – Sri Lanka – 6th year Presented by Great Place to Work Institute Sri Lanka affiliated to Great Place to Work Inc USA
- ▶ One of the top 100 Best Workplace in Asia in the Small and Medium Category Presented by Great Place to Work Institute Sri Lanka affiliated to Great Place to Work Inc USA.



Ex-Pack team profile

301



Total number of staff members

100%



Percentage of full-time staff

84%



Percentage of permanent employees

8%



Percentage of contract employees

85%



Percentage of males

15%



Percentage of females

Employees by Gender & Region

Region	Male		Female	
	No	Percentage	No	Percentage
Western	147	48.80%	39	13.00%
North Central	5	1.70%	0	0.00%
Southern	16	5.30%	0	0.00%
Northern	1	0.30%	0	0.00%
Sabaragamuwa	17	5.60%	0	0.00%
Central	34	11.30%	3	1.00%
Northwestern	10	3.30%	2	0.70%
Uva	15	5.00%	2	0.70%
Eastern	10	3.30%	0	0.00%
Total	255	84.70%	46	15.30%

Employees by Employment type and region

Region	Permanent	Contract	Trainee
Western	153	20	13
North Central	4	0	1
Southern	14	1	1
Northern	1	0	0
Sabaragamuwa	14	1	2
Central	34	1	2
North Western	9	2	1
Uva	16	0	1
Eastern	8	0	2
Total	253	25	23

Employees by type and Gender

Employee type	Male	%	Female	%	Total
Permanent	214	84	39	86	253
Contract	22	9	3	6	25
Trainee	19	7	4	9	23
Intern	0	0	0	0	0
Total	255	100	46	100	301

Employment Type and Age

Employee Type	18-30 years	31-35 years	Above 55 years	Total	%
Permanent	99	152	2	253	84
Contract	0	10	15	25	8
Trainee	18	5	0	23	8
Intern	0	0	0	0	0
Total	117	167	17	301	100

Employees by Staff Category & Age

Staff Category	18-30 years	31-55 years	Above 55 years	Total	%
Senior Management & above	0	7	3	10	3
Manager/Asst. Manager	0	16	2	18	6
Senior Executive/Executive/Junior Executive	14	30	1	45	15
Non-executive	103	114	11	228	76
Total	117	167	17	301	100

All employees are engaged on a full-time basis. There are no part time employees.

Gender pay parity

The ratio of basic salary between women and men was 1:1 (Equal pay exercised)

Gender Representation by Grade

	Senior Management & above	Manager / Asst. Manager	Senior Executive / Executive / Junior Executive	Non-executive
Male	10	18	31	196
%	4	7	12	77
Female	0	0	14	32
%	0	0	30	70

Gender composition	Male	Female
New recruits - Number	121	14
New recruits - Percentage	90%	10%
Promotions - Number	17	3
Promotions - Percentage	85%	15%
Exits - Number	125	8
Exits - Percentage	94%	6%



Maternity leave

	Females
Employees entitled to Maternity leave	05
Employees that took Maternity leave	05
Number of employees that returned to work in the reporting period after Maternity leave ended	03
Total number of employees that returned to work after Maternity leave ended that were still employed 12 months after their return to work	01

STAFF MOVEMENT



Staff movement summary



HUMAN CAPITAL

Recruitment by Region	Number	Percentage
Western	62	46%
Southern	13	10%
North Western	8	6%
Central	17	13%
Sabaragamuwa	14	10%
Northern	1	1%
Eastern	6	4%
North Central	3	2%
Uva	11	8%
Grand total	135	100%

We promote regional economic empowerment by making every effort to recruit employees from the communities surrounding our operational bases.

54% of staff is recruited from areas outside of Colombo thereby promoting regional development and employment opportunities across the country. No staff in the senior management category were recruited from outside the Western Province.

Turnover by Region

Region	Number	Percentage
Western	56	42%
Southern	14	11%
North Western	2	2%
Central	20	15%
Sabaragamuwa	14	11%
Northern	0	0%
Eastern	5	4%
North Central	7	5%
Uva	15	11%
Grand total	133	



Recruitment by Gender

Gender	Number	Percentage
Male	121	90%
Female	14	10%
Total	135	

Turnover by Gender

Gender	Number	Percentage
Male	125	94%
Female	8	6%
Total	133	

Recruitment by Age

Age Group	Number	Percentage
Under 30 Years	103	76%
Between 30 - 55 Years	32	24%
Over 55 Years	0	0%

Turnover by Age

Age Group	Number	Percentage
Under 30 Years	94	71%
Between 30-55 Years	37	27%
Over 55 Years	02	2%

Workers who are not employees

Workers who are not employees of the Company comprise those providing auxiliary services such as security and janitorial, engaged based on contracts. As these do not form core operations of the Company, information pertaining to this indicators is not tracked.

Remuneration, Recognition and Rewards

At Ex-Pack, we recognise that fair and competitive remuneration is key to attracting and retaining top talent. Our compensation framework is transparent, unbiased, and benchmarked against industry best practices. All permanent employees receive a fixed base salary complemented by a performance-based variable pay component, reinforcing a culture of meritocracy and accountability.

Beyond monetary compensation, we offer a robust package of statutory and non-statutory benefits aimed at enhancing overall employee wellbeing and long-term engagement. Our approach ensures that employees feel valued, rewarded, and aligned with the Company's goals.

Benefits provided to full-time employees

- ▶ Accommodations for outstation employees
- ▶ Meals provided free of charge
- ▶ Provision of Uniforms and personal protection gear
- ▶ Locker room/Dormitory
- ▶ Doctor and Clinic facility
- ▶ Welfare facility
- ▶ Annual medical tests
- ▶ Provision of transport for all staff
- ▶ Provision of essential commodities on concessionary rates
- ▶ Provision of Indoor and Outdoor Medical coverage to all employees
- ▶ Provision of distress loans to employees
- ▶ Death donation
- ▶ Employee professional study assistance scheme

Driving Forward with Purpose

At Ex-Pack, we believe our people are our greatest strength. Our HR philosophy is rooted in creating an inclusive, empowering, and future-focused work environment where every employee feels valued and supported. As we move forward, we are committed to investing in talent development, wellbeing, and innovation to build a workforce that is resilient, capable, and proud to be part of the Ex-Pack journey.



Azhar Sheriff
Head of Human Resources and Compliance

Caring Beyond the Workplace: Extending Benefits to Families

At Ex-Pack, our relationship with employees transcends the boundaries of a traditional employer-employee contract. We believe that when we support the families of our team, we nurture a stronger, more committed workforce. With this philosophy at heart, we have extended a range of meaningful benefits to the families of both our permanent and contract employees.

In 2024/25, we continued our flagship school support initiative for the 13th consecutive year. This included providing a comprehensive pack, comprising stationery, a school bag, water bottle, lunch box, and a cash voucher for school shoes, to 212 school-going children of our employees. This initiative reached 212 beneficiaries, with a total investment of approximately Rs. 3.1 million.

Additionally, we introduced a scholarship scheme to support children of our employees who have gained university admission, offering annual financial assistance throughout their higher education journey. These efforts reflect our deep commitment to the holistic well-being and future success of our extended Ex-Pack family.

Performance management at Ex-Pack

At Ex-Pack, we foster a performance-driven culture rooted in transparency, fairness, and continuous improvement. Our performance management system is designed to align individual contributions with organisational goals while supporting employee development and recognition.

Comprehensive annual appraisals

We conduct annual performance appraisals for 100% of eligible employees. These evaluations are based on predefined Key Performance Indicators (KPIs), ensuring objective measurement of each employee's achievements. By benchmarking actual performance against these KPIs, we ensure consistency and impartiality across the board.

Recognition and motivation

Employees who meet or exceed their targets are recognised and rewarded fairly, reinforcing a culture of meritocracy. This approach strengthens morale, boosts motivation, and fosters a sense of equity within Ex-Pack.

Development-focused reviews

Appraisals are not just about evaluation, they serve as a structured forum for feedback and career discussions. One-on-one meetings between employees and their supervisors provide space to reflect on:

- ▶ Performance highlights and contributions
- ▶ Areas for improvement
- ▶ Skill development needs
- ▶ Career aspirations and growth potential

This ensures that employees receive meaningful feedback and actionable guidance.

Pathways for career growth

By aligning individual goals with organisational priorities, performance appraisals help create clear pathways for career progression for our employees. This process also helps identify training requirements and equips employees with the tools they need to grow within Ex-Pack.

Driving a culture of continuous improvement

Ultimately, our performance management system supports a culture where continuous feedback, learning, and improvement are embedded into daily operations, ensuring both individual and organisational success.

Percentage of Staff Receiving Regular Performance Appraisals

	Male (No.)	Female (No.)	Female (%)	Male (%)
Executive	10	3	1%	5%
Non-executive	179	23	11%	83%
Total	189	25	12%	88%

Training and Development

At Ex-Pack, continuous learning and development form the foundation of our human capital strategy. We believe that a skilled, knowledgeable, and adaptable workforce is central to achieving our business objectives and maintaining our competitive edge.

Targeted training programmes

Based on the outcomes of the competency mapping, we implemented customised training programmes aligned with organisational goals. These initiatives equip employees with the precise capabilities needed to excel in their roles, ranging from technical proficiency to digital fluency and interpersonal effectiveness.

Diverse learning channels

In support of a well-rounded learning culture, we offer a variety of development platforms, including:

- ▶ Structured training sessions
- ▶ On-the-job learning
- ▶ Workshops and seminars
- ▶ Online learning modules

HUMAN CAPITAL

This blended approach ensures that employees at all levels have access to continuous development throughout their career journey at Ex-Pack.

Investing in growth and engagement

Our investments in training are strategic, aimed at fostering lifelong learning, employee engagement, and job satisfaction. By nurturing talent and expanding competencies, we not only empower individuals but also elevate overall organisational performance in terms of productivity, innovation, and adaptability.

Staff Category	Average Training Hours
Senior Management & above	0.5
Managers/Assistant Managers	6.7
Executive Staff	7.4
Non-executive Staff	15.4



Training programmes – Dispersion of training hours

Training topic	% of total hours
Monthly HR Activity - April 2024 to March 2025	55.2
Defensive Driving Training programme	7.3
Occupational Health and Safety	5.4
ETI and Human Rights Training programme	5.2
ISO 9001.14001,WRAP, FSC COC, SEDEX Awareness programme	5.0
First Aid Training programme	4.8
Fire Prevention Training programme	3.3
Personality Grooming Training Session	2.0
Emotional Intelligence Training programme	1.8
Microsoft Excel Training programme	1.6
Forklift handling and Safety programme	1.4
Other	7.0

Average training hours per gender

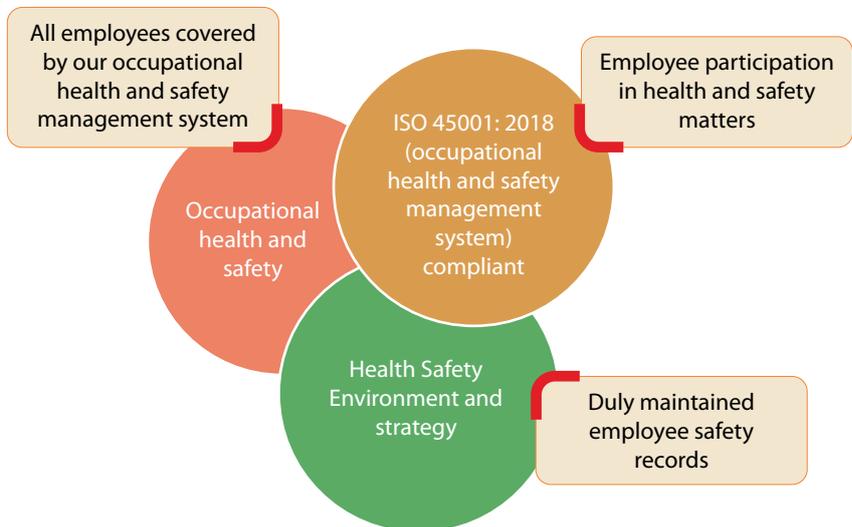


Employee health and well-being

We prioritise the holistic well-being of our employees by supporting their physical, mental, emotional, and social wellness. Key initiatives in place to achieve this include:

- ▶ Financial well-being - Ensured through a wide range of benefits besides the designation-based basic salary and performance based bonuses.
- ▶ Medical care - Convenient, accessible, and affordable medical care together with health insurance benefits for all permanent employees and annual medical checks

Occupational health and safety



Given the nature of our operations, which involve the use of machinery, equipment, and vehicles, occupational health and safety (OHS) is a top priority at Ex-Pack. It is deeply embedded in our workplace culture and operational practices.

All employees receive comprehensive safety training at the time of onboarding, with regular refresher sessions conducted to maintain awareness and reinforce safety protocols. Employees in designated operational areas are provided with personal protective equipment (PPE), and clear visual indicators are placed throughout these zones to alert both employees and visitors to potential hazards.

Our Occupational Health and Safety Management System covers 100% of our workforce, ensuring that every individual is protected under our safety framework. Additionally, a fully trained Emergency Response Team, comprising 25 employees from across all divisions, stands ready to respond to any incident. This team undergoes specialised training to effectively manage emergency situations and uphold a safe working environment for all.



Occupational health and safety related training

Training topic	Number of training hours
Forklift handling and Safety programme	56
First Aid Training programme	189
Fire Prevention Training programme	130
Chemical Handling and Safety	20
Emergency Preparedness Training programme	10
Occupational Health and Safety Training programme	215
Defensive Driving Training programme	288

Employee safety record

	2024/25	2023/24
Workplace related accidents and incidents	14	13
Workplace related fatalities	0	0
No. of lost workdays due to workplace related injuries	09	70.5

Work related ill-health

There have not been any work-related ill health stemming from the operations of Ex-Pack during the financial year 2024/25.

Employee engagement

At Ex-Pack, we believe that engaged employees are key to a productive and harmonious workplace. Our employee engagement initiatives are designed to foster a sense of belonging, enhance emotional well-being, and build a supportive and collaborative culture.

By creating opportunities for informal interaction across our workforce, we promote stronger relationships, improved morale, and deeper connection to the Company. These activities also contribute to maintaining a positive work-life balance and celebrating our diverse workforce.

Key engagement initiatives during the year included:

- ▶ New Year celebrations to welcome the year with unity and enthusiasm
- ▶ Long service appreciation and school book presentations to honour loyalty and support employees' families
- ▶ Earth Day celebrations to promote environmental consciousness
- ▶ Ex-Pack Employees' Day – a day outing focused on team bonding and relaxation
- ▶ International Women's Day celebrations to recognise and empower female employees
- ▶ Monthly birthday and work anniversary celebrations to appreciate individual milestones

Handling employee grievances

The Company has a robust employee grievance handling mechanism that allows grievances to be communicated verbally or in writing. Employees can report grievances to their immediate supervisor or the Head of the Department. Once a grievance is raised, it will be addressed within 48 hours, though the timeline may vary based on the urgency and nature of the issue. If the employee does not receive an adequate response, they can escalate the matter to higher authorities. This process, which includes clearly defined service level timelines, is well-communicated to all employees.

HUMAN CAPITAL

Protecting human rights

We are committed to adhering to both local and international labour regulations in our operations and those of our suppliers. Our governance framework and work practices enforce a zero-tolerance policy for sexual harassment, child labour, and forced labour, supported by stringent human rights policies. Continuous training programs raise awareness of fair work practices and human rights. We also maintain an open-door policy to encourage transparent communication and foster a culture of trust and respect among team members. Additionally, our whistle-blowing policy provides a confidential and secure avenue for reporting concerns or violations, ensuring accountability and reinforcing our commitment to ethical practices. We prioritise the well-being and rights of our colleagues, promoting a workplace environment characterised by integrity, fairness, and accountability. There were no reported incidents of human rights violations, child labour, forced or compulsory labour during the year.

Diversity and inclusion

Our commitment

At Ex-Pack, diversity and inclusion are more than policies, they are core values embedded in our culture. We strive to foster an environment where all individuals feel respected, valued, and empowered to thrive.

Fostering an inclusive culture

We are committed to:

- ▶ Celebrating diversity across ethnicity, gender identity, sexual orientation, age, and ability.
- ▶ Promoting gender equity, particularly through initiatives that empower women and create a level playing field.

- ▶ Encouraging equal opportunity, including proactive efforts to welcome and support individuals with disabilities.
- ▶ Challenging unconscious biases and dismantling barriers to fair representation and advancement.

Ongoing initiatives

- ▶ Implementation of inclusive recruitment and retention practices.
- ▶ Awareness programmes to build sensitivity around diversity and inclusion.
- ▶ Continuous efforts to expand opportunities for under represented groups.

Zero discrimination

We are proud to report that no incidents of discrimination were reported during the year, a testament to the inclusive and respectful workplace we strive to maintain.

Employees' right to unionize

No labour unions have been formed within our Company, primarily due to our open-door culture and ongoing efforts to foster a collaborative work environment. Major projects are developed and implemented with Way forward contributions from cross-functional teams, allowing employees ample opportunity to share their views and feedback. We affirm that we have not imposed any restrictions or barriers preventing our employees from exercising their right to form or join labour unions if they choose to do so. All employees are given adequate notice regarding any significant operational changes.

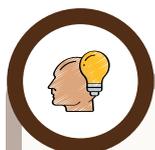
▶ | Way forward

At Ex-Pack, we remain committed to strengthening our human capital as a strategic enabler of sustainable growth. Going forward, we will continue to deliver a holistic value proposition to employees, aligned with our long-term business goals. Our focus will be on:

- ▶ **Developing a future-ready workforce** through targeted upskilling, leadership development, and cross-functional exposure.
- ▶ **Enhancing employee wellbeing** by prioritising work-life balance, mental health, and wellness initiatives that empower both employees and their families.
- ▶ **Fostering a high-performance culture** driven by merit-based rewards, transparent performance management, and career progression pathways.
- ▶ **Deepening inclusivity and engagement** by nurturing a workplace that celebrates diversity, encourages participation, and builds strong emotional connections with the Company.

By investing in our people, we will ensure Ex-Pack continues to attract, retain, and nurture top talent in a rapidly evolving business environment.

INTELLECTUAL CAPITAL



KNOWLEDGE VAULT: HARNESSING OUR INTELLECTUAL EDGE

What Intellectual capital means to Ex-Pack

At Ex-Pack, our intellectual capital forms the backbone of our competitive edge, a dynamic blend of brand strength, institutional knowledge, proven systems, and adaptive capabilities. These intangible assets empower us to consistently deliver distinctive value to stakeholders, regardless of market conditions. In a year marked by change and opportunity, our intellectual capital enabled us to expand our market, exceed evolving client expectations, and reinforce our identity as a solutions-driven organisation. It is this capital that underpins our culture of innovation and drives our commitment to redefining solutions for a sustainable future. By continuously investing in knowledge, processes, and brand equity, we ensure that Ex-Pack remains future-ready and differentiated in an increasingly competitive landscape.

Intellectual Capital Inputs

- ▶ Ex-Pack Corrugated Cartons brand name
- ▶ Distinctive base of tacit knowledge and collective experience of the staff
- ▶ Standards and certifications
- ▶ R&D capabilities
- ▶ Strength of the parent company Aberdeen Group
- ▶ Robust systems and processes
- ▶ IT infrastructure
- ▶ Ethics based governance and strong leadership

Value drivers

Leveraging a trusted brand and Group strength

- ▶ The strong Ex-Pack brand, backed by the reputation and stability of the Aberdeen Group, enhances market credibility, and attracts new clients.

Harnessing organisational knowledge and leadership

- ▶ A deep pool of tacit knowledge, experienced staff, and values-driven leadership fosters innovation, continuity, and resilience, enabling agile responses to evolving customer needs and industry trends. These proved exceedingly important to Ex-Pack as it navigated the challenges of the past few years, with competition in the corrugated Cartons space intensifying.

Driving excellence through systems, certifications, and IT

- ▶ Robust systems, global certifications, and advanced IT infrastructure enable operational efficiency and regulatory compliance, allowing Ex-Pack to meet the complex needs of export-driven clients in highly regulated markets like the EU.

Value created

07



Years of average service
of employees

05



Certification from ISO
certification



Fully compliant
governance processes
strengthened with best
practices

13



Awards won during
the year

Link to our material matters

- ▶ Good governance and compliance to all laws and regulations applicable
- ▶ Managing macro-economic headwinds

Link to SDGs



INTELLECTUAL CAPITAL

“We continue to invest in product development, operational excellence, and sustainability.”



What to expect in this chapter

- Driving strategy through Intellectual Capital
- Brand resilience
- Tacit knowledge
- Systems, processes and certifications
- Research and development capabilities
- Awards
- Way forward



Disclosure requirements met

GRI 3: Material Topics 2021

No GRI Material Topics relevant to Ex-Pack covered under this section

SASB - Containers & Packaging Sustainability Accounting Standard

No SASB topics/ metrics discussed under this section

Driving strategy through Intellectual Capital

Strategic initiative	Link to strategy
<p>Strengthening the Ex-Pack brand</p> <p>We enhanced our brand presence through active participation in trade fairs and exhibitions, while deepening engagement with existing clients to reinforce long-term relationships and explore new markets.</p>	<p>Market leadership</p>
<p>Technology integration and capability building</p> <p>The installation of our latest state-of-the-art machinery was complemented by focused capacity development initiatives, enabling our workforce to effectively operate and optimise advanced technologies.</p>	<p>Operational excellence</p>
<p>Workforce upskilling and knowledge transfer</p> <p>Our teams underwent continuous, structured training covering both technical competencies and soft skills, fostering a culture of learning and professional growth.</p>	<p>Investment in Human Capital</p>
<p>Enhancing systems and standards</p> <p>Consistent adherence to established systems and internationally recognised standards enabled operational efficiency, reliability, and quality across our processes.</p>	<p>Operational excellence</p>

Brand resilience



In the B2B landscape, brand strength is not built on consumer sentiment but on consistent performance, trust, and long-standing relationships. At Ex-Pack Corrugated Cartons PLC, our brand equity has been forged through an unwavering commitment to delivering high-quality, reliable, and timely packaging solutions to a diverse clientele, ranging from multinational corporations to leading local enterprises. This operational consistency, coupled with a deep understanding of client needs, has positioned Ex-Pack as a trusted partner in the supply chain of numerous industries.

Our brand resilience is further enhanced by proactive market engagement. We participate regularly in trade fairs, industry exhibitions, and networking events, both locally and internationally, enabling us to build visibility, strengthen existing relationships, and forge new



connections within the industrial and manufacturing sectors. These platforms not only showcase our innovative capabilities but also reaffirm our position as a leader in corrugated carton manufacturing.

As a company operating in a sector where packaging plays a critical role in product protection, logistics efficiency, and environmental responsibility, we continue to invest in product development, operational excellence, and sustainability. These efforts ensure that our brand stands for more than just packaging, it stands for value, reliability, and forward-thinking solutions that evolve with our clients' needs.

Industry engagements during the year

- ▶ Supplier Excellence Recognition – Connect 2024 by Nestles

Nestle Connect 2024 – The Supplier Appreciation and packaging road show held Expack was recognised for outstanding supplier performance.

The top Management and Managing Director Nestle Sri Lanka Mr. Bernhard Stefan attended the ceremony. Expack was represented By the Head Of Sales.



- ▶ BMIT Campus recognition and appreciation for knowledge sharing.

BMIT Campus, Colombo – Appreciated and commended Ex-Pack as a responsible corporate citizen for having imparted and shared industry knowledge With its undergraduates. The Chief Executive Officer Mr. Farshat Jamaldeen and Vice President – Academic Dr. (Ms) Chethana Dabare Offered special recognition plaque to the Managing Director Mr. Zulficar Ghouse.



At Ex-Pack, the collective expertise and on-the-ground experience of our team represent a vital source of competitive advantage. This tacit knowledge, shaped through years of hands-on involvement in production, client servicing, and supply chain coordination enables us to deeply understand customer requirements, anticipate market shifts, and continuously enhance operational efficiency.

Driving Forward with Purpose

Our Intellectual Capital is the engine behind Ex-Pack's continued success, anchored by a trusted brand, award-winning excellence, and world-class systems. It is the deep institutional knowledge and shared expertise within our teams that enable us to innovate, adapt, and deliver value consistently. As we grow, we remain committed to nurturing this capital to stay agile, future-ready, and differentiated in the global packaging space.



Zulficar Ghouse
Managing Director



Technical know-how of our employees

The deep technical know-how of our employees is a key component of Ex-Pack's operational excellence. Our team possesses a thorough understanding of our machinery, the various paper grades and substrates we work with, and the characteristics required in the product. This hands-on knowledge, refined over years of experience, is not easily codified, but it is critical to ensure quality, consistency, and efficiency in our manufacturing process.

The significance of this tacit expertise was especially evident during the year under review, as we commissioned a state-of-the-art corrugating machine with significantly advanced features. While technical experts from the vendor were present to support the transition, it was our employees' strong technical foundation, sharp intuition, and adaptability that enabled a rapid learning curve. They quickly grasped the intricacies of the new system and succeeded in achieving high levels of productivity in a short span.

As our team continues to familiarise themselves with the full capabilities of the new machinery, their competence and commitment will drive greater optimisation of machine capacity and enhance our ability to deliver superior value to clients.

INTELLECTUAL CAPITAL



Tenure of service

40% of our team has served Ex-Pack for over ten years and 57% for over five years. This long-standing tenure reflects not only employee loyalty but also the depth of industry insight and operational experience embedded within our team. Their sustained exposure to our processes, machinery, and evolving client requirements has contributed to a strong foundation of tacit knowledge across the organisation, as explained above.



The Ex-Pack culture

At Ex-Pack, our culture is rooted in tacit knowledge, shaped by a mindset of doing things right the first time, with an unwavering commitment to quality, safety, and operational excellence. A strong sense of camaraderie, open-door communication, and genuine care for employees and their families foster a trusting, collaborative environment where experience is freely shared and valued. This rewarding culture strengthens internal cohesion whilst directly contributing to the lasting value we deliver to our clients and stakeholders.



Strong governance and leadership

Ex-Pack continues to benefit from strong leadership and a sound governance framework that affirm the Company's resilience and long-term value creation. Our leadership remains firmly committed to upholding the highest standards of compliance, ensuring adherence to all applicable laws, regulations, and industry best practices. This culture of integrity and accountability reinforces stakeholder confidence and supports ethical decision-making across the organisation. Amidst a challenging macroeconomic environment, our leadership has effectively steered the company through volatility, balancing risk, maintaining operational stability, and seizing opportunities for growth.



Industry engagements

Ex-Pack actively participates in industry forums, trade fairs, and professional networks to stay attuned to emerging trends, customer needs, and market developments. These engagements provide valuable insights that enhance our intellectual capital, informing innovation, product development, and strategic decision-making.

Systems, processes and certifications

Systems and Processes

At Ex-Pack, clearly defined systems and processes guide the smooth functioning of our operations and support functions. These are formalised through comprehensive Standard Operating Procedures (SOPs), which promote consistency, minimise deviations, and ensure alignment across the organisation. All employees are familiarised with these SOPs during induction, while regular refresher programmes are conducted to reinforce understanding and adherence. This structured approach enables us to maintain high standards of efficiency, accountability, and service delivery.

Certifications

Our strong internal systems are further validated by a range of external certifications that attest to our commitment to quality, safety, and sustainability. These certifications serve as independent benchmarks of our performance and reflect our dedication to continuous improvement. They also provide assurance to stakeholders that Ex-Pack operates in line with internationally recognised best practices across multiple dimensions of performance.

- **ISO 9001:2015 – Quality Management System**

Certified since 2006, this standard affirms our consistent ability to deliver products and services that meet customer and regulatory requirements.

- **ISO 14001:2015 – Environmental Management System**

Demonstrates our commitment to environmentally responsible manufacturing by identifying and controlling environmental impacts while continuously improving environmental performance.

• WRAP (Worldwide Responsible Accredited Production)

Ex-Pack is the first corrugated cartons manufacturer in Sri Lanka to achieve WRAP certification, ensuring ethical labour practices, health and safety compliance, environmental protection, and secure supply chain operations.

• FSC® (Forest Stewardship Council®) Certification

Reflects our commitment to sustainable sourcing by ensuring that our raw materials come from responsibly managed forests that meet rigorous environmental, social, and economic standards.

• NCE-CET – Certificate of Ethical Trading issued by National Chamber of Exporters of Sri Lanka

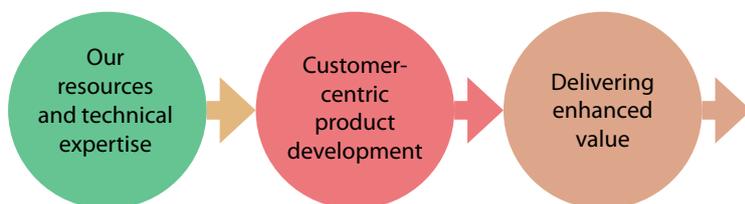
A Certificate of Ethical Trading is issued upon the company following fair and honest business practices which include fair treatment for employees, avoiding child or forced labour, provides safe working conditions, and cares about the environment. This certificate was issued by the National Chamber of Exporters upon verifying how the company operates. It helps build trust with customers and business partners.



Research and development capabilities

R&D drives innovation, ensuring product excellence, and supporting strategic growth. Our R&D function is instrumental in maintaining high product quality and meeting the stringent technical specifications of both local and international clients.

The R&D team supports business-critical decisions by continuously analysing emerging technologies, machinery, and processes available globally. A key example was their involvement in the planned factory expansion, funded by our successful Initial Public Offering (IPO) in 2022, where the team conducted overseas visits and thorough assessments to recommend machinery that would best support our targeted capacity enhancements.



Our resources and technical expertise

Infrastructure and equipment

- ▶ Fully equipped R&D laboratory with modern testing equipment
- ▶ State-of-the-art Digital Cutting Machine enabling prototype and model development within six hours

Skilled personnel

- ▶ A team of extensively trained R&D professionals with international exposure in Europe, Taiwan, China, and Malaysia
- ▶ Head of Factory Operations and Head of Process Improvement trained at leading corrugated packaging manufacturer Smurfit Kappa in the Netherlands

- ▶ A dedicated Chemical Engineer focused on sustainable production processes and innovation

Customer-centric product development

Ex-Pack's R&D culture emphasises close collaboration with customers. From prototype inception to final product testing, the team engages directly with clients to ensure packaging solutions are perfectly tailored to their needs, delivered at optimal cost and speed.

Key capabilities Include:

- ▶ Swift turnaround of innovative packaging solutions within hours, compared to the conventional 48-hour cycle
- ▶ Ability to meet urgent, unplanned customer orders seamlessly
- ▶ Functional packaging solutions tailored to specific industry needs, including the fisheries sector
- ▶ Provision of theoretical and practical training to customer QA and production teams to improve their packing processes

Delivering enhanced value

Our R&D-driven approach extends beyond the provision of packaging products to actively contributing to customers' value chains. This includes:

- ▶ On-time deliveries (OTD) and rapid response to customer inquiries
- ▶ Effective and practical complaint management
- ▶ Cost-saving innovations such as lighter cartons that reduce freight costs, increase shelf life, and enhance brand appeal
- ▶ Packaging solutions that are not only technically sound but also contribute to our clients' operational efficiency and environmental goals

INTELLECTUAL CAPITAL



Way forward

Way forward

As Ex-Pack continues to evolve in a dynamic and competitive packaging landscape, we remain committed to deepening our intellectual capital to sustain long-term value creation. A key priority is enhancing our R&D capabilities to proactively respond to emerging customer requirements, particularly in sustainable packaging solutions. We will invest in advanced testing equipment, expand our prototyping capacity, and build strategic knowledge partnerships both locally and internationally to remain ahead of market trends.

Simultaneously, we will continue to strengthen our base of tacit knowledge by fostering a culture of continuous learning, mentoring, and cross-functional collaboration. Through structured knowledge-sharing initiatives, targeted training, and international exposure, we aim to deepen technical expertise and operational intuition across teams, empowering our people to maximise the performance of existing and new technologies, and respond swiftly and effectively to complex customer demands.

Responding to emerging packaging solutions needs

As global retail trends evolve, Ex-Pack has proactively adapted to meet the sophisticated packaging requirements of our export-oriented clients. Many of our customers supply products to leading markets such as the EU, UK, Australia, and the Gulf region, where the customers increasingly demand functional, visually appealing, and shelf-ready packaging.

A growing requirement is for corrugated cartons that serve not only as transport containers but also as point-of-sale displays, eliminating the need for separate shelving at supermarkets. These cartons must combine high strength with aesthetic appeal, featuring advanced finishes such as lamination, custom artwork, and superior print quality.

Ex-Pack is fully equipped to deliver on these demands, offering durable, high-quality cartons with attractive visual elements that enhance product visibility and brand appeal. We are pleased with the role our packaging plays in helping Sri Lankan exporters gain visibility and credibility in developed consumer markets, reinforcing our contribution to the nation's export economy.

Awards

During the year, we won 13 awards, the dispersion of which is as follows. These accolades reflect the strength of our Intellectual Capital, demonstrating excellence in product innovation, quality, sustainability, and operational discipline, and reinforcing our credibility among customers, employees, and industry stakeholders.



SOCIAL AND RELATIONSHIP CAPITAL



CONNECTED VALUE: OUR SOCIAL & RELATIONSHIP CAPITAL RECORD

What Social and Relationship Capital means to Ex-Pack

At Ex-Pack, Social and Relationship Capital represents the strength of the trust-based relationships we cultivate with our stakeholders – from customers, suppliers, and business partners to the broader community. These relationships are foundational to our success and are built on a shared commitment to ethical practices, transparent communication, mutual growth, and long-term collaboration. We believe that maintaining strong stakeholder connections not only enhances our brand reputation but also fosters resilience, innovation, and sustainable value creation across our value chain.

Social and Relationship Capital inputs

Over 500 customers, both local and international corporates

Wide range of suppliers, both local and international

Cordial relationship we maintain with the wider community that we engage with

Value drivers

Customer trust and loyalty

- ▶ Strong, long-standing relationships with local and international clients driving repeat business, long-term contracts, and brand advocacy

Collaborative supplier partnerships

- ▶ Ethical and reliable partnerships with suppliers ensuring smooth operations, quality inputs, and supply chain resilience

Community engagement and reputation

- ▶ Active engagement in social initiatives and responsible practices strengthening goodwill, enhancing brand equity, and supporting social license to operate

Value created

100%



Customer complaints resolved within set timelines

Rs. 5,305 Mn



Total payments made to suppliers

Rs. 2.8 Mn



Spend on community empowerment initiatives

Link to our material matters

- ▶ Customer health, safety and satisfaction
- ▶ Superior, innovative and quality products
- ▶ Community engagement

Link to SDGs



SOCIAL AND RELATIONSHIP CAPITAL



What to expect in this chapter

1. Driving strategy through Social and relationship capital
2. Our approach to managing Social and Relationship Capital
3. Customer relationships
4. Supplier relationships
5. Community engagements
6. Way forward



Disclosure requirements met

GRI 3: Material Topics 2021

2-28 Membership associations

GRI 204-1 Proportion of spending on local suppliers

GRI 413: Local Communities

GRI 416: Customer Health and Safety

SASB - Containers & Packaging Sustainability Accounting Standard

Product Safety - RT-CP-250a.1, RT-CP-250a.2

Product Lifecycle Management - RT-CP-410a.1, RT-CP-410a.2, RT-CP-410a.3

Supply Chain Management - RT-CP-430a.1, RT-CP-430a.2

Driving strategy through Social and relationship capital

Strategic initiative	Link to strategy
<p>Building long-term customer partnerships</p> <p>By cultivating trust-based relationships, Ex-Pack can better understand customer needs, co-create packaging solutions, and foster loyalty, leading to repeat business and strategic growth.</p>	<p>Profitable growth</p>
<p>Strengthening supplier collaboration</p> <p>Collaborative engagement with suppliers ensures reliability, cost-efficiency, and shared innovation, enhancing the Company's responsiveness to market demands.</p>	<p>Profitable growth</p>
<p>Enhancing brand reputation and market access</p> <p>Positive relationships with stakeholders, including the community and industry peers, elevate the brand's reputation, open doors to new markets, and position the company as a preferred packaging partner.</p>	<p>Market leadership</p> <p>ESG priorities</p>

Our approach to managing Social and Relationship Capital

At Ex-Pack, we recognise Social and Relationship Capital as a key enabler of our long-term value creation. Accordingly, we have established structured processes for building, nurturing, and managing relationships with customers, suppliers, business partners, and the wider community. These processes are reinforced by internationally recognised certifications such as ISO 9001 and ISO 14001, which guide our commitment to quality, ethics, and stakeholder satisfaction.

In the current landscape, as businesses and communities adapt to post-crisis recovery and shifting global dynamics, we continue to prioritise responsiveness, resilience, and empathy in our engagements. We actively collaborate with stakeholders to co-create solutions, address evolving needs, and strengthen mutual trust.

Customer relationships

As a B2B supplier of corrugated cartons, all of Ex-Pack's customers are corporate entities operating across diverse sectors. Our clientele includes both manufacturers and suppliers catering to the domestic market as well as those serving international markets. We are pleased with the integral role we play in their value chains, delivering efficient, reliable, and customised packaging solutions that support both local distribution and global export operations.

Our impact extends beyond just product delivery. Through the cartons we supply, Sri Lankan-made goods reach markets around the world, underscoring our contribution to national export growth and economic resilience. From apparel and seafood to electronics and consumer goods, our packaging helps customers maintain quality, brand value, and logistics efficiency across borders.

Our cartons reach the globe through our export customers, serving markets including:

- ▶ Europe (EU and UK)
- ▶ North America
- ▶ Australia and New Zealand
- ▶ The Gulf Region
- ▶ South and Southeast Asia

Strength in Every Box - Our product portfolio

Regular slotted cartons - The most common box style with flaps that meet in the centre at both top and bottom. This carton is suitable for packaging any type of product from FMCG to horticultural to industrial products.

Die-Cut Boxes - Facilitates intricate designs and shapes to protect and promote products in a variety of ways. These cartons are used for packaging of food, vegetables, as well as livestock and can withstand extreme temperatures. Die-cut cartons can be plain or printed and with a range of print options.

Value-Added Boxes - Our state-of-the-art laminating process enables the provision of value adding services relating to branding thereby allowing us to fulfill customer requirements for direct shelf storage of finished products.

Other Packaging - As a part of our "Go Green" initiative, we have developed several products such as wardrobe cartons, pallets, tea chest cartons, tuna cartons and ballot boxes. Our research and development division is continually engaged in developing innovative products using recycled material.

Product safety

SASB RT-CP-250a.1

Zero



Number of recalls issued

Zero



Total units recalled

(Notable recalls, such as those that affected a significant number of products, a significant number of units of a given product, or those related to serious injuries or fatalities).

Process to identify and manage emerging materials and chemicals of concern

At Ex-Pack, we have a proactive approach to identifying and managing emerging materials and chemicals of concern in our production processes. This is achieved through:

- ▶ Monitoring regulatory developments both locally and internationally (such as EU REACH, RoHS, and Sri Lanka's CEA guidelines) to stay informed of restricted or potentially hazardous substances.
- ▶ Collaborating with suppliers to ensure that all raw materials, inks, and adhesives used in our corrugated cartons meet applicable health, safety, and environmental standards.
- ▶ Conducting periodic reviews of our materials portfolio to assess and substitute any material that may pose future regulatory or reputational risks.
- ▶ Supplier declarations and audits, especially for imported inputs, help ensure compliance and traceability.

Product lifecycle management

SASB RT-CP-410a.1 and RT-CP-410a.2

Percentage of raw materials from

86.21%



Recycled content

Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle

SASB RT-CP-410a.3

Ex-Pack adopts a lifecycle approach to minimising the environmental impact of our packaging. This includes sourcing recycled and sustainably produced paper, optimising packaging design to reduce material use and waste, and promoting recyclability and biodegradability of our products. We also engage with customers to develop eco-friendly, right-sized packaging solutions,

thereby reducing carbon emissions across the value chain.

The Ex-Pack promise to customers

At Ex-Pack, our promise is built on delivering exceptional customer service, uncompromising quality, on-time delivery, and fair pricing. We understand that our customers seek more than just a packaging supplier, they seek a trusted partner who contributes to their long-term growth.

Our engagement begins even before product development, supporting clients from the conceptualisation stage through to post-sale service. This deep level of involvement has helped us build lasting partnerships with some of Sri Lanka's leading corporates and multinationals, many of whom have trusted us for decades.

Our structured customer engagement framework guides how we interact at every stage of the journey, ensuring consistent value delivery beyond the product itself.

Engaging with our customers

Given the B2B and industrial nature of our operations, and the specific characteristics of our customers' markets and business models, we maintain direct and purposeful communication strategies. Our approach includes the following:

- ▶ **Personal selling**
 - Deployed as our most effective engagement strategy
 - Covers the full customer lifecycle: from lead generation to sales closure and long-term relationship building
- ▶ **Industry events & direct engagements**
 - Participation in workshops, seminars, exhibitions, and trade fairs to maintain visibility and build relationships
 - Features in industry-related magazines to highlight our expertise and offerings
- ▶ **Digital presence**
 - Our official website www.expack.lk acts as a central hub for product information and customer interaction

SOCIAL AND RELATIONSHIP CAPITAL

- Use of LinkedIn to connect with customers and wider stakeholders
- ▶ **Communication ethics**
- All communications are crafted to be accurate, non-offensive, and easily accessible, in keeping with our professional standards

Embedding customer feedback into our value creation process

At Ex-Pack, customer-centricity is at the heart of our operations. We believe that deep engagement, continuous dialogue, and mutual knowledge exchange are essential to delivering value beyond the product itself. Our approach includes:



Proactive customer engagement

- ▶ **Regular Interactions:** Frequent customer visits and review meetings help us maintain strong relationships and foster trust.
- ▶ **Surveys:** Bi-annual and quarterly customer satisfaction surveys provide structured feedback to inform improvements.
- ▶ **Knowledge sharing:** Technical awareness sessions and collaborative discussions on innovation and industry trends help keep our customers informed and engaged.

Understanding customer operations first-hand

- ▶ **On-site visits:** We visit customer facilities, ranging from basic operations to fully automated plants using AI, RPA, or nanotechnology, to gain insights into their specific needs.
- ▶ **Value chain mapping:** Understanding inbound and outbound processes enables us to design tailor-made solutions that seamlessly integrate into our customers' supply chains.

Factory visits and experience sharing

- ▶ **Hosting customers at our facilities:** we invite customers to experience our production process firsthand, helping build transparency and confidence in our capabilities.
- ▶ **Real-time feedback:** These visits are valuable for collecting direct feedback on everything from product features to delivery performance.

Translating feedback into action

Insights gathered across touchpoints are carefully analysed and embedded into our product development, operations, and customer service processes. Key focus areas include:

- ▶ Carton design and specifications
- ▶ Pricing and cost-efficiency
- ▶ Timely delivery and logistics
- ▶ Sustained product quality

Measuring customer satisfaction

We have ongoing Key Performance Indicators (KPIs) in place to continuously monitor and evaluate customer relationships, engagement levels, and satisfaction. A few of these KPIs include:

- ▶ Customer satisfaction level measured on a Likert scale
- ▶ Number of customer complaints received and resolved
- ▶ Customer retention percentage
- ▶ On Time Delivery (OTD) percentage
- ▶ Short delivery percentage
- ▶ Analysis of best 50 and 100 customers based on purchased volumes

Visit by Natures Beauty Creations Ltd

Representatives from customer: Ms. Hiruni Gunawardhana, Ms. Gawesha Gunasinghe, Ms. Senuri Senarath (Interns /Supply Chain), Mr. Sahan Madushanka (Senior Procurement Executive), Mr. Hasura Jayawardhana (Procurement Manager) of Natures Beauty Creations

Representatives from Ex-Pack Deepal Perera (Head of Sales) & Lakshan Madushan (Sales Executive)

Date: 26th February 2025

Driving Forward with Purpose

At Ex-Pack, we recognize that our success is deeply rooted in the strength of our relationships, with our valued customers, trusted suppliers, and the communities we serve. In the face of evolving challenges, we have prioritized open communication, mutual growth, and shared responsibility. By fostering collaborative partnerships and engaging proactively with our stakeholders, we continue to build a resilient network that supports sustainable progress and shared prosperity.

Azhar Sheriff
Head of Human Resources and Compliance



Visit by United Tobacco Processing Ltd

Representatives from customer:
Ms. Kristine Vendervegen (Global Procurement Manager- UTP) Mr. Dhivyantha Jeyakumar (Procurement Manager - UTP) Mr. Damian (Procurement Executive – UTP)

Representatives from Ex-Pack Mr. Zulficar Ghouse (Managing Director – Expack), Mr. Mohamed Riyaz (CEO – Expack), Deepal Perera (Head of Sales – Expack)

Date: 06th September 2024

Key discussion areas: Courtesy visit by the local team with Global Procurement Head. Discussed the existing operations and service levels and possible further improvements. Also discussed of

New SKUs to be introduced by UTP in the future.

Length of relationship with customer: about 10 years



Visit by JF & I Packaging

Representatives from customer: Mr. Sarinda Malavige (Chief Marketing Officer- JF&I), Shivanka Edirisinghe (Production Manager -JF&I), Mr. Leel Raveendra (Senior Manager – Customer Relations), Mr. Sajith Nanayakkara (Director – JF & I)

Representatives from Ex-Pack Mr. Zulficar Ghouse (Managing Director – Expack), Mr. Mohamed Riyaz (CEO–Expack), Mr. Murshid Ahamed (COO-Expack), Deepal Perera (Head of Sales -Expack), Mr. Jerad Perera (Production Manager - Expack), Mr. Mohamed Ikramdeen (Sales Manager – Expack)

Date: 29th May 2024

Key discussion areas: New business development discussion. Specially on innovative and value-added packaging solutions on a potential long term business partnership. All aspects and factors important to both parties considered and discussed in depth.

Length of relationship with customer: About one year.

WRAP-WORLDWIDE RESPONSIBLE ACCREDITED PRODUCTION

Ex-Pack is the first corrugated carton manufacturer in Sri Lanka to receive WRAP Certification. The certification ensures that all Ex-Pack products are manufactured under 12 Principles including stipulated conditions, which cover ethical labour, health and safety, environmental protection and supply chain security.



There were no incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period.

Handling customer complaints

The Company has a comprehensive process in handling customer complaints and ensuring quality of products, guided by the provisions set out in ISO:9001 standard.



Product responsibility and instances of non-compliance

Our products are manufactured in the highest quality as guided by ISO 9001 quality Management System. We also have constantly met quality requirements specified by authorities related to the Government of Sri Lanka, especially for packaging produced for our customers in the food and beverages sector.

100% of the cartons produced are assessed for health and safety impacts. Given the nature of our product there is minimum health and safety impacts. In the case of supplying to FMCGs whose product portfolios include edibles, we maintain the highest quality standards specified by them for their cartons.

Certifications and standards enduring quality, responsibility and safety of our products

ISO 9001-2015 QUALITY MANAGEMENT SYSTEM CERTIFICATION

Ex-Pack is certified with ISO 9001-2015 Quality Management system since 2006



SOCIAL AND RELATIONSHIP CAPITAL

Supplier relationships

At Ex-Pack, our suppliers form a vital part of our value delivery system, ensuring the timely provision of high-quality, fairly priced materials that meet customer expectations. We work with both local and international suppliers who align with our product specifications and uphold our environmental and social responsibility standards. Many of these relationships span years, built on mutual trust and shared values. At the same time, we continuously explore new partnerships to respond to evolving market needs and ensure supply chain resilience.



Rs. 5,305 Mn



Total payments to suppliers during the financial year

Supplier evaluation and engagement

To maintain the integrity and performance of our supply chain, we apply a structured approach to supplier evaluation and relationship management, including:

▶ Pre-qualification assessments

Suppliers are assessed for regulatory compliance, quality certifications, environmental and labour standards, and financial stability before engagement.

▶ Performance monitoring

Key performance indicators track delivery timelines, cost efficiency, quality, and overall responsiveness.

▶ On-site audits and factory visits

For critical and high-value suppliers, like machinery and equipment, we conduct factory visits and on-site evaluations to verify capabilities and standards. These visits enable us to validate production processes and ensure alignment with our operational and ethical expectations.



Key supplier categories

- ▶ Input material for corrugated cartons (Inventory items)
- ▶ State of the art machinery, and other fixed assets
- ▶ Office equipment
- ▶ Utility services
- ▶ Other

Governance in procurement

At Ex-Pack, procurement is governed by a clearly defined and rigorously implemented Standard Operating Procedure (SOP) that ensures transparency, accountability, and efficiency across both local and international sourcing activities.

Procurement framework

Our SOP outlines the full procurement lifecycle, including:

- ▶ Processes for local and overseas procurement (imports)
- ▶ Organisational structure for procurement, including defined roles and responsibilities
- ▶ Competency requirements and detailed job descriptions for all personnel involved in procurement



Geographic dispersion of our suppliers

- ▶ Europe
- ▶ Oceania
- ▶ South Asia
- ▶ Middle East

- ▶ Communication protocols to ensure timely sourcing and delivery
- ▶ Monitoring mechanisms to track procurement progress
- ▶ Approval matrix with authority levels based on value and category of purchase (e.g., fixed assets, inventory)

The approval framework ranges from functional-level managers up to the Board of Directors, depending on the nature and value of each purchase.

Supplier governance and compliance

We are committed to ethical procurement practices. All major suppliers are required to adhere to:

- ▶ Labour and human rights laws
- ▶ Environmental regulations
- ▶ Ethical business standards

While our primary input requirements limit broader opportunities for SME participation, we source from local paper mills wherever feasible to support domestic industry.

ISO-Certified Supplier Evaluation

Supplier relationships are subject to governance through ISO 9000 certification. We maintain a structured evaluation system that uses standardised templates to assess and document performance based on the following key performance indicators (KPIs):

- ▶ Adherence to quality specifications
- ▶ Competitive pricing
- ▶ On-time delivery

These metrics collectively generate an overall supplier rating, on a scale from 1 (Poor) to 5 (Best). These ratings inform procurement decisions and are also used in ISO audit processes.

Community engagements

As a responsible corporate citizen, Ex-Pack undertakes a range of corporate sustainability initiatives that are structured around five key pillars, each aimed at creating meaningful and lasting value for society. These initiatives are designed to benefit the most underserved segments of our community and are aligned with the United Nations Sustainable Development Goals (UN SDGs) as well as the triple bottom line framework of Economy, Environment, and Society.

Philanthropy



Direct support to those in need through charitable contributions and relief efforts

Education



Empowering individuals and communities through learning opportunities

Health and well-being



Promoting physical and mental wellness among vulnerable groups

Ethical labour initiatives



Advocating for fair, safe, and inclusive employment practices

Strategic social impact



Projects designed for long-term positive change, not just short-term goodwill



Strategic objectives of our sustainability efforts

- ▶ Creating shared value for both the business and the wider community
- ▶ Driving sustained, long-term impact through integrated, rather than isolated, initiatives
- ▶ Strengthening community relationships and enhancing stakeholder trust

We are pleased to report that no significant negative impacts on local communities were recorded through our operations during the year.

During 2024/25 we continued the following community empowerment initiatives.

Ex-Pack Medicare Medical Centre

Now in its 14th year of operation, the Ex-Pack Medicare Medical Centre was established in June 2011 as a CSR initiative in partnership with the Chief Prelate of the Pattiwila Sri Shailaramaya Temple, Ven. Ariyadhamma Thero. Recognising the lack of access to affordable healthcare in Pattiwila, particularly for low-income families and the elderly, the Centre was set up to provide free medical consultations and medication.

Located within the temple premises, the Centre operates three days a week (Monday, Wednesday, and Friday), serving as a vital healthcare resource for the community.

> 59,131

Total number of beneficiaries to date

>4,417

Number of beneficiaries during the year

Rs. 2.1 Mn

Investment: Approximately per annum

SOCIAL AND RELATIONSHIP CAPITAL

Community infrastructure support – Bus shelters

As part of our long-term commitment to community well-being, Ex-Pack has erected and continues to maintain two public bus shelters, at Pattiwila Junction (2011) and Sapugaskanda Junction (2017). The Sapugaskanda shelter was designed and constructed by our own engineering team on a voluntary basis, reflecting the strong spirit of employee-driven community service.

Both shelters are regularly maintained by Ex-Pack to ensure they remain clean, safe, and accessible for daily commuters.

Rs. 65,500/=
Maintenance cost and payment to the Road Development Authority – Approximately per annum

Supporting clean public spaces – Community notice boards

In an effort to promote cleaner surroundings and reduce visual clutter from indiscriminate poster pasting, Ex-Pack installed two public notice boards at key locations within the Pattiwila Scheme, including Maguruwila Junction.

These boards provide residents with a dedicated space to display public notices and announcements, helping to maintain a tidy and organised environment while encouraging responsible community communication.

Rs. 20,000/-
Annual maintenance cost per notice boards per annum

All community engagement initiatives are conducted with 100% engagement of local communities

Supporting education for the next generation

Ex-Pack has continued its annual donation programme for the 13th consecutive year, providing essential school items to 212 children from underprivileged families, including those of our own employees and contract staff. Each child received a complete set of stationery, school bag, water bottle, lunch box, and a cash voucher for school shoes.

This initiative has helped ease the financial burden on families and ensure uninterrupted education for their children. We are proud to see many of these students excel in national examinations such as the Grade 5 Scholarship, G.C.E. O/L, and A/L exams, with some progressing to university education.

To further support higher education, annual scholarships are awarded to students entering universities, sustaining their academic journey.

212
Number of beneficiaries during the year

Rs. 4.4 Mn
Investment: Approximately

Industry collaborations

We actively engage with key industry stakeholders to support the collective progress and sustainability of the packaging sector. These collaborations drive industry-wide growth and enhance the value we deliver to our stakeholders.

Ex-Pack maintains memberships with several industry associations, enabling shared learning, advocacy, and mutual benefit.

- ▶ Lanka Corrugated Cartons Manufacturers Association (LCCMA)

- ▶ National Chamber of Exporters – NCE
- ▶ Ceylon National Chamber of Industries – CNCI
- ▶ International Chamber of Commerce
- ▶ Export Development Board
- ▶ Sri Lanka Institute of Packaging
- ▶ Ceylon Chamber of Commerce

Way forward

As Sri Lanka's economy shows signs of gradual recovery and export activity regains momentum, Ex-Pack is well-positioned to deepen its relationships with customers, suppliers, and communities. Our role as a key enabler in the export value chain underscores the importance of delivering packaging solutions that are high in quality and cost-effective and sustainable.

Looking ahead, enhancing engagement with export-oriented clients will be crucial. With shifting global trade dynamics, including the potential reintroduction of tariffs under the Trump administration in the US, our customers may face increased pressure in their international markets. Such developments could cascade down the value chain, impacting our supplies, demand, pricing, and lead times. Proactive communication, agility in production planning, and support in cost management will be vital in helping our clients remain competitive.

In this context, Ex-Pack will:

- ▶ **Strengthen B2B partnerships** through deeper collaboration, co-innovation, and responsiveness to emerging needs.
- ▶ **Diversify supplier relationships** to build greater resilience and cost-efficiency, particularly in sourcing.
- ▶ **Enhance community engagement** by aligning our sustainability and social efforts with national priorities and global goals.

NATURAL CAPITAL



GREEN LEDGER: OUR NATURAL CAPITAL SNAPSHOT

What Natural Capital means to Ex-Pack

At Ex-Pack Corrugated Cartons PLC, Natural Capital represents the environmental resources and ecosystem services that support our manufacturing processes and long-term sustainability. This includes land, energy, water, raw materials, and air quality essential to our operations. We are committed to minimising our ecological footprint by adopting sustainable sourcing practices, improving energy and water efficiency, reducing waste, and continuously investing in cleaner technologies. Our approach ensures responsible stewardship of natural resources while aligning with our goal of creating long-term value for all stakeholders.

Natural capital inputs

4.25 Ha



Land extent occupied

13,993 m³



Water consumption

23,454 MT of paper



Material consumption

Energy consumption

6,306 GJ



Electricity consumption from the National Grid

748,212 L



Usage of fuel

Value drivers

Optimising resource efficiency and energy use

- ▶ Implementation of modern, energy-efficient machinery and continuous process improvements to reduce electricity and water consumption across manufacturing operations.

Sustainable raw material sourcing

- ▶ Commitment to procuring responsibly sourced and recyclable paper materials, ensuring minimal environmental impact and supporting a circular economy model.

Minimising environmental footprint through waste reduction

- ▶ Proactive waste segregation, increased recycling initiatives, and responsible disposal mechanisms to reduce landfill contributions and promote cleaner production practices.

Value created

- ▶ +37.36 % increase in direct emissions
- ▶ +48.58 increase in total emissions

Link to our material matters

- ▶ Energy consumption
- ▶ Emissions and waste
- ▶ Water and effluents
- ▶ Climate change adaptation

Link to SDGs



NATURAL CAPITAL



What to expect in this chapter

1. Driving strategy through Natural Capital
2. Our product and how it links to Natural Capital
3. Our approach to managing Natural Capital
4. Standards and certifications that guide our actions
5. Climate consciousness at Ex-Pack
6. Energy management and emissions management
7. Water management and effluent management
8. Waste management
9. Responsible sourcing
10. Way forward



Disclosure requirements met

GRI 3: Material Topics 2021

- GRI 302: Energy 2016
- GRI 303: Water and Effluents 2018
- GRI 305: Emissions 2016
- GRI 306: Waste 2020

SASB - Containers & Packaging Sustainability Accounting Standard

- Greenhouse Gas Emissions - RT-CP-110a.1 and RT-CP-110a.2
- Air Quality - RT-CP-120a.1
- Energy Management - RT-CP-130a.1
- Water Management - RT-CP-140a.1, RT-CP-140a.2, RT-CP-140a.3
- Waste Management - RT-CP-150a.1

Driving strategy through Natural Capital

Strategic initiative	Link to strategy
Emission management During the year we set ourselves net zero target to be achieved by 2050. A key contribution in this regard was made by the new machinery that was installed which consumes 2/3 less energy than our legacy machinery that was in use.	 ESG priorities

Our product and how it links to Natural Capital

At Ex-Pack Corrugated Cartons PLC, sustainability is embedded in the very nature of our core product corrugated cardboard packaging. Each year, we manufacture over 22,000 tonnes of high-quality, ergonomically designed packaging solutions for a diverse B2B clientele spanning multiple industries, including exports to offshore markets.

Our packaging is 100% recyclable and 100% biodegradable, making it an environmentally responsible alternative to plastic and regifoam-based solutions. This enables our customers to green their supply chains and reduce their environmental footprint without compromising on durability or design innovation.

By offering a product that consumes less energy in its lifecycle and contributes to a circular economy, we directly support the preservation and responsible use of Natural Capital. In doing so, we help protect vital ecosystems, reduce landfill burden, and promote resource efficiency across the value chain strengthening our own sustainability journey while empowering that of our customers.

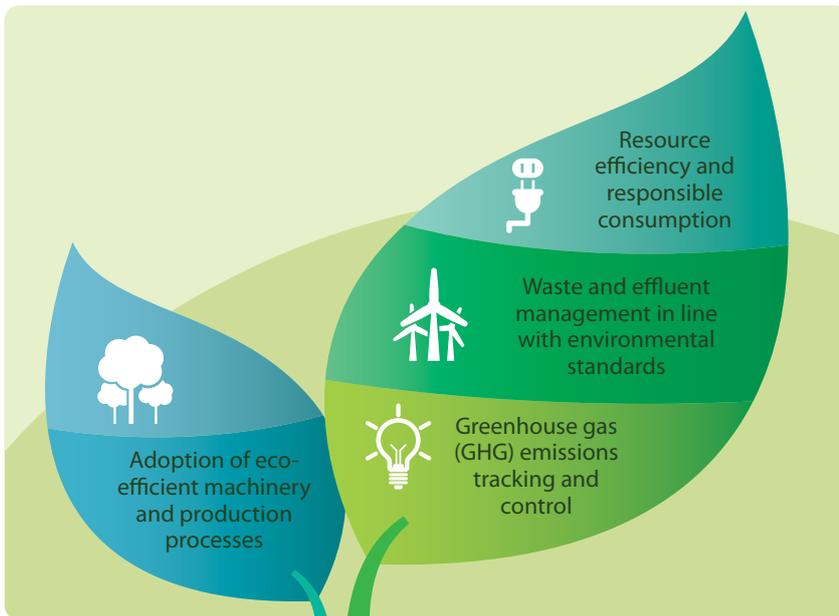
Our approach to managing Natural Capital

As a manufacturing entity with a significant dependence on natural resources, Ex-Pack recognises its

“
 By offering a product that consumes less energy in its lifecycle and contributes to a circular economy, we directly support the preservation and responsible use of Natural Capital.”

responsibility to operate in a manner that safeguards the environment. We are acutely aware of the global triple planetary crisis, viz. climate change, pollution, and biodiversity loss, and are committed to doing our part in mitigating these challenges.

Our approach to managing Natural Capital is multi-faceted and systematic. We have established robust environmental management systems to monitor and optimise our use of energy, water, and raw materials, ensuring maximum efficiency while minimising wastage. These systems support key operational areas including:



Spearheading these initiatives is our cross-functional Green Team, which operates under the direct oversight of senior management. This team drives sustainability efforts across departments, ensuring alignment with both corporate strategy and environmental goals.

Their mandate includes conducting internal audits, identifying areas for improvement, promoting a culture of environmental stewardship among employees, and integrating sustainability considerations into business decisions.

Standards and certifications that guide our actions

At Ex-Pack, our commitment to environmental responsibility and ethical manufacturing is reinforced through compliance with globally recognised standards and certifications. These frameworks guide our operations, validate our practices, and ensure transparency and accountability across all aspects of our environmental performance.

- ▶ ISO 14001:2015 – Environmental Management System
- ▶ Environmental Protection License from the Central Environmental Authority (CEA), which is duly renewed on an annual basis and with all specified conditions adhered to
- ▶ Scheduled waste management licenses from the CEA

- ▶ Carbon Neutral Certification from the NCPC Sri Lanka
- ▶ WRAP – Worldwide Responsible Accredited Production
- ▶ The Forest Stewardship Council (FSC) Certification

Climate consciousness at Ex-Pack

As a responsible manufacturer reliant on natural resources and operating in an energy-intensive industry, we have embedded climate consciousness into our strategic decision-making, operations, and long-term sustainability goals. Our approach is built on mitigating adverse environmental impacts, adapting to the evolving climate landscape, and unlocking new opportunities through sustainable innovation.

Climate-Related Risks

Physical Risks:

- ▶ Rising average temperatures – Potential impact on energy consumption and cooling costs at our manufacturing facilities.
- ▶ Extreme weather events (e.g., floods, droughts) – Disruptions to raw material supply chains and logistics.
- ▶ Water scarcity – Increased operational costs due to the need for water conservation and alternative water sourcing.

- ▶ Biodiversity loss – Potential limitations in sustainably sourced paper and board materials.

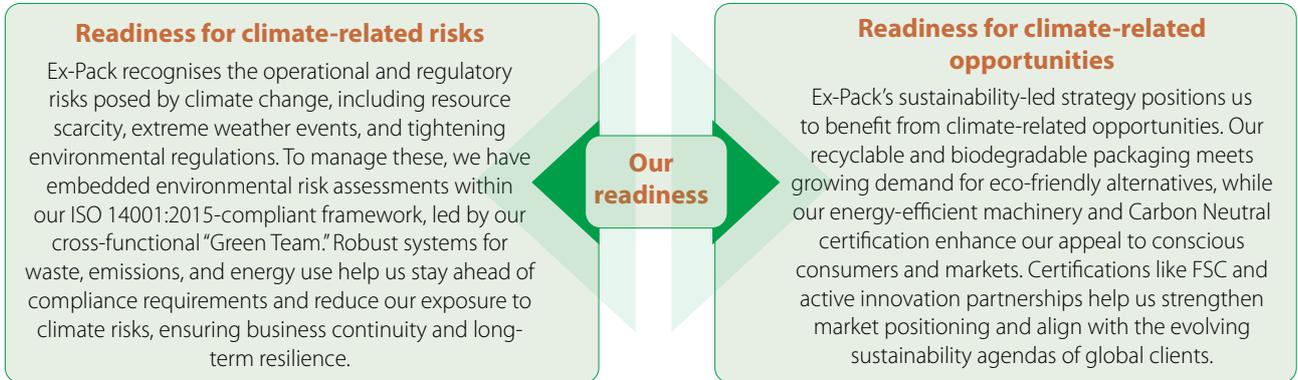
Transitional Risks:

- ▶ Stricter environmental regulations – Increased compliance costs related to emissions, waste disposal, and energy use.
- ▶ Carbon pricing mechanisms – Potential increase in costs due to the implementation of carbon taxes or cap-and-trade schemes.
- ▶ Changing customer preferences – Demand shifts towards more sustainable and low-carbon packaging, requiring product innovation and redesign.
- ▶ Reputational risk – Negative perception from stakeholders if insufficient climate action is demonstrated.

Climate-Related Opportunities

- ▶ Eco-friendly product innovation – Expanding our portfolio of biodegradable, recyclable, and low-emission packaging solutions.
- ▶ Energy efficiency enhancements – Investment in energy-efficient machinery and technology reducing costs and emissions.
- ▶ Carbon neutrality and branding – Gaining competitive advantage through Carbon Neutral Certification and strengthening our position as a responsible brand.
- ▶ Green partnerships – Collaborating with environmentally responsible suppliers and customers to support sustainable value chains.
- ▶ Access to green financing – Eligibility for sustainability-linked loans and investor interest in ESG-compliant businesses.
- ▶ Market expansion – Tapping into environmentally conscious markets and export segments that prioritise sustainable packaging.
- ▶ Digital monitoring systems – Deploying smart systems to monitor and manage emissions, energy use, and climate performance in real time.

NATURAL CAPITAL



Driving Forward with Purpose

At Ex-Pack, our commitment to sustainable business operations is deeply embedded in our long-term strategy. Our recent investments in cutting-edge machinery were driven by the clear objective of enhancing energy efficiency and reducing our environmental footprint. With our sights set on achieving net-zero emissions by 2040, we are aligning our processes, equipment, and people to drive continuous progress towards this goal.



Mr. Murshid Ahamed
Chief Operating Officer

Energy management and emissions management

At Ex-Pack, energy management is a key priority, driven by our commitment to operational efficiency and environmental responsibility. Our manufacturing operations run on a 12-hour shift and primarily depend on multiple energy sources: grid-supplied electricity, steam generated through the combustion of furnace oil, usage of petrol and diesel by our delivery vehicles fleet and internal energy optimisation systems. While our facility is currently fully reliant on grid electricity due to the structural limitations of our roofing, rendering rooftop solar installations unfeasible, we continue to explore other viable renewable alternatives.

Energy conservation efforts during the year

- ▶ **New machinery installed:** Despite the mentioned constraints, we remain focused on reducing energy consumption wherever possible. A landmark initiative in this effort has been the installation of state-of-the-art, energy-efficient machinery, which represents a significant leap forward from our legacy systems. The new equipment has enabled a two-thirds reduction in electricity consumption compared to previous machinery, underscoring our commitment to responsible resource use.

By adopting cutting-edge technology and embedding energy-conscious practices into our operations, we aim to continuously lower our energy footprint while supporting sustainable growth.

- ▶ **Energy assessments:** We continuously monitor and evaluate energy usage within our factory to identify inefficiencies and implement improvements.
- ▶ **LED lighting:** We are progressively replacing conventional light bulbs with energy-efficient LED lighting across our facility.
- ▶ **Waste-to-energy initiative:** Non-recyclable waste is sent to Aitken Spence (Pvt) Ltd for incineration, contributing to their waste-to-energy electricity generation efforts.
- ▶ **Sustainable commuting:** Employees are encouraged to use company-provided transport to reduce individual vehicle use and lower carbon emissions.
- ▶ **Optimised distribution:** We regularly review and refine our distribution routes to improve fuel efficiency and reduce overall energy consumption.

Energy consumption by source

Energy Consumption	FY 2024/25
Grid electricity - GJ	6,306
Diesel - GJ	5,740
Petrol - GJ	20
LPG	-
Furnace oil -GJ	23,080
Generator -GJ	140
Total energy consumption GJ	35,146

18% of total energy used was grid electricity. There was no renewable or self-generated energy that the Company used during the year.

Carbon footprint

	FY 2024/25 (In tCO2e)	FY 2023/24 (In tCO2e)	FY 2022/23 (In tCO2e)	YoY change (%)
Direct (scope 1) GHG emissions	2,543.63	1,859.57	1,607.32	37.0%
Indirect (scope 2) GHG emissions	749.32	1,219.32	1,052.94	-39.0%
Total carbon footprint	4,559.46	3,078.89	2,660.26	48%

Explaining the movement in our energy usage, water usage and emissions

The financial year 2024/25 was distinctive for Ex-Pack, marked by the installation of new machinery at our factory. This strategic initiative involved a parallel transition, wherein the new machinery was integrated without halting production on the existing legacy systems. The installation process, encompassing related construction activities and the extended presence of vendor installation teams on-site, led to a temporary increase in energy consumption, water usage, and Scope 1 emissions. We recognise this period as an operational outlier. Moving forward, we are committed to leveraging the enhanced productivity offered by the new machinery to reduce energy costs, emissions, and water usage, aligning with our sustainability objectives.

- ▶ Direct (Scope 1) emissions of Ex-Pack is not covered under emissions limiting regulations.
- ▶ The air emissions of the following pollutants were nil for the year
 - NOx (excluding N2O)
 - Sox
 - volatile organic compounds (VOCs)
 - particulate matter (PM)

Ex-Pack Corrugated Cartons PLC is an ISO 9001-2015, ISO 14001-2015 and WRAP certified facility. Continuing their journey towards a sustainable manufacturing facility, Ex-Pack initiated a commitment to become "Carbon Neutral" by 2022 and they are continuing the commitment with the 3rd inventory year in 2023. co-energi (Pvt) Ltd. joined hands with Ex-Pack to do the GHG assessment and help achieve carbon neutrality to the company.

co-energi (Pvt) Ltd. is an independent engineering consultancy company promoting energy and resource efficiency in buildings and industrial processes among Sri Lankan and regional businesses. They are specialised in Green Building Consultancy, Building Design Assessment, carbon neutral consultancy and complete MEP and HVAC Design works.

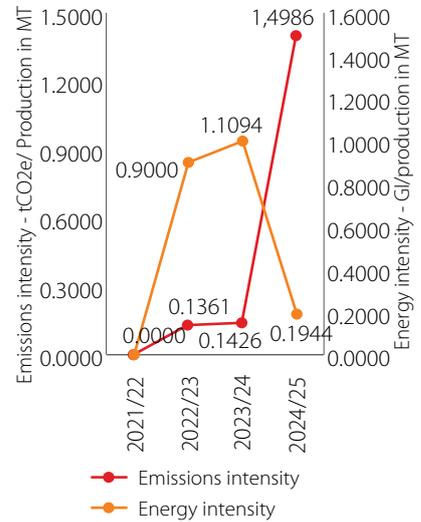
The GHG assessment boundary included all operations of Ex pack Corrugated Cartons PLC. The geographic scope entitled Ex-Pack Corrugated Cartons PLC manufacturing facility located in No.79, Pattiwila road, Gonawala, Kelaniya. The consolidation approach, control was selected and facility level GHG emissions as per operational control of Ex-Pack Corrugated Cartons PLC. All operations and processes that has the ability to influence the operational decisions and policies of the Ex pack Corrugated Cartons PLC were considered for the assessment. The first GHG inventory was prepared in year from 01st March 2021 to 28th February 2022 which was considered as the base year for this inventory reduction calculations.

Emissions management efforts during the year

- ▶ **Energy consumption monitoring:** We continuously track the usage of electricity, LPG, furnace oil, diesel, and petrol to detect and respond to any significant variations.

There were no any emissions of ozone depletion substances (NOx and SOx or any other significant emissions substances) throughout our production on 2024/25

Energy and emissions intensity



Water management and effluent management

Water is a key natural resource deployed in our manufacturing process as well as for employee usage. The main source of water is pipe-borne water from the municipality. We have a conscious commitment towards reducing water usage.

Water management risks and mitigation strategies

Ex-Pack Corrugated Cartons PLC operates in Kelaniya, situated within the lower Kelani River Basin, a region facing significant water-related challenges. The Kelani River is a vital water source for over six million people, including residents of Colombo and surrounding suburbs.

Identified water management risks:

1. **Seasonal water scarcity:** During dry periods, notably from January to February, the Kelani River experiences reduced water levels, leading to concerns about salinity intrusion and water scarcity.
2. **Industrial pollution:** The river basin hosts a large number of industrial establishments, contributing to significant pollution levels. This industrial activity poses risks to water quality, affecting both ecological systems and human health.

NATURAL CAPITAL

- 3. **Population pressure:** High population density in the lower basin exacerbates water pollution through increased domestic waste and inadequate sanitation facilities.

Mitigation Strategies:

- ▶ **Efficient water use:** Implementing water-efficient processes and regularly monitoring water consumption to identify and address inefficiencies.
- ▶ **Wastewater management:** Ensuring that any wastewater generated is treated appropriately before discharge, minimising environmental impact.
- ▶ **Employee awareness:** Awareness raising and to educating employees about water conservation practices and the importance of sustainable water use.
- ▶ **Collaboration with authorities:** Engaging with local environmental authorities and participating in community initiatives aimed at preserving the Kelani River's health.

Water withdrawn by source

	FY 2024/25 (m3)	FY 2023/24 (m3)	FY 2022/23 (m3)	YoY change (%)
Pipe-borne water from the municipality	13,993	12,213	12,862	15%
Groundwater	-	-	-	-
Surface water (rivers, lakes, etc.)	-	-	-	-
Sea water	-	-	-	-
Total water withdrawn	13,993	12,213	12,862	15%

Water consumed

	FY 2024/25 (m3)	FY 2023/24 (m3)	FY 2022/23 (m3)	YoY change (%)
Total water withdrawn	13,993	12,213	12,862	15%
Total water discharged	12,725	11,212	12,009	13%
Total water consumed	1,268	1,001	853	27%

Water Discharge was 12.725 ML which it was consumed for Gardening, washing of vehicles and toilets waste dispose to municipal councils.

100% of the water consumed was within Gampaha District, at the factory premises. There were no incidents of non-compliance associated with water quality permits, standards and regulations

Effluents management

The Company treats its waste water which is then utilised in the greenhouse



maintained at our factory premises. The sludge generated is handed over to INSEE Eco-Cycle (Pvt) Ltd for responsible disposal - INSEE Eco-Cycle (Pvt) Ltd is the only authorised person by the Central Environmental Authority to dispose of sludge waste. We do not release any untreated waste water of sludge to the environment.

Waste Management

The Company generates both hazardous and non-hazardous waste, with the majority being non-hazardous. Our operations produce various types of waste, including sludge, plastic, cardboard, paper, e-waste, food waste, and scrap metal. Importantly, we are proud to maintain zero landfill disposal, having implemented a comprehensive and responsible waste management system.

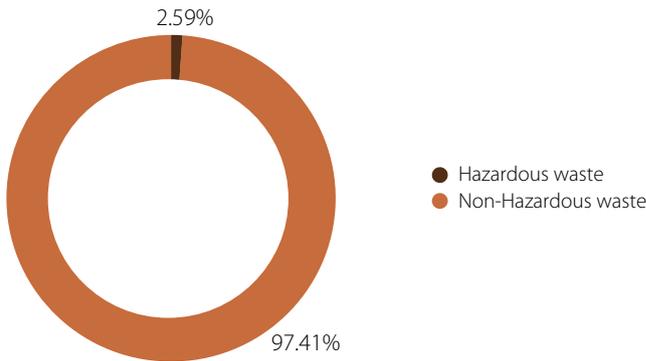
- ▶ **Paper Waste:** Approximately 14.5% of production waste comprises paper. All paper waste is collected on-site and transported to a baling facility, where it is compressed into export-ready bales. This waste is then exported to India, where it is repurposed into value-added products, ensuring zero landfill disposal. 100% of paper waste generated is recycled.
- ▶ **Other Waste (Polythene, Cans, E-waste, etc.):** These are carefully sorted and handed over to licensed waste management partners registered with the Central Environmental Authority (CEA).
- ▶ **Food Waste:** With three daily meals provided to employees, food waste is closely monitored and kept to a minimum, averaging 08kg per day. Consciousness about reducing food waste is actively promoted among employees.



Waste generated

	FY 2024/25 (MT)	FY 2023/24 (MT)	FY 2022/23 (MT)	YoY change (%)
Total hazardous waste	39.40	59.97	40.45	-34%
Total non-hazardous waste	2,816.55	2,258.82	1,544.32	25%
Total waste generated	2,857.89	2,318.79	1,584.77	23%

Waste Composition



Waste paper sales

	Metric Tons
Exports	2,738
Local/ indirect sales	67
Total	2,805

Responsible sourcing

At Ex-Pack, we recognise the crucial role that paper plays in our manufacturing processes and the environmental impact associated with sourcing this vital resource. Given that paper is derived from trees, it is essential that we source it responsibly to mitigate deforestation and ensure sustainability. As such, we make it a priority to source the majority of our paper supplies from suppliers certified by the Forest Stewardship Council (FSC).

The FSC is an internationally recognised certification body that promotes responsible forest management and ensures that paper production comes from forests that are managed sustainably. FSC certification guarantees that the paper is sourced from forests where environmental, social, and economic standards are upheld. These standards include maintaining biodiversity, protecting ecosystems, and ensuring the rights of local communities and workers are respected.



There is growing demand from our customers to use raw materials sourced from FSC-certified suppliers. This demand is driven by increasing global awareness of environmental sustainability, and it reinforces the importance of a fully integrated, environmentally responsible supply chain. By aligning with FSC, we contribute to the protection of global forests and promote the use of renewable resources in our production processes.

In addition to FSC certification, we also ensure that our suppliers maintain transparent sourcing practices, regularly assess their environmental impact, and adhere to best practices in waste management and energy consumption. This commitment supports the sustainability of our own operations and fosters a broader shift towards more environmentally responsible practices across our entire supply chain.

Way forward

Ex-Pack is committed to achieving net-zero emissions by 2050, with clear milestones set for the lead-up. We will adopt SLFRS S2 to align our disclosures and operations with global climate standards. Our focus will remain on enhancing energy and water efficiency, minimising waste, and strengthening climate resilience across our value chain. Through responsible resource use and transparent reporting, we aim to create lasting environmental value.

PERFORMANCE OF FULLY-OWNED SUBSIDIARY COMPANY NEPTUNE PAPERS (PVT) LIMITED

About Neptune Papers (Pvt) Limited (Neptune Recyclers):

A recognised pioneer in the recycling and waste management sector of Sri Lanka. Fully certified and licensed, the company purveys efficient waste management solutions for residents, corporations, and commercial Industries. Adapting modern technology and environment-friendly processes, Neptune Recyclers supports commercial and residential communities in Sri Lanka to responsibly dispose of waste by adding shared value to the circular economy in Sri Lanka.



Key recycled products



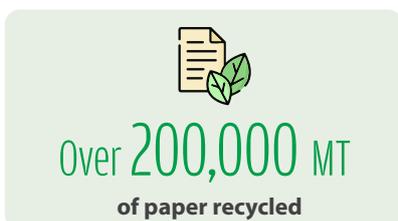
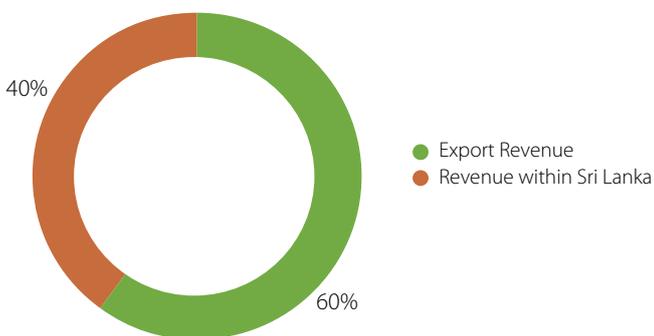
Recycling process

- ▶ Located at Sedawatte Sri Lanka
- ▶ Latest recycling and waste management technology deployed, comprising cutting-edge machinery in shredding and baling and advanced solutions in weigh bridging and packaging

Impact created

- ▶ More than USD 170 Mn worth of value created in a circular economy

Revenue Composition



180

Employees



15% Female



85% Male

Every employee at Neptune Recyclers is an environmental champion, contributing to the company's mission of creating a cleaner, healthier environment. The team is actively involved in initiatives that promote sustainability and environmental stewardship

COMMUNITY EMPOWERMENT

Giving back is our passion, as we strive to make lives of those connected to us brighter and better.

1. Distribution of full school stationery requirements for the children of staff members
2. Distribution of Welfare Ration Pack to all employees
3. Neptune Cares (NC) is an internal support programmes offering financial aid for employees and their families in areas such as health, education, emergencies, and construction.
4. Chakra Suthra – We're proud to have partnered with Chakra Suthra to host a transformative community workshop! Trained locals on proper waste management practices.
5. Eco Harmony Project - was the Gold Sponsor for Eco Harmony - a community project aimed at addressing plastic pollution and its impact on climate change and biodiversity
6. Push Carts Distribution – As part of our ongoing commitment to sustainability and waste management, we distributed push carts to local waste collectors.

Awards

Excellence in core business operations

- ▶ Gold Award – ESG Summit 2024: Awarded by the Colombo University MBA Alumni Association for outstanding Environmental, Social, and Governance (ESG) practices.
- ▶ Bronze Award – Presidential Environment Awards 2024: Recognised in the "Solid Waste Recovery, Recycling, Disposal, or Processing Plant" category by the Central Environmental Authority of Sri Lanka
- ▶ Zero Waste to Landfill Certification – Intertek: Achieved a 99.25% waste diversion rate, becoming the first waste management company globally to receive this certification

Excellence in human resources management

- ▶ Great Place to Work Certification: Certified based on employee feedback, highlighting a culture of respect, fairness, and camaraderie
- ▶ Top 50 Best Workplaces in Sri Lanka – 2024: Ranked 4th among the top 50 workplaces in Sri Lanka
- ▶ Great Place to Work Asia List – 2024: Secured the 47th position on the prestigious Asia list.

PARTNERSHIPS

On 07th September 2023, in a landmark collaboration aimed at addressing one of Sri Lanka's most pressing environmental challenges, Neptune Papers joined hands with Elephant House (Ceylon Cold Stores PLC) to combat plastic pollution and promote sustainable practices across the value chain.

This partnership reflects a shared commitment to environmental stewardship, with both organisations leveraging their strengths to reduce plastic waste, improve recycling rates, and drive public awareness on responsible consumption. Neptune Recyclers brings its deep expertise in recycling and circular economy solutions, while Elephant House contributes its industry reach and influence as a household name in the FMCG sector.

The collaboration includes the implementation of structured collection programmes, community engagement initiatives, and education campaigns to encourage waste segregation and recycling at the source. It also promotes the integration of recycled plastics into production cycles, thereby supporting a closed-loop economy.

PERFORMANCE OF FULLY-OWNED SUBSIDIARY COMPANY NEPTUNE PAPERS (PVT) LIMITED

Visionary leadership

At Neptune Papers, our mission transcends recycling; it's about pioneering a circular economy that benefits both our environment and communities. Over the past three decades, we've recycled over 650,000 metric tons of waste, contributing over USD 170 million towards environmental and human sustainability efforts in Sri Lanka

This achievement is a testament to our dedicated team's relentless pursuit of innovation and excellence. Our commitment extends beyond environmental conservation; it's about creating jobs, boosting local economies, and instilling a sense of responsibility within our communities.

As we look ahead, we remain steadfast in our commitment to environmental stewardship and invite all stakeholders to join us in forging a greener, more sustainable future for Sri Lanka.



Leadership perspective
Mr. Abdullah Kassim
Managing Director

SYNERGIES BETWEEN NEPTUNE RECYCLERS AND EX-PACK CORRUGATED CARTONS PLC



Market intelligence and strategic sourcing

Neptune Recyclers leverages its expertise in the paper industry to provide Ex-Pack with valuable insights into global paper pricing trends and sourcing strategies. This collaboration enables Ex-Pack to make informed procurement decisions, ensuring cost-effective and high-quality raw material acquisition for its corrugated carton manufacturing processes.



Integrated recycling and circular economy practices

Neptune Recyclers specialises in recycling various grades of paper waste. By processing and exporting these materials to paper mills, Neptune supports a circular economy model. This contributes to environmental sustainability and ensures a steady supply of recycled paper materials, which can be utilised by Ex-Pack in its production processes.



Shared logistics and operational efficiencies

The close operational relationship between Ex-Pack and Neptune Recyclers allows for shared logistics and distribution networks. This integration facilitates efficient transportation of raw materials and finished products, reducing lead times and operational costs. Such collaboration ensures that both companies can respond swiftly to market demands and maintain high service levels.



Unified sustainability goals

Both Ex-Pack and Neptune Recyclers are committed to environmental stewardship. Their collaborative efforts in waste management, recycling, and sustainable sourcing practices underscore a shared vision for a greener future. This alignment enhances their corporate social responsibility profiles and appeals to environmentally conscious clients and stakeholders.



INDEPENDENT PRACTITIONER'S ASSURANCE REPORT



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INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF EX- PACK CORRUGATED CARTONS PLC ON THE SUSTAINABILITY REPORTING CRITERIA PRESENTED IN THE INTEGRATED ANNUAL REPORT FY 2024/25

Scope

We have been engaged by Ex-Pack Corrugated Cartons PLC to perform a 'limited assurance engagement', as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on Ex-Pack Corrugated Cartons PLC's Economic, Environment, Social and Governance (EESG) indicators (the "Subject Matter") contained in Ex-Pack Corrugated Cartons PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2025 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Ex-Pack Corrugated Cartons PLC

In preparing the Subject Matter, Ex-Pack Corrugated Cartons PLC applied the following criteria ("Criteria"):

- The Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines, publicly available at <https://www.globalreporting.org>

Such Criteria were specifically designed for the purpose of assisting you in determining whether Entity's Economic, Environment, Social and Governance (EESG) indicators contained in the Entity's Report is presented in accordance with the relevant criteria; As a result, the

subject matter information may not be suitable for another purpose.

Ex-Pack Corrugated Cartons PLC's responsibilities

Ex-Pack Corrugated Cartons PLC management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised)), and the terms of reference for this engagement as agreed with the Ex-Pack Corrugated Cartons PLC on 24 May 2025. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

EY also applies quality management standards, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Validated the information presented and checked the calculations performed by the organisation through recalculation.
- Performed a comparison of the content given in the Report against the criteria given in the selected sustainability standards/frameworks.
- Conducted interviews with relevant organisation's personnel to understand the process for collection, analysis, aggregation and presentation of data. Interviews included selected key management personnel and relevant staff.
- Read the content presented in the Report for consistency with our overall knowledge obtained during the course of our assurance engagement and requested changes wherever required.
- Provided guidance, recommendations and feedback on the improvement of the sustainability reporting indicators to improve the presentation standard.

We also performed such other procedures as we considered necessary in the circumstances.

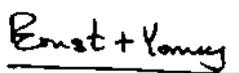
Emphasis of matter

Economic, Environment, Social management data/information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Report.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information on the Economic, Environment, Social and Governance (EESG) contained in the Integrated Annual Report of Ex-Pack Corrugated Cartons PLC for the year ended 31 March 2025, in order for it to be in accordance with the Criteria.



30 May 2025
Colombo

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

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

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CORPORATE GOVERNANCE & RISK MANAGEMENT

Unfailing Acumen

At Ex-Pack, our operational excellence lies on a foundation of transparency, efficacy and a continued commitment to excellence both within our corporate structure and in our relations with external stakeholders. With unfailing acumen, we make our moves in a bid to embrace the future and to ensure measurable victory across the board.

The lifespan of a tree depends on the strength of its bark, which shields it from environmental threats. At Ex-Pack, our governance structure and risk management principles are upheld to ensure our growth is perpetuated and protected.

RISK MANAGEMENT

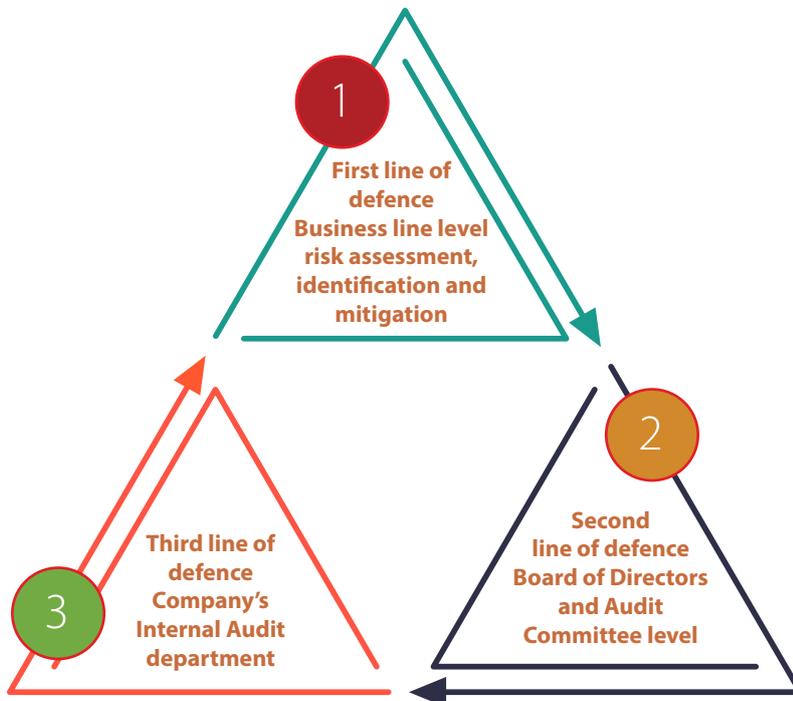
Risk Management at Ex-Pack Corrugated Cartons PLC

Ex-Pack Corrugated Cartons PLC adopts an enterprise-wide, integrated approach to risk management, underpinned by a well-established and continually evolving framework. This robust risk management process defines clear governance structures, delineates roles and responsibilities, and sets out comprehensive policies and procedures to identify, assess, mitigate, and monitor risks across all levels of the organisation. The aim is to strike a strategic balance between value creation and long-term stability, even amidst dynamic and challenging external conditions.

In an environment marked by economic volatility, geopolitical uncertainty, and supply chain disruptions, the Company's risk management framework continues to provide a structured and disciplined approach to navigating uncertainty. It enables Ex-Pack to pursue its strategic objectives with foresight and resilience, while maintaining sound operational and financial performance.

The Board of Directors holds ultimate accountability for risk oversight, ensuring that the Company's risk appetite, exposure, and mitigation strategies are aligned with its long-term goals. In support of the Board, the Audit Committee plays a pivotal oversight role, reviewing the adequacy and effectiveness of internal controls and risk management systems, and ensuring compliance with regulatory expectations and industry best practices.

Central to the Company's risk management approach is the adoption of the Three Lines of Defence model. This model provides a structured methodology for risk governance by clearly defining responsibilities across three distinct layers:



Risk Landscape Overview - 2024/25

The 2024/25 financial year presented a cautiously optimistic yet challenging environment for Ex-Pack Corrugated Cartons PLC. Sri Lanka's economy grew by 5% in 2024, driven by the industrial and tourism sectors. However, the recovery remained fragile, hinging on continued macroeconomic stability, successful debt restructuring, and ongoing structural reforms. Despite declining inflation, poverty rates have remained elevated, with an estimated 25.9% of Sri Lankans living below the poverty line in 2023. This persistent economic hardship affected consumer spending capacity, potentially impacting demand across various sectors, including packaging from our B2B customers.

Additionally, the global economic slowdown and reduced purchasing power of consumers continued to pose challenges to operations and profitability. Ex-Pack navigated these complexities while adapting to evolving market dynamics and consumer preferences, through its effective risk management efforts.

Ex-Pack risk management process

Ex-Pack Corrugated Cartons PLC employs a structured and proactive risk management framework to navigate the complexities of the manufacturing sector. This framework ensures that risks are systematically identified, assessed, and mitigated across all organisational levels, aligning with the company's strategic objectives and operational resilience.



Risk identification

Risk identification is the foundational step in Ex-Pack's comprehensive risk management framework. It involves a systematic approach to recognising and documenting potential events or conditions that could hinder the achievement of the company's strategic objectives. By proactively identifying risks, the company can develop strategies to mitigate their impact and ensure business continuity.

1. System definition

The process begins with a clear definition of the system or context in which risks are to be identified. This includes:

- Scope determination: Outlining the boundaries of operations, processes, and activities under review.

- Objective clarification: Understanding the company's strategic goals and how various functions contribute to these objectives.
- Stakeholder identification: Recognising internal and external parties that could influence or be affected by potential risks.

2. Provision of information

Accurate and comprehensive information is essential for effective risk identification. This step involves:

- Data collection: Gathering relevant data from various sources, including financial reports, operational records, and market analyses.
- Expert consultation: Engaging with subject matter experts and key personnel to gain insights into potential risk areas.

- Historical analysis: Reviewing past incidents, audit findings, and lessons learned to identify recurring or emerging risks.

3. Examination of known risks

Building upon existing knowledge, this phase focuses on:

- Risk register review: Analysing the current risk register to assess previously identified risks and their current relevance.
- Control effectiveness evaluation: Assessing the adequacy and performance of existing risk controls and mitigation measures.
- Trend analysis: Identifying patterns or trends in known risks that could signal changes in risk exposure.

RISK MANAGEMENT

4. Identification of new risks

To remain resilient in a dynamic environment, the company actively seeks to uncover new and emerging risks through:

- Environmental scanning: Monitoring external factors such as economic shifts, regulatory changes, and technological advancements.
- Operational assessments: Evaluating internal processes and systems for vulnerabilities or inefficiencies.
- Stakeholder feedback: Soliciting input from employees, customers, suppliers, and other stakeholders to identify potential concerns.

5. Detailed analysis

Each identified risk undergoes a thorough analysis to understand its nature and potential impact:

- Risk description: Articulating the risk in clear terms, including its cause and potential consequences.
- Likelihood assessment: Estimating the probability of the risk materialising.
- Impact evaluation: Determining the potential severity of the risk's effects on the company's objectives.
- Risk categorisation: Classifying risks into categories such as strategic, operational, financial, compliance, or reputational.

Risk assessment and evaluation

In this step, risks are assessed based on their probability of occurrence and severity of impact using the most recent data available. Risk evaluation involves comparing these assessment results with established risk criteria to determine where additional actions are needed.

Risk treatment

Risk treatment is an essential component of an effective risk management plan at Ex-Pack Corrugated Cartons PLC. It outlines Governance & Risk Financial Statements the progress of the treatment plan implementation. The risk owner remains ultimately accountable for ensuring the treatment plan is executed, even if a different person is managing the

plan. Company's response to identified potential risks, detailing strategies to address risks of varying impact levels and acceptability. Effective risk treatment depends on the commitment of key stakeholders and the development of realistic objectives and timelines for implementation.

Risk treatment, also known as risk control, involves making decisions on how to manage risks in both external and internal environments. Options include risk reduction, avoidance, acceptance, and transfer.

1. Specify the Treatment Option: Decide whether to avoid, reduce, share/transfer, or accept the risk.
2. Document the Treatment Plan: Outline the approach to treat the risk, highlighting any relationships or interdependencies with other risks.
3. Assign an Appropriate Owner: Designate an individual responsible for monitoring and reporting on the progress of the treatment plan implementation. The risk owner remains ultimately accountable for ensuring the treatment plan is executed, even if a different person is managing the plan.
4. Specify a Target Resolution Date: Set a deadline for resolving the risk. For long lead times, consider developing interim measures to manage the risk effectively.

Risk monitoring and review

Regular monitoring and review of risks are essential to ensure that risk management strategies remain effective and aligned with the company's objectives. This process involves continuously tracking the implementation of risk mitigation plans and making necessary adjustments in response to significant changes in internal operations or external environments. As the business landscape evolves, the relevance and urgency of identified risks may shift, necessitating periodic reassessment. By consistently reviewing and updating risk assessments, the company can identify new risks and address emerging threats promptly, thereby maintaining a robust and responsive risk management framework.

Key elements of Ex-Pack Corrugated Cartons PLC's risk management framework

Segregation of responsibility

Board of Directors

- Holds overall responsibility for the Company's risk management and internal control systems. These systems are designed to manage risks and provide reasonable assurance against significant misstatements or losses. The Board continuously reviews the effectiveness of these systems to safeguard shareholder investments and company assets.
- The Board also determines the acceptable level of risk to achieve strategic objectives, with risk assessment and evaluation integrated into the management process.

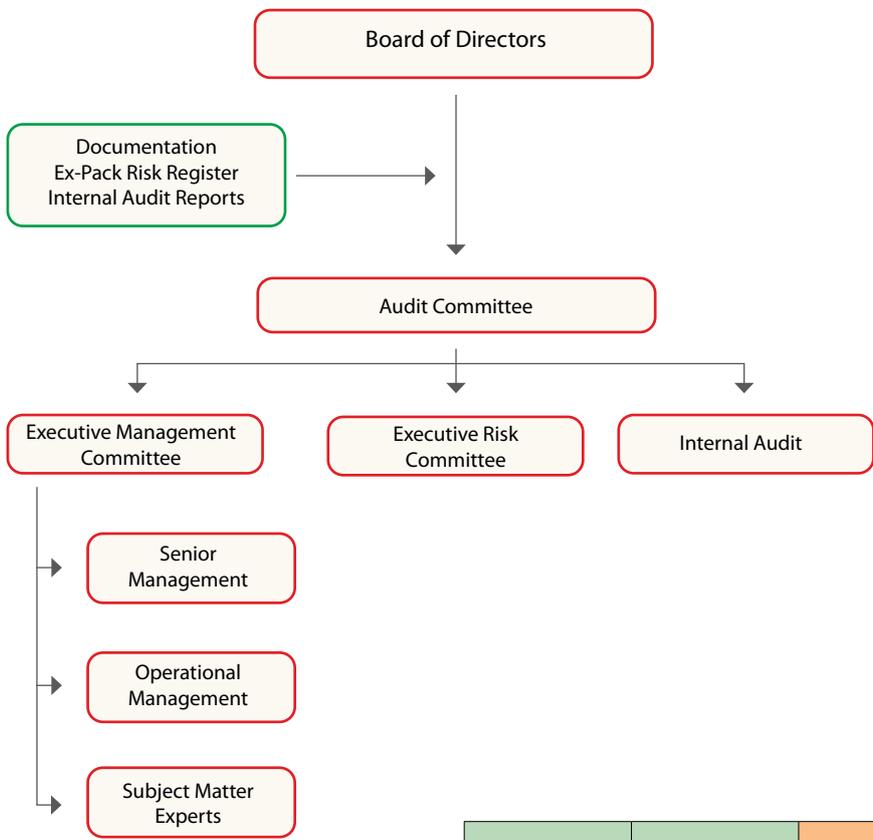
The Executive Management Team

- Identifies and evaluates key business risks
- Implements strategy and develops operations within Board parameters, with day-to-day management delegated to operational managers. All management levels are responsible for internal control over their respective areas, ensuring quick responses to operational and business risks and prompt reporting of significant issues

Audit Committee

- Audit Committee, along with the Board and Senior Management, reviews the risks identified by the Executive Management Team and determines appropriate management actions.
- The Audit Committee also reviews the effectiveness of the internal control system and reports significant matters to the Board.

Organisational structure



Risk register and risk rating

Ex-Pack's risk register process follows a standardised approach to risk identification, assessment, and review, emphasising mitigating factors and assigning responsibility to risk owners. The registers categorise risks into strategic, operational, environmental, legal, economic/political/market, technological, HR and financial areas. Each risk is assessed based on its probability of occurrence and severity of impact. New and emerging risks are added to the registers as they are identified and assessed.

		Medium	Medium	High	Very high	Very high
5		Medium	Medium	High	High	Very high
4		Low	Medium	High	High	High
3		Low	Medium	Medium	High	High
2		Low	Low	Medium	Medium	Medium
1		Low	Low	Low	Low	Medium
		1	2	3	4	5
		Severity of impact				

RISK MANAGEMENT

Summary of Ex-Pack’s risks based on risk rating

Risk classification	Very high	High	Medium
No. of risks	3	4	2
Risks	<ul style="list-style-type: none"> Economic challenges Raw materials and other input costs Climate change and environmental linked risks 	<ul style="list-style-type: none"> Pricing of corrugated cartons Talent management and retention Legislation and regulation – environmental Cyber and Information Security 	<ul style="list-style-type: none"> Operational disruptions at manufacturing plants Health and safety

Risk/ Risk rating	Risk description	Mitigation measures	Connectivity to strategy	Stakeholders impacted						
<p>Economic challenges</p> <table border="1"> <tr> <td>Probability of occurrence</td> <td>5</td> </tr> <tr> <td>Severity of impact</td> <td>5</td> </tr> <tr> <td>Risk classification</td> <td>Very high</td> </tr> </table>	Probability of occurrence	5	Severity of impact	5	Risk classification	Very high	<p>Adverse movement of key economic factors such as inflation, Finance cost rates and exchange rate can affect several aspects of the Company viz., procuring raw material at competitive prices, demand for goods, cost of capital, etc. and ultimately profitability.</p>	<ul style="list-style-type: none"> Diversification of supplier base to both local and foreign parties Strengthened relationships with a robust and diverse range of customers ranging from SMEs, exporters, multi-national corporates which is resilient to macro-economic shocks Strengthening the capital position of the Company and optimise cost of funds even amidst rising finance cost rates levels Cost optimisation through internal process efficiencies to preserve profitability amidst shocks beyond the control of the Company 	<p>Market position</p>	<p>Shareholders Customers Suppliers</p>
Probability of occurrence	5									
Severity of impact	5									
Risk classification	Very high									
<p>Pricing of corrugated cartons</p> <table border="1"> <tr> <td>Probability of occurrence</td> <td>3</td> </tr> <tr> <td>Severity of impact</td> <td>5</td> </tr> <tr> <td>Risk classification</td> <td>High</td> </tr> </table>	Probability of occurrence	3	Severity of impact	5	Risk classification	High	<p>The cyclical nature of packaging industry could result in overcapacity and consequently threaten the pricing structure</p>	<ul style="list-style-type: none"> Strengthened relationships with a robust and diverse range of customers ranging from SMEs, exporters, multi-national corporates which will ensure year round demand for products of the Company Product innovations, rapid time to market for innovative products, 100% on time delivery, etc., in ensuring healthy demand from our customers thereby reduce potential of overcapacity 	<ul style="list-style-type: none"> Market position Operational excellence 	<p>Shareholders Customers</p>
Probability of occurrence	3									
Severity of impact	5									
Risk classification	High									

Risk/ Risk rating	Risk description	Mitigation measures	Connectivity to strategy	Stakeholders impacted						
<p>Operational disruptions at manufacturing plants</p> <table border="1"> <tr> <td>Probability of occurrence</td> <td>2</td> </tr> <tr> <td>Severity of impact</td> <td>5</td> </tr> <tr> <td>Risk classification</td> <td>Medium</td> </tr> </table>	Probability of occurrence	2	Severity of impact	5	Risk classification	Medium	Operational disruptions may occur due to malfunctioning machinery and equipment which may delay production or stoppages if severe and affect profitability	<ul style="list-style-type: none"> Operational contingency plans in place in the event of plant damage or temporary shutdown Continues investment in rigorous programmes of preventive maintenance for all key plants All facilities adequately covered by insurance to mitigate the impact of significant interruptions 	<ul style="list-style-type: none"> Market position Operational excellence 	Customers Shareholders Employees
Probability of occurrence	2									
Severity of impact	5									
Risk classification	Medium									
<p>Raw materials and other input costs</p> <table border="1"> <tr> <td>Probability of occurrence</td> <td>5</td> </tr> <tr> <td>Severity of impact</td> <td>5</td> </tr> <tr> <td>Risk classification</td> <td>Very high</td> </tr> </table>	Probability of occurrence	5	Severity of impact	5	Risk classification	Very high	Price fluctuation in energy and raw material costs could adversely affect the Ex-Pack's manufacturing process	<ul style="list-style-type: none"> Dedicated purchasing function in place responsible for all input costs and ongoing cost reduction programmes Strong supply arrangement in place for approximately 80% of material requirements which provides assurance of supply for its primary raw material while maintaining an optimal level of flexibility with respective pricing and quantity Continuous invests in a range of cost reduction projects, primarily in the areas of energy and raw material efficiency that can deliver demonstrable economic returns 	<ul style="list-style-type: none"> Market position Operational excellence 	Suppliers
Probability of occurrence	5									
Severity of impact	5									
Risk classification	Very high									
<p>Talent management and retention</p> <table border="1"> <tr> <td>Probability of occurrence</td> <td>4</td> </tr> <tr> <td>Severity of impact</td> <td>4</td> </tr> <tr> <td>Risk classification</td> <td>High</td> </tr> </table>	Probability of occurrence	4	Severity of impact	4	Risk classification	High	Socio-economic uncertainties have triggered a notable migration of skilled labour, presenting challenges in recruiting and retaining employees. This shift underscores the urgency for the Company to review talent attraction and retention strategies. Adapting to the evolving workforce landscape has necessitated the Company to provide competitive incentives and cultivate engaging work environments for employee loyalty and longevity.	<ul style="list-style-type: none"> Robust HR strategy to attract, engage, train, motivate and retain our people Continuous development of talent Process is in place to identify and develop high potential staff Enhancements to our existing competitive remuneration and recognition packages and review processes Various non-monetary benefits available for staff such as all three meals a day, extended benefits to employees' children in school and higher education Strong succession planning in place for top leadership in ensuring the continuity of quality leadership 	Employees	Investment in Human Capital
Probability of occurrence	4									
Severity of impact	4									
Risk classification	High									

RISK MANAGEMENT

Risk/ Risk rating	Risk description	Mitigation measures	Connectivity to strategy	Stakeholders impacted						
<p>Health and safety</p> <table border="1"> <tr> <td>Probability of occurrence</td> <td>2</td> </tr> <tr> <td>Severity of impact</td> <td>5</td> </tr> <tr> <td>Risk classification</td> <td>Medium</td> </tr> </table>	Probability of occurrence	2	Severity of impact	5	Risk classification	Medium	<p>Failure to maintain good health and safety and employee wellbeing practices may have an adverse effect on the business.</p>	<ul style="list-style-type: none"> Health and safety of all our employees as well as third parties who visit our premises are a core consideration in all management reviews The protection of the health and safety of the workforce is a continual focus in an industry with a broad profile of hazards Formally established practices of investigating accidents, near-misses, registry and preparing safety bulletins which are shared across the divisions Strong auditing process based on current high-risk activities Annual safety improvement planning Strong culture of health and safety inculcated amongst employees across all levels 	<ul style="list-style-type: none"> Operational excellence Investment in Human Capital 	<p>Employees Customers</p>
Probability of occurrence	2									
Severity of impact	5									
Risk classification	Medium									
<p>Legislation and regulation – environmental</p> <table border="1"> <tr> <td>Probability of occurrence</td> <td>3</td> </tr> <tr> <td>Severity of impact</td> <td>4</td> </tr> <tr> <td>Risk classification</td> <td>High</td> </tr> </table>	Probability of occurrence	3	Severity of impact	4	Risk classification	High	<p>The Company is subject to a growing number of environmental laws and regulations, and the cost of compliance or the failure to comply with current and future laws and regulations may negatively affect the business.</p>	<ul style="list-style-type: none"> Strong governance process in place to ensure compliance with all applicable laws and regulations 	<p>ESG priorities</p>	<p>Government and regulatory bodies</p>
Probability of occurrence	3									
Severity of impact	4									
Risk classification	High									



Risk/ Risk rating	Risk description	Mitigation measures	Connectivity to strategy	Stakeholders impacted						
<p>Cyber and Information Security</p> <table border="1"> <tr> <td>Probability of occurrence</td> <td>3</td> </tr> <tr> <td>Severity of impact</td> <td>5</td> </tr> <tr> <td>Risk classification</td> <td>High</td> </tr> </table>	Probability of occurrence	3	Severity of impact	5	Risk classification	High	<p>In the era of technology and digitization, the Company is susceptible to cyber-attacks with potential threats to confidentiality, integrity and availability of data compromised in its systems</p>	<ul style="list-style-type: none"> Formally documented policies in relation to information security including cyber security are in place Robust framework established to ensure awareness at each level of the organisation regarding the implementation of cyber security Regular audits of control mechanisms Specific controls in place to prevent and detect security issues relating to critical business systems Defined business continuity and IT disaster recovery plans in place with frequent tests Cyber security training for all employees 	Operational excellence	<p>Employees Customers</p>
Probability of occurrence	3									
Severity of impact	5									
Risk classification	High									
<p>Climate change and environmental linked risks</p> <table border="1"> <tr> <td>Probability of occurrence</td> <td>5</td> </tr> <tr> <td>Severity of impact</td> <td>5</td> </tr> <tr> <td>Risk classification</td> <td>Very high</td> </tr> </table>	Probability of occurrence	5	Severity of impact	5	Risk classification	Very high	<p>With growing implications of climate change and global movement towards greening the planet, industries that are having a large eco-foot print is coming under increasing scrutiny for their activities. The Company also has a considerable reliance on paper as raw material which is manufactured from felled trees. The Company also creates various types of emissions and effluent.</p>	<ul style="list-style-type: none"> Responsible sourcing of paper from supplies certified by the Forestry Stewardship Council (FSC). Scientific tracking of carbon foot print and measures to reduce same Responsible discharge of emissions with zero landfills Organisation-wide initiatives taken to reduce waste Innovative use of sludge created in the manufacturing process wherein same is converted to bricks that can be used in construction 	ESG priorities	Community
Probability of occurrence	5									
Severity of impact	5									
Risk classification	Very high									

CORPORATE GOVERNANCE

GOVERNANCE FRAMEWORK

At Ex-Pack Corrugated Cartons PLC, strong corporate governance forms the foundation of our long-term success and sustainability. It enables effective oversight, promotes ethical conduct, and ensures that the interests of all stakeholders including shareholders, customers, employees, regulators, and the broader community are responsibly protected.

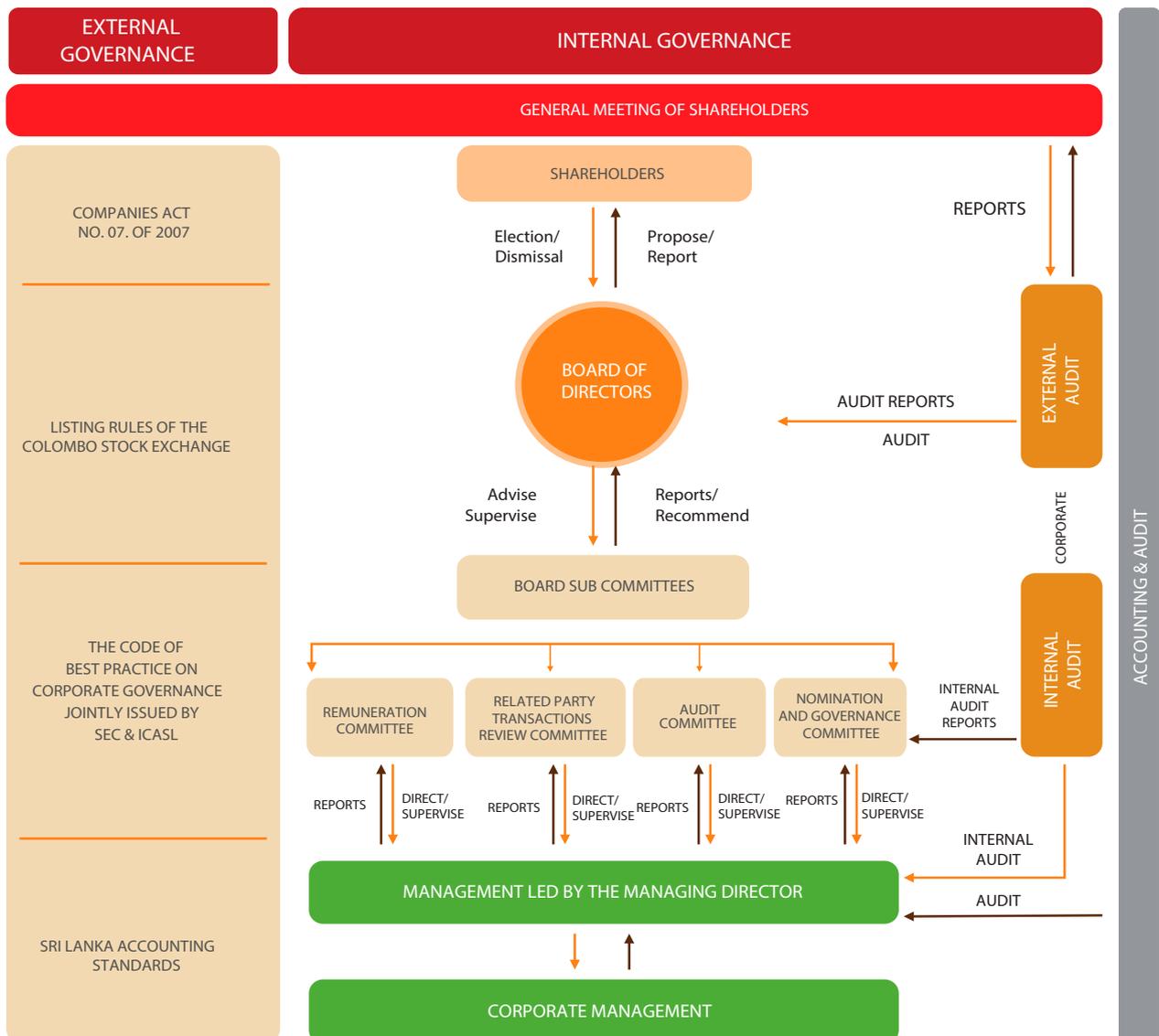
The Board of Directors has implemented comprehensive governance guidelines that clearly outline fiduciary duties, legal obligations, and ethical standards expected of all Directors. These internal governance frameworks promote transparency, accountability, and integrity at every level of the organisation. By

adhering to these principles, the Board fosters a culture of trust and responsible leadership throughout the Company.

Our corporate governance practices are aligned with the Securities and Exchange Commission of Sri Lanka (SEC) regulations, the Listing Rules of the Colombo Stock Exchange (CSE), and the revised Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka. The Company has also proactively adopted a suite of governance related policies including those on anti-bribery and corruption, whistleblowing, ESG sustainability, and business conduct which further support our commitment to compliance and ethical excellence.

The Board is supported by key committees, including the Audit Committee, Remuneration Committee, Related Party Transactions Review Committee, and Nominations and Governance Committee. Each committee operates under a formal charter and contributes to a robust system of checks and balances within the Company's governance structure.

Ex-Pack Corrugated Cartons PLC remains committed to continuously strengthening its governance framework in line with emerging best practices and regulatory expectations, reinforcing our position as a responsible and trusted corporate citizen.



CORPORATE GOVERNANCE HIGHLIGHTS

During the year under review, Ex-Pack Corrugated Cartons PLC undertook significant steps to strengthen its corporate governance framework in line with the revised Corporate Governance Rules issued by the Colombo Stock Exchange, which come into full effect from 1 October 2024. The Company proactively responded to these enhanced regulatory expectations by conducting a comprehensive internal assessment of its governance structure, policies, and committee functions.

As a result, the Company has now achieved full compliance with the revised governance requirements. This included the formal establishment of the Nominations and Governance Committee, which plays a critical role in overseeing Board composition, succession planning, director reappointments, and overall governance strategy. The introduction of this committee enhances transparency, strengthens leadership continuity, and ensures that Board oversight remains robust and future focused.

A core part of this compliance journey involved a detailed review and formalisation of the Company's policy framework. While several key governance policies were already in place, the Company used this opportunity to enhance and strengthen existing policies, bringing them into closer alignment with emerging best practices and regulatory guidance. In parallel, the Company also introduced and adopted all additional governance related policies mandated under the revised Listing Rules, including those relating to corporate disclosures, shareholder relations, control of company assets, whistleblowing, anti-bribery and corruption, ESG sustainability, and Board operations.

These measures were implemented in a timely, structured, and Board led manner, ensuring that all documentation, processes, and responsibilities are well integrated into the broader compliance and governance framework. Awareness and training initiatives were also conducted across relevant levels of the organisation to ensure effective understanding and implementation.

These enhancements reflect Ex-Pack's steadfast commitment to regulatory integrity, ethical leadership, and responsible

governance. By embedding these strengthened structures and practices into day to day operations, the Company continues to foster stakeholder trust, safeguard its reputation, and ensure long term resilience in a dynamic regulatory and business environment.

Board Skills

The Board regularly assesses its collective skills and experience to align with the Group's strategic needs and will use its best endeavours to promote gender diversity and the representation of females on the Board in compliance with applicable law.

Collectively, the Board brings in a multi-dimensional wealth of exposure in the fields of management, business administration, banking, finance, economics, taxation, global multinational operations, information technology, marketing and human resources. All Directors possess the skills, expertise and knowledge complemented with a high sense of integrity and independent judgement.

As outlined in the profiles of Board Directors on pages 30 to 35, Ex-Pack's Board of Directors possess wide ranging knowledge and experience in areas such as accountancy, business management, commercial aviation, environment management, sustainability, financial services & insurance, corporate wealth creation, specialised in investment strategy, transaction advisory, divestiture, capital raising and restructuring, regulatory and legal affairs, trade and fiscal affairs, internal and external communications, CSR, and sustainable business initiatives, media, marketing, strategic planning, advocacy and competitiveness consultancy, strategic and operational leadership.

REPORTING TO SHAREHOLDERS

Ex-Pack Corrugated Cartons PLC remains firmly committed to ensuring transparency and accountability in its communications with shareholders. The Company provides timely, accurate, and comprehensive disclosures, enabling stakeholders to remain informed and engaged throughout the financial year.

In compliance with the Sri Lanka Accounting Standards and the Listing Rules of the Colombo Stock Exchange, the Company released its quarterly financial statements for the financial year ended 31 March 2025 on 13 August 2024, 21 October

2024, 20 January 2025, and 20 May 2025. These reports included detailed explanatory notes and were made publicly available, ensuring that shareholders had continuous access to the Company's financial performance and operational updates.

The 3rd Annual General Meeting (AGM) was convened on 28 June 2024, providing shareholders with an opportunity to engage directly with the Board, review the Company's performance, and vote on resolutions. The 4th AGM is scheduled to be held on 30 June 2025, with the notice of meeting and the Annual Report to be circulated at least 15 working days prior to the meeting in accordance with regulatory requirements.

All Board subcommittees including the Audit, Remuneration, Related Party Transactions Review, and Nominations and Governance Committees met periodically and effectively discharged their oversight responsibilities during the year. Their contributions ensured that governance practices remained robust, risk management was well-integrated, and the Board was well-supported in its strategic and compliance-related duties.

This commitment to clear and timely reporting reinforces Ex-Pack's dedication to good governance and shareholder value creation.

KEY GOVERNANCE MECHANISMS

- ▶ A comprehensive set of internal policies and a formal Code of Conduct are in place, guiding ethical behaviour and reinforcing a culture of integrity across the organisation.
- ▶ The Board comprises a majority of Non-Executive Directors, with 6 out of 8 members serving in a non-executive capacity, ensuring balanced and independent oversight.
- ▶ All shareholders are accorded equal voting rights, upholding fairness, transparency, and inclusive shareholder engagement.
- ▶ The Company's distinct organisational culture is anchored in its core values-being caring, challenging, responsive, trustworthy, and tenacious-which shape decision-making and leadership.

CORPORATE GOVERNANCE

- ▶ Annual self-assessments of the Board and its subcommittees are conducted to evaluate effectiveness and identify areas for continuous improvement.
- ▶ A strong commitment to sustainability is embedded in governance practices, with ESG considerations integrated into strategic planning and operational decision-making.

STRATEGY AND GOVERNANCE ALIGNMENT

The Company's governance framework is fully aligned with its strategic direction, ensuring that oversight mechanisms actively support execution and accountability. Our strategy is centred on six core pillars: strengthening market leadership, fostering strategic partnerships, driving operational excellence, investing in human capital, ensuring disciplined capital allocation, and advancing ESG priorities. This integrated approach promotes long-term value creation while remaining responsive to stakeholder expectations and shifts in the external environment.

BOARD OF DIRECTORS AND PROFILES

As at 05th June 2025, The Board comprised 8 Directors of whom 3 are Non-Executive Independent Directors, 3 Non-Executive Non-Independent Directors, and 2 Executive Non-Independent Directors. The profiles of the Directors are on pages 30 to 35.

Name	Designation
Sattar Kassim	Non-Executive Non-Independent Director/ Chairman
Shafik Kassim	Non-Executive Non-Independent Director
Mohamed Zulficar Mohamed Ghouse	Executive Non-Independent Director/ Managing Director
Abdullah Osman Kassim	Executive Non-Independent Director
Wanigasekara Bandaranayake Wasala Mudiyanse Ralahamilage Aluwihare Mahawalawwe Thulci Goutham Aluwihare	Non-Executive Independent Director
Ukwatte Kankanamage Dinesh Dharmadasa	Non-Executive Independent Director
Shehara De Silva	Non-Executive Independent Director
Uduwage Don Wadeepa Chathuranga Abeyratne	Non-Executive Non-Independent Director

At Ex-Pack Corrugated Cartons PLC, corporate governance is not merely a compliance obligation, it is a foundational principle that underpins our strategic direction and operational integrity. The Board is committed to maintaining the highest standards of governance in accordance with the Code of Best Practice on Corporate Governance jointly issued by the Securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka. In addition, our governance framework is fully aligned with the Listing Rules of the Colombo Stock Exchange, the Companies Act No. 07 of 2007, and other applicable legal and regulatory frameworks.

Each Director is fully aware of their fiduciary and statutory duties and remains steadfast in upholding the highest standards of integrity and professionalism. Collectively, the Board is committed to fostering a governance culture that reinforces stakeholder trust, enables

strategic agility, and positions Ex-Pack Corrugated Cartons PLC for sustainable growth and long-term value creation.

The Board of Directors assumes full responsibility for ensuring that the Company is governed with integrity, transparency, and accountability. This includes safeguarding the interests of shareholders, regulatory bodies, and all other stakeholders while steering the Company towards long-term, sustainable growth. The Board provides strategic oversight and direction across all dimensions of the business, guiding the formulation and execution of short-, medium-, and long-term strategies, and ensuring that the organisation operates in a manner that is both commercially sound and ethically grounded.

A strong governance environment has been institutionalised through the adoption of comprehensive policies, internal controls, and clearly defined

governance structures. The Board ensures the implementation of these mechanisms across both the Company and its subsidiaries, facilitating full compliance with all legal and regulatory obligations.

Protecting and enhancing long-term shareholder value remains the Board's paramount duty. In fulfilling this role, the Board acts with independence, diligence, and in good faith. It monitors executive performance, oversees risk and capital management, and ensures the consistent application of governance principles across the Group.

In line with recent regulatory developments, the Company has taken all necessary steps to comply with the enhanced corporate governance requirements introduced by the Colombo Stock Exchange. These enhancements reflect Ex-Pack's commitment to evolving its governance framework in step with regulatory expectations and global best practices.

In parallel, the Board has placed increasing emphasis on integrating sustainability into corporate decision-making, recognising that environmental, social, and governance (ESG) considerations are critical to long-term business viability. Sustainability is now deeply embedded in the Company's strategy, operations, and reporting processes, guided by frameworks such as the GRI Standards and the Integrated Reporting Framework. The Board continues to champion initiatives that promote resource efficiency, community impact, ethical supply chains, and climate responsibility.

Each Director, individually and collectively, recognises their duty to uphold the legal and ethical standards expected of a listed entity. The Board remains focused on maintaining a governance culture that fosters stakeholder trust, drives strategic progress, and positions the Company for resilient and sustainable value creation.

Board Composition

As at 31 March 2025, the Board of Directors of Ex-Pack Corrugated Cartons PLC comprised eight members, reflecting a balanced and diverse mix of professional backgrounds, industry expertise, and leadership experience. The Board included three Non-Executive Independent Directors, three Non-Executive Non-Independent Directors,

and two Executive Non-Independent Directors. This composition meets the governance requirements set out by the Colombo Stock Exchange and ensures the appropriate balance between executive management participation and independent oversight.

The blend of executive and non-executive representation enables the Board to exercise objective judgment in all matters, free from undue influence, while also maintaining access to operational insights through executive representation. Each Director contributes specific expertise ranging from finance, manufacturing, and corporate strategy to sustainability, and governance ensuring that the Board remains well-equipped to guide the Company's strategic direction and oversee performance in a dynamic business environment.

The independence of Directors is reviewed annually in accordance with Section 9.8.3 of the Listing Rules of the Colombo Stock Exchange. For the year under review, the Board has formally determined that all three Independent Non-Executive Directors satisfy the prescribed criteria

of independence, with no relationships or circumstances that could materially interfere with their ability to exercise independent judgment. These Directors bring a high level of objectivity to Board deliberations, particularly in matters involving audit oversight, remuneration, nominations, and governance evaluation.

To ensure ongoing regulatory compliance, each Non-Executive Director is required to submit an annual declaration confirming their status as either independent or non-independent. These declarations are reviewed by the Board and the Company Secretary as part of the governance assurance process.

Further details of the Board members, including their professional qualifications, experience, and current roles, are set out in pages 30 to 35 of this Annual Report.

The Board remains committed to maintaining a composition that reflects both independence and competence, while promoting diversity of thought and experience, in order to meet the strategic, operational, and governance needs of the Company as it continues to grow and evolve.

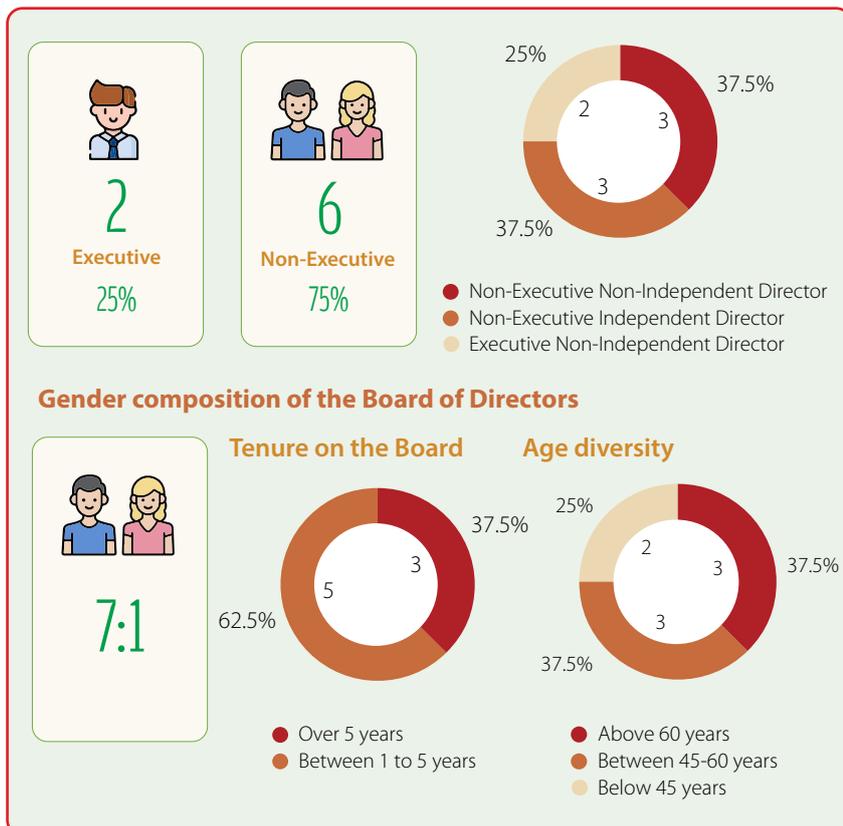
Board Independence

The company is committed to maintaining a Board structure that upholds the highest standards of independence, accountability, and objective oversight. In accordance with Section 9.8.5 of the Listing Rules of the Colombo Stock Exchange, all Independent Non-Executive Directors submitted formal declarations confirming their independence at the time of appointment and have reaffirmed their status during the year under review.

As part of its annual governance processes, the Board undertook a formal assessment of independence in line with the criteria set out in Section 9.8.3 of the Listing Rules. Following this evaluation, the Board confirms that the three Independent Non-Executive Directors, whose profiles are presented on pages 30 to 35 of this Annual Report, continue to satisfy all regulatory requirements and discharge their duties free from any relationships or circumstances that could compromise their impartiality or independent judgment.

In alignment with corporate governance best practices, Ex-Pack has also instituted a clear separation of roles between the Chairman and the Chief Executive Officer. These two positions are held by different individuals, thereby ensuring a balanced distribution of leadership responsibilities, avoiding undue concentration of authority, and strengthening Board independence. The Chairman is a Non-Executive Director who is responsible for leading the Board and fostering effective governance, while the Chief Executive Officer is tasked with the day-to-day management of the Company's operations under the supervision of the Managing Director and the Board.

This structure reinforces the integrity of the Company's governance framework and supports informed, transparent, and independent decision-making at the highest level.



CORPORATE GOVERNANCE

Responsibilities of the Board

The Board of Directors bears ultimate responsibility for the governance and strategic oversight of the Company. Its core duty is to act in what it reasonably believes to be in the best interest of the Company and its stakeholders, ensuring sustainable value creation and responsible corporate conduct. In fulfilling this mandate, the Board defines and approves the Company's short-, medium-, and long-term strategies; monitors financial performance, including annual budgets and capital investment decisions; and oversees enterprise-wide risk management while ensuring robust internal controls are in place. It also reviews major acquisitions, divestitures, and funding proposals, ensures compliance with all regulatory obligations, and upholds the highest standards of corporate governance. Where necessary, the Board seeks independent professional advice to support well-informed, objective decision-making.

All operations and decisions of the Company are guided by the applicable legal and regulatory frameworks, including the Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange, and the Code of Best Practice on Corporate Governance. Recognising the importance of independent insight in complex matters, the Board retains the authority to engage external advisors to ensure robust and effective governance.

To facilitate effective oversight and strengthen its governance framework, the Board has delegated specific responsibilities to four formally constituted subcommittees: the Audit Committee, Remuneration Committee, Related Party Transactions Review Committee, and the Nominations and Governance Committee. Each of these committees operates under a defined charter and is comprised predominantly of Non-Executive Directors, enabling independent, focused scrutiny of key areas while ensuring alignment with the Company's overall strategic direction.

Detailed reports on the composition, responsibilities, and activities of each committee are included in the relevant sections of this Annual Report.

Chairman's Role

The Chairman leads the Board, ensuring it functions effectively, provides strategic leadership, and maintains high standards of governance. He facilitates open and balanced dialogue among Directors, enabling effective decision-making and accountability.

Although the Chairman holds a non-independent position, the Company remains fully committed to robust governance practices. These include periodic Board evaluations, independently chaired committees, and structured engagements with Independent Directors, all of which promote ethical conduct, transparency, and sound oversight.

Managing Director's Role

The Managing Director (MD) serves as the executive leader of Ex-Pack Corrugated Cartons PLC and is accountable to the Chairman and the Board of Directors. The MD is responsible for leading the execution of the Company's approved business strategy, providing strategic leadership to the senior management team, and overseeing operational performance, profitability, and risk management across the organisation. In addition, the MD translates the strategic direction set by the Board into actionable operational goals and ensures that all policies, internal controls, and sustainability initiatives are effectively implemented throughout the Company. The MD plays a pivotal role in driving execution excellence, maintaining organisational agility, and fostering a performance-driven culture that is aligned with the Company's long-term objectives.

Chief Executive Officer's Role

Reporting directly to the Managing Director, the Chief Executive Officer

(CEO) is entrusted with the day-to-day management of the Company's operations, functioning within the authority and strategic parameters delegated by the Managing Director and the Board of Directors. The CEO is responsible for translating the Company's strategic objectives into operational action plans, ensuring their timely and effective execution across all business units. This includes overseeing organisational performance, managing resources efficiently, driving operational excellence, and delivering on key commercial targets.

The CEO plays a central role in fostering cross-functional alignment and ensuring that business decisions reflect both short-term operational priorities and long-term strategic goals. The role also encompasses responsibility for driving internal efficiencies, promoting a culture of accountability, and ensuring that performance standards are met in accordance with stakeholder expectations and corporate values.

This reporting structure reinforces a tiered governance model where strategic oversight by the Board and Managing Director is balanced with agile and accountable execution at the operational level, enabling the Company to remain responsive, disciplined, and future-focused in a dynamic business environment.

Role of the Board in Sustainability

The Board of Directors remains strongly committed to embedding sustainability at the heart of the Company's strategy and governance. Sustainability is governed through a triple bottom line lens—People, Planet, and Profit—and forms a core part of decision-making, operations, and corporate reporting.

The Board actively supports initiatives that drive environmental responsibility, social value, and economic performance. This year's Annual Report reflects the

Company's enhanced commitment to transparency in sustainability performance and is prepared in line with internationally recognised voluntary disclosure frameworks, as referenced on page 113.

Board Balance and Diversity

The Board of Ex-Pack Corrugated Cartons PLC is composed of professionals with diverse expertise across finance, strategy, entrepreneurship, corporate governance, and operational leadership. This diversity of experience fosters robust debate, balanced decision-making, and strategic foresight, enabling the Board to guide the Company effectively through dynamic market environments.

The composition of the Board is fully compliant with the Listing Rules of the Colombo Stock Exchange. A majority of the Directors are Non-Executive, with three of them serving as Independent Non-Executive Directors. This structure ensures a clear separation between management and oversight, facilitating independent and objective judgment in all Board matters.

Non-Executive Directors, including the Independent Directors, play a pivotal role in safeguarding stakeholder interests. They contribute actively and constructively during Board and subcommittee deliberations, leveraging their external perspectives and professional insights to enhance governance, evaluate strategy, and strengthen internal controls.

The presence of Independent Directors provides an additional layer of impartiality, ensuring that the Board's decisions are made in the best interests of the Company, free from undue influence. Their continued independence is reviewed annually in accordance with regulatory requirements, and the Board confirms that all Independent Directors have met the prescribed criteria throughout the year under review.

Through this balanced composition and strong participation of its Independent and Non-Executive Directors, the Board remains well-positioned to uphold its fiduciary responsibilities and deliver long-term sustainable value to shareholders and stakeholders alike.

Financial Acumen

The Board of Ex-Pack Corrugated Cartons PLC comprises individuals with significant financial expertise, business acumen, and strategic foresight. Collectively, the Directors bring extensive experience across key areas such as corporate finance, accounting, audit, investment analysis, treasury, taxation, and commercial operations. This depth and breadth of financial knowledge provide a strong foundation for informed decision-making at the highest level.

The Board's ability to critically analyse financial statements, evaluate investment proposals, and assess funding strategies enables it to exercise rigorous financial oversight and maintain strong fiscal discipline. This competence is particularly vital in guiding the Company through complex financial landscapes, ensuring that risks are well managed and opportunities are capitalised on in a prudent and sustainable manner.

Furthermore, the diversity of professional backgrounds among the Directors fosters well-rounded perspectives in evaluating capital allocation, optimising financial structures, and driving value creation. Through this collective financial insight, the Board ensures that the Company's financial governance is robust, transparent, and aligned with its strategic goals and stakeholder expectations.

Board Meetings

The Board of Directors of Ex-Pack Corrugated Cartons PLC convenes at regular intervals to provide strategic oversight and ensure that governance

responsibilities are fulfilled effectively. In accordance with the Company's governance framework, the Board is scheduled to meet at least four times during the financial year, typically on a quarterly basis. Additional meetings may be held at the discretion of the Board to address specific matters requiring timely review or decision-making.

During the year under review, four Board meetings were held to deliberate on key strategic, financial, operational, and compliance matters. These meetings serve as a platform for the Directors to critically assess Company performance, evaluate risks and opportunities, and provide guidance on strategic direction. While the Chairman presided over the majority of these meetings, one meeting during the year was chaired by an alternate Board member due to the Chairman's absence, in line with the Company's Articles of Association and governance protocols.

The Board remains committed to upholding high standards of engagement, accountability, and collective decision-making. The regularity and effectiveness of these meetings reflect the Board's active role in guiding the Company towards sustainable growth, responsible leadership, and long-term shareholder value.

CORPORATE GOVERNANCE

The attendance of individual Directors at Board meetings during the year is set out in the table below,

Dates of the Meetings						
Attendance		22/05/2024	13/08/2024	21/10/2024	20/01/2025	%
Executive Non-Independent Director						
Mohamed Zulficar Mohamed Ghouse	4/4	✓	✓	✓	✓	100%
Abdullah Osman Kassim	3/4	✓	✓	✓	✗	75%
Non-Executive Non-Independent Director						
Sattar Kassim	3/4	✓	✓	✓	✗	75%
Shafik Kassim	3/4	✗	✓	✓	✓	75%
Uduwage Don Wadeepa Chathuranga Abeyratne	3/4	✗	✓	✓	✓	75%
Non-Executive Independent Director						
Ukwatte Kankanamage Dinesh Dharmadasa	4/4	✓	✓	✓	✓	100%
Wanigasekara Bandaranayake Wasala Mudiyanse	4/4	✓	✓	✓	✓	100%
Ralahamilage Aluwihare Mahawalawwe Thulci Goutham Aluwihare						
Shehara De Silva	4/4	✓	✓	✓	✓	100%

Communication of Critical Concerns to the Board

Ex-Pack Corrugated Cartons PLC is committed to maintaining open, transparent, and structured channels for escalating critical concerns to the Board of Directors. These mechanisms ensure that key issues whether operational, ethical, legal, or reputational are addressed promptly and effectively, reinforcing the Company's governance framework and its culture of accountability.

▶ Board and Committee Meetings

Regularly scheduled meetings of the Board and its subcommittees provide a formal platform for the communication and discussion of critical concerns. These meetings enable management and functional heads to raise matters of strategic importance for Board-level consideration. Independent reporting lines such as the Internal Audit function reporting directly to the Audit Committee further strengthen this process by providing unbiased insights. In urgent or time-sensitive situations, critical matters may also be escalated outside the regular meeting cycle through formal Board papers submitted to the full Board or a relevant subcommittee.

▶ Access via the Company Secretary

Shareholders and external stakeholders may direct material concerns to the attention of the Board through the Company Secretary. Any such concerns, once received, are formally reviewed and promptly communicated to the Chairman, Managing Director relevant Board members for further action. This channel ensures that stakeholder voices are heard and considered within the Company's governance structure.

Through these structured avenues, the Board ensures that critical concerns are surfaced in a timely, secure, and responsible manner, thereby supporting robust oversight and ethical business conduct.

▶ Senior Management Escalation Protocols

Ex-Pack Corrugated Cartons PLC has implemented structured escalation protocols to ensure that operational concerns are addressed at the appropriate level of authority. Issues raised at the departmental level are escalated through senior management, including the Managing Director, who assesses their significance. Matters deemed material or strategically important are then elevated to the Board or relevant subcommittees. This process

ensures timely resolution, maintains internal accountability, and enables the Board to focus on issues requiring oversight.

▶ Whistleblower Mechanism

The Company has established a formal Whistleblower Mechanism supported by a comprehensive Whistleblowing Policy, which enables employees to confidentially report serious concerns, including unethical behaviour, misconduct, or breaches of internal controls. This mechanism ensures protection from retaliation, encourages early identification of potential risks, and promotes a culture of transparency and integrity. All reports received are handled sensitively and evaluated by the Head of Human Resources & Compliance, who initiates appropriate investigations. Where necessary, matters are escalated to the relevant Board-level authority to ensure accountability and resolution.

Policy Commitments

At Ex-Pack Corrugated Cartons PLC, a well-structured and transparent policy framework forms the foundation of our corporate governance, risk management, compliance, and ethical business conduct. The Board of Directors recognises that a robust policy environment is critical not only

for operational efficiency but also for protecting stakeholder interests, ensuring regulatory alignment, and enabling sustainable long-term growth.

The Company adopts a proactive approach to policy development, ensuring that governance, risk, and compliance mechanisms are integrated across all levels of the organisation. This includes clear guidelines, delegated authority structures, oversight responsibilities, and accountability mechanisms that support decision-making in alignment with the Company's values, corporate strategy, and risk appetite.

In response to the revised Listing Rules of the Colombo Stock Exchange, effective from 1 October 2024, Ex-Pack has taken deliberate steps to strengthen its governance landscape through the formalisation and implementation of several new policies, alongside the enhancement of existing ones. These updates reflect the Company's commitment to continuous improvement, ethical conduct, transparency, and alignment with both regulatory obligations and evolving stakeholder expectations.

The Company's policies are subject to periodic review, and where necessary, are revised to ensure they remain relevant to changing legal, regulatory, industry, and operational contexts. Collectively, they provide reasonable assurance for the delivery of strategic objectives while managing risk, protecting assets, and fostering a responsible organisational culture.

The policy framework covers a wide range of governance, operational, social, environmental, and ethical areas and includes the following:

- ▶ Policy on Control and Management of Company Assets and Shareholder Investments
- ▶ Internal Code of Business Conduct and Ethics for Ex-Pack Corrugated Cartons PLC
- ▶ Corporate Governance, Nominations, and Re-election Policy
- ▶ Policy on Board Committees
- ▶ Policy on Relations with Shareholders
- ▶ Policy on Matters Relating to the Board of Directors
- ▶ Policy on Corporate Disclosures
- ▶ Whistleblowing Policy
- ▶ Anti-Bribery and Corruption Policy
- ▶ Environmental, Social, and Governance (ESG) Sustainability Policy
- ▶ Risk Management and Internal Controls Policy
- ▶ Remuneration Policy
- ▶ Group Accounting and Financial Reporting Procedures
- ▶ Supplier Code of Conduct
- ▶ Health and Safety Policy
- ▶ Social Compliance Policy
- ▶ Policy on Forced, Compulsory, and Child Labour
- ▶ Recruitment, Selection, Rewards, and Learning & Development Policies
- ▶ Policy Against Sexual Harassment
- ▶ Information Technology and Data Security Policies (including data classification, protection, and access control)
- ▶ Policy on Products and Services

These policies are not merely formal requirements they form the basis of the Company's corporate identity and influence how decisions are made, how risks are addressed, and how relationships with stakeholders are managed. They are cascaded across the organisation through structured training, awareness programmes, and compliance reviews to ensure effective implementation and organisational alignment.

Through this comprehensive policy framework, Ex-Pack Corrugated Cartons PLC demonstrates its enduring commitment to principled leadership, responsible business practices, and the highest standards of corporate governance.

Conflict of Interest

Ex-Pack Corrugated Cartons PLC is firmly committed to upholding the highest standards of ethical conduct, integrity, and transparency in all aspects of its operations. Recognising that actual, potential, or perceived conflicts of interest can compromise the quality of decision making and undermine stakeholder confidence, the Company has implemented a proactive approach to identifying, disclosing, and managing such situations.

The Company's governance framework requires all Directors, senior management, and employees to act in the best interest of the Company at all times and to avoid any personal or professional interests that may interfere with their duties and responsibilities. Where a conflict of interest arises or has the potential to arise, it must be promptly disclosed through established internal channels and appropriately addressed in accordance with the Company's policies and procedures.

This commitment is reinforced through formal declarations, routine disclosures, and documented decision making protocols that promote transparency and impartiality. All related party transactions and situations involving conflicts are subject to heightened scrutiny, with oversight by the Board and relevant subcommittees to ensure alignment with governance standards and regulatory compliance.

By fostering a culture of openness, accountability, and ethical leadership, Ex-Pack aims to safeguard the trust placed in the organisation by its shareholders, employees, customers, and business partners. This disciplined approach to managing conflicts of interest ensures that all business decisions are made objectively, free from undue influence, and in the long term interest of the Company and its stakeholders.

Board Sub-Committees

In line with corporate governance best practices and regulatory requirements, the Board of Directors of Ex-Pack Corrugated Cartons PLC has established

CORPORATE GOVERNANCE

four formally constituted Board Sub-Committees to ensure focused oversight, operational efficiency, and strategic accountability across critical areas of the business. These Sub-Committees serve as specialised governance mechanisms that enable the Board to dedicate in-depth attention to complex or high-risk matters that warrant expert review and continuous monitoring.

Each committee operates under a clearly defined Terms of Reference that outlines its scope, authority, responsibilities, and reporting obligations. These terms are approved by the Board and are subject to periodic review to ensure continued relevance and effectiveness. The composition of all Sub-Committees predominantly comprises Non-Executive Directors, including Independent Directors, thereby reinforcing transparency, objectivity, and independence in their decision-making processes.

The establishment of these committees allows the Board to effectively delegate oversight over key functional areas, such as financial reporting, internal controls, risk governance, remuneration strategy, related party transactions, board composition, and corporate governance matters. The committees also serve as a bridge between the executive team and the Board, ensuring that key decisions are subject to rigorous scrutiny and aligned with the Company's strategic objectives and stakeholder expectations.

Through periodic meetings, detailed reviews, and formal reporting structures, each Sub-Committee provides informed recommendations and feedback to the Board, enabling timely and well-grounded decisions. This layered approach to governance ensures that the Board remains agile, responsive, and well-informed, while maintaining a strong focus on long-term value creation, risk mitigation, and ethical business conduct.

Further details on the composition, responsibilities, and key activities of each Sub-Committee including the Audit Committee, Remuneration Committee, Related Party Transactions Review Committee, and Nominations and Governance Committee are set out in the subsequent sections of this Annual Report.

▶ Audit Committee

The Audit Committee is composed entirely of Non-Executive and Independent Directors, ensuring objectivity and independence in the oversight of the Company's financial reporting and internal control environment. The Committee plays a critical role in assisting the Board in fulfilling its responsibilities related to the integrity of financial statements, compliance with statutory and regulatory requirements, and the effectiveness of the internal and external audit functions.

In addition to its financial oversight responsibilities, the Committee also provides strategic support to the Board in overseeing the Company's risk management practices. This includes reviewing the adequacy and effectiveness of the internal control systems and evaluating the Company's risk exposures across operational, financial, compliance, and strategic areas. The Committee ensures that appropriate processes are in place to identify, monitor, and mitigate key risks, thereby supporting the Board's overall risk governance framework.

The Committee is also responsible for the appointment, evaluation, and independence of the external auditors and reviews the audit scope, findings, and recommendations. It ensures that audit-related matters are addressed with due attention and that the financial reporting process remains transparent and robust.

Further details on the Committee's activities and the matters deliberated during the financial year 2024/25 are provided in the Audit Committee Report on pages 154 to 157 of this Annual Report.

▶ Remuneration Committee

The Remuneration Committee comprises three Independent Non-Executive Directors and one Non-Executive Director. The Committee is responsible for establishing a fair, transparent, and performance-linked remuneration framework for the Chief Executive Officer, Managing Director, and other members of the senior management team. It

ensures that remuneration practices are aligned with the Company's long-term objectives and comply with applicable statutory and regulatory requirements.

The Committee also reviews the competitiveness of the Company's reward systems to ensure they attract and retain the right talent while maintaining accountability and fairness. The Remuneration Committee Report detailing its key deliberations during the financial year is provided on pages 158 to 159.

▶ Related Party Transactions Review Committee

The Related Party Transactions (RPT) Review Committee comprises of three Non-Executive and Independent Directors. Its primary objective is to ensure that all transactions with related parties are conducted on an arm's length basis and are in the best interest of the Company and its shareholders.

The Committee is tasked with reviewing and granting prior approval or ratification of related party transactions in accordance with the Listing Rules of the Colombo Stock Exchange and applicable accounting standards. The Committee operates with transparency and ensures adequate disclosures are made to shareholders. The RPT Committee Report and matters reviewed during the year are presented on pages 160 to 161. All related party transactions have been disclosed in Note 24.1 and Note 24.3 of the Financial Statements on pages 215 to 218 of this Annual Report.

▶ Nominations and Governance Committee

The Nominations and Governance Committee was established in accordance with the revised Listing Rules of the Colombo Stock Exchange and plays a pivotal role in enhancing the effectiveness and continuity of Board leadership. The Committee comprises three independent Non-Executive Directors and is responsible for reviewing the structure, composition, and balance of the Board and its sub-committees.

Key responsibilities include identifying and recommending suitable candidates

for appointment or re-election to the Board, overseeing succession planning for Directors and senior management, and ensuring that governance policies remain relevant and effective. The Committee also supports ongoing Board evaluations and promotes adherence to corporate governance principles and regulatory expectations. Through its oversight, the Committee ensures that the Board remains equipped with the appropriate diversity of skills, experience, and independence necessary to guide the Company forward.

The Nominations & Governance Committee Report detailing its key deliberations during the financial year is provided on pages 162 to 163.

Access to Independent Professional Advice

Directors of Ex-Pack Corrugated Cartons PLC are empowered to seek independent professional advice at the Company's expense, where they consider it necessary to fulfil their duties and responsibilities effectively. This provision supports informed decision-making and ensures that the Board is equipped with expert insights on legal, regulatory, financial, or technical matters when required.

Company Secretary

All Directors have unrestricted access to the advice and support of the Company Secretary, who plays a vital role in facilitating the Board's effectiveness. The Company Secretary is responsible for ensuring that Board procedures are adhered to, that Directors are adequately informed of their duties and obligations, and that the Company complies with applicable legal and regulatory requirements. The appointment or removal of the Company Secretary is a matter reserved for the consideration of the Board as a whole.

Independent Judgement of Directors

Independent Non-Executive Directors bring an external perspective to Board deliberations and exercise objective and impartial judgment in all matters. They do not participate in the day-to-day management of the Company and are

free from any relationships or interests that may compromise their ability to act in the best interests of the Company. Their independence enables them to challenge constructively, provide strategic insight, and hold executive management accountable.

Dedication of Time and Effort

All Directors are expected to allocate sufficient time and attention to effectively discharge their responsibilities. Meetings are structured to allow comprehensive discussion, and Directors are committed to preparing thoroughly and engaging meaningfully to ensure high-quality decision-making and oversight.

Training and Development

The Company recognises the importance of continuous learning and professional development for its Directors. The Board encourages participation in training and development programmes that are relevant to each Director's role and responsibilities. Training needs are reviewed periodically to ensure Directors remain well-informed of developments in governance, regulatory requirements, and industry best practices.

Supply of Information

The Board is supported by a structured information-sharing process designed to ensure that all Directors are equipped with the necessary data and context for effective deliberation. Notices and agendas for Board meetings are circulated well in advance, and comprehensive Board papers are provided to allow adequate time for review. Directors are encouraged to request additional information or clarification ahead of meetings to support independent analysis and informed contributions to Board discussions.

Appointments to the Board

During the year under review, there were no new appointments made to the Board of Directors of Ex-Pack Corrugated Cartons PLC. The composition of the Board remained unchanged, ensuring continuity in leadership and strategic oversight.

The appointment of Directors is governed by a formal and transparent process overseen by the Nominations and Governance Committee, in line with the Company's Articles of Association, the Listing Rules of the Colombo Stock Exchange, and corporate governance best practices. This Committee is responsible for evaluating the skills, experience, and independence required on the Board, identifying suitable candidates, and recommending appointments to the Board for approval. The objective is to ensure that Board composition remains balanced, diverse, and aligned with the Company's evolving strategic needs.

Re-Election of Directors

The Board of Directors remains committed to ensuring continuity while also maintaining a structured approach to Board succession planning, in line with the Company's Articles of Association and corporate governance best practices. As per Article 78 of the Articles of Association, one-third of the Directors (or the number nearest to one-third) are required to retire by rotation at each Annual General Meeting. Directors who retire in this manner are eligible for re-election. It is noted that any Managing Director, while holding office, is not subject to retirement by rotation and is excluded from the count for determining the number of Directors to retire.

In accordance with this provision, the following resolutions will be presented at the 04th Annual General Meeting scheduled for 30th June 2025:

- To re-elect as a Director, Mr. Sattar Kassim who retires by rotation in terms of Article 78 of the Articles of Association of the Company and being eligible, offers himself for re-election as a Director.
- To re-elect as a Director, Mr. Uduwage Don Wadeepa Chathuranga Abeyratne who retires by rotation in terms of Article 78 of the Articles of Association of the Company and being eligible, offers himself for re-election as a Director.

The Board recommends with the concurrence of the Nominations

CORPORATE GOVERNANCE

and Governance Committee on the re-election of the above Directors, considering their valuable contributions and continued alignment with the Company's strategic direction.

Appraisal of Board Performance

The Board of Directors of Ex-Pack Corrugated Cartons PLC is committed to upholding high standards of effectiveness, accountability, and continuous improvement. In line with this commitment, the performance of the Board as a whole, its sub-committees, and individual Directors is evaluated on an annual basis. This structured appraisal process enables the Board to assess its composition, decision-making processes, oversight effectiveness, and the overall contribution of each Director. Outcomes of the evaluation inform succession planning, governance enhancements, and capacity-building initiatives.

Evaluation of the Chief Executive Officer

The performance of the Chief Executive Officer is also subject to an annual review conducted by the Managing Director and the Board. The evaluation considers strategic execution, operational performance, leadership effectiveness, stakeholder engagement, and alignment with the Company's long-term objectives. This process reinforces accountability and supports a performance-driven leadership culture.

Constructive Use of the Annual General Meeting

The Annual General Meeting (AGM) is regarded as a key governance platform for shareholder engagement and transparency. Each resolution presented at the AGM addresses a distinct issue, allowing shareholders to exercise their voting rights on a well-informed and specific basis. All proxy votes are duly recorded, and the number of proxies lodged for each resolution is communicated to the Chairman prior to voting.

The Chairpersons of all key Board Committees attend the Annual General Meeting and are available to respond to any questions or clarifications sought by shareholders. The external

auditors are also present to address any matters related to the audit of the Company's financial statements, ensuring transparency and accountability in shareholder engagement.

The notice of the AGM, including the agenda and the Annual Report with relevant supporting documents, is dispatched to shareholders at least 15 working days in advance, in accordance with regulatory requirements and best practices.

Communication with Shareholders

Ex-Pack Corrugated Cartons PLC is committed to maintaining open, transparent, and continuous communication with its shareholders. The Company recognises shareholders as key stakeholders and ensures that they are kept informed of material developments, financial performance, and strategic priorities in a timely and accessible manner.

The Company's communication strategy is guided by the principles of fairness, clarity, and equal access to information. Key communication channels include the publication of quarterly and annual financial reports, corporate announcements to the Colombo Stock Exchange, press releases, and updates via the Company's official website. These channels ensure that shareholders receive accurate and up-to-date information on the Company's operations, governance, and financial performance.

In addition to regulatory disclosures, shareholders are encouraged to reach out to the Company through the Company Secretary, who serves as a direct point of contact for addressing queries, concerns, or requests for information. The Board is committed to ensuring that shareholder communications are acknowledged and responded to with due care and consideration.

The Annual General Meeting (AGM) serves as a vital platform for shareholder engagement, enabling direct dialogue with the Board and senior management. Ex-Pack encourages all shareholders to

attend, participate actively, and vote on matters presented. Shareholders who are unable to attend in person are entitled to appoint a proxy of their choice to represent them and exercise their voting rights. Each resolution tabled at the AGM relates to a distinct matter, and proxy votes are recorded and disclosed to ensure transparency.

By fostering a culture of open, inclusive, and proactive communication, Ex-Pack seeks to build and maintain the trust and confidence of its shareholders, and to reinforce its commitment to transparency, accountability, and long-term value creation.

Major Transactions

During the financial year ended 31st March 2025, the Company did not enter into any transactions that could be classified as major transactions under the provisions of the Companies Act No. 07 of 2007. There were no activities undertaken during the year that materially affected the Company's net asset base or shareholder equity.

Directors' Interest in Contracts with the Company

All transactions involving Directors and entities in which Directors hold positions are conducted in the ordinary course of business and on an arm's length basis. Disclosures relating to related party transactions are made in accordance with the requirements of Sri Lanka Accounting Standard – LKAS 24: Related Party Disclosures, and are detailed in Notes 24.1 to 24.4 to the Financial Statements on pages 215 to 218 of this Annual Report.

In addition, the Company engages in transactions with entities where a Director or the Chairman of Ex-Pack Corrugated Cartons PLC also serves in a similar capacity. These transactions are reviewed to ensure they are consistent with market terms and comply with internal governance and disclosure requirements.

Financial Reporting

The Board of Directors accepts full responsibility for the preparation and fair presentation of the Company's

financial statements, in accordance with applicable financial reporting standards and regulatory requirements. This responsibility is affirmed through the Statement of Directors' Responsibility on page 164 of this Annual Report.

The Report of the Directors, outlining the financial position and key developments of the Company, is presented on page 165. The Independent Auditor's Report on the Financial Statements for the year ended 31st March 2025 is included on pages 170 to 173, while the Management Discussion and Analysis, which provides insights into operational and financial performance, strategic priorities, and market context, can be found on pages 68 to 109.

The Board confirms that the Company has adequate resources to continue in operational existence for the foreseeable future and, as such, the going concern basis has been adopted in preparing the Financial Statements.

Code of Business Conduct and Ethics

Ex-Pack Corrugated Cartons PLC is guided by a well-established Code of Business Conduct and Ethics, which reflects the Company's core values and standards of integrity, professionalism, and accountability. This Code is formally communicated to all Directors and employees and serves as a framework for responsible behaviour in all business dealings.

The Board ensures strict adherence to the Code at all levels and monitors its implementation across the organisation. Compliance with the Code is expected not only in the execution of duties but also in communication, decision-making, and interactions with internal and external stakeholders. Any breach of the Code constitutes a disciplinary offence and may result in appropriate corrective action, in line with Company policies.

Employee Relations and Labour Matters

There were no material issues reported relating to employee relations or industrial disputes during the financial year ended 31st March 2025. The

Company continues to maintain a harmonious work environment and is not currently affiliated with any employee trade unions. Ex-Pack remains committed to fostering a supportive and respectful workplace culture, aligned with the principles of equity, inclusion, and professional development.

Processes to Remediate Negative Impacts

Ex-Pack has implemented clear and accessible grievance mechanisms to identify and respond to any negative impacts the Company may have on its employees, business partners, or the communities in which it operates. These mechanisms are embedded into the Company's risk and compliance framework and provide affected stakeholders with a structured and confidential process to raise concerns, which are then addressed through defined remedial actions.

Internal Controls

The Board acknowledges its overall responsibility for maintaining an effective system of internal controls designed to safeguard shareholders' investments and the Company's assets. The control framework is structured to manage, rather than eliminate, risk and is aimed at supporting the achievement of strategic and operational objectives.

The Board has delegated oversight of the internal control environment to the Audit Committee, which is responsible for identifying, assessing, and monitoring key risks and determining how they are to be managed. This includes regular reporting to the Board on material control issues, significant incidents, and newly emerging risks. In addition to internal reviews, an external professional firm is engaged to perform internal audits, providing an added layer of independent assurance on the adequacy and effectiveness of internal controls.

Compliance with Laws and Regulations

Ex-Pack Corrugated Cartons PLC maintains an unwavering commitment to legal and regulatory compliance as a fundamental pillar of its governance

framework. The Company operates in accordance with all applicable statutes, rules, and guidelines issued by regulatory authorities, both in Sri Lanka and in the jurisdictions in which it conducts business. This includes compliance with the Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange, the Inland Revenue Act, labour laws, environmental regulations, health and safety standards, and all industry-specific compliance requirements.

To ensure ongoing compliance, the Company has instituted internal mechanisms for legal oversight, statutory monitoring, and regulatory reporting. Compliance responsibilities are integrated into the operational, financial, and administrative functions of the Company, supported by regular training, internal reviews, and oversight by the Board and its Committees. The Audit Committee and the Internal Audit function also play a critical role in monitoring adherence to relevant laws and ensuring appropriate corrective action where needed.

During the year under review, Ex-Pack Corrugated Cartons PLC did not record any instances of non-compliance with laws, regulatory breaches, fines, or penalties. This achievement reflects the effectiveness of the Company's compliance culture and the diligence of its governance and risk management practices. The Board remains committed to preserving this high standard of regulatory integrity and to continuously strengthening the Company's position as a responsible, ethical, and law-abiding corporate entity.

Disclosures to the public, SEC, and CSE

Ex-Pack Corrugated Cartons PLC is committed to maintaining a high standard of corporate transparency and regulatory compliance through timely, accurate, and comprehensive disclosure of both financial and non-financial information. The Board of Directors, in conjunction with the Audit Committee where applicable, bears ultimate responsibility for ensuring that all disclosures meet the regulatory and governance expectations of the

CORPORATE GOVERNANCE

Colombo Stock Exchange (CSE), the Securities and Exchange Commission (SEC) of Sri Lanka, and all applicable financial reporting standards.

Quarterly financial statements, together with detailed explanatory notes, are prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) and are disclosed in a timely manner, ensuring consistency with the Listing Rules of the CSE and the directives of the SEC. These statements are made publicly available to shareholders, investors, regulatory bodies, and other stakeholders, reinforcing the Company's commitment to financial transparency and informed stakeholder engagement.

In addition to statutory disclosures,

all material developments, including price-sensitive information and other significant financial and non-financial matters, are promptly communicated to the CSE. Such disclosures are simultaneously shared with employees, shareholders, media, and other relevant stakeholders to ensure broad and equitable access to important Company information.

The Board acknowledges the revised Corporate Governance Rules introduced by the CSE, effective from 1 October 2023, with certain provisions applicable from 1 October 2024. In response, the Company conducted a thorough internal review to assess compliance readiness, identified any potential gaps, and immediately initiated corrective

actions. As of the reporting date, Ex-Pack Corrugated Cartons PLC confirms full compliance with all applicable provisions of the revised rules. All required policies, frameworks, and processes have been formally adopted and embedded into the Company's governance structure.

This achievement reflects the Company's unwavering commitment to strengthening its corporate governance framework and sustaining investor confidence through principled leadership, regulatory alignment, and transparent disclosure practices.

In terms of Section 9.16 of the Listing Rules the undernoted additional Disclosures are made

CSE rules	Compliance Status	Reference within the Annual Report
Directors have disclosed all material interests in contracts and have refrained from voting when materially involved.	Yes	Directors make a disclosure of interests at appointment, at the beginning of every financial year and during the year as required
Directors have conducted a review of the internal controls and obtained reasonable assurance of their effectiveness and adherence	Yes	Board takes steps to ensure the integrity of internal control systems remain effective via the review and monitoring of such systems on a periodic basis.
Directors are aware of laws, rules and regulations and their changes particularly to Listing Rules and applicable capital market provisions	Yes	The Board of Directors are notified promptly of any new developments in regulations applicable to the Company.
Disclosure of material non-compliance with laws/ regulations and fines by relevant authorities where the Entity operates	Yes	There were no material non-compliance with laws/ regulations and fines during the period.

The disclosures below demonstrate the Company's adherence to Corporate Governance Rules as set out under Section 9 of the Listing Rules of the Colombo Stock Exchange.

Rule No.	Corporate Governance Rule	Compliance Status	Company's Commitment
9.2.1	Listed Entities shall establish and maintain the following policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Entity on its website;	✓	The Company established the listed policies and disclosed the fact of existence of such policies on the website.
(a)	Policy on the matters relating to the Board of Directors		
(b)	Policy on Board Committees		
(c)	Policy on Corporate Governance, Nominations and Re-election		
(d)	Policy on Remuneration		
(e)	Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities		
(f)	Policy on Risk management and Internal controls		
(g)	Policy on Relations with Shareholders and Investors		
(h)	Policy on Environmental, Social and Governance Sustainability		
(i)	Policy on Control and Management of Company Assets and Shareholder Investments		
(j)	Policy on Corporate Disclosures		
(k)	Policy on Whistle blowing		
(l)	Policy on Anti-Bribery and Corruption		
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted by the Listed Entity shall be fully disclosed in the Annual Report.	✗	The management will be alerted to identify such matters and disclose them when necessary
9.2.3	Listed entities must disclose in their Annual Report	✓	The list of policies referred to in Section 9.2 included in the Annual Report
	(i) the list of policies that are in place in conformity Rule 9.2.1 above, with reference to its website.		
	(ii) Details pertaining to any changes to policies adopted by the Listed Entities in compliance with Rule 9.2 above.		
9.2.4	Listed Entities shall make available all such policies to shareholders upon a written request being made for any such Policy.		The Company Secretary assigned to provide policies to shareholders upon a written request being made for any such policy.
	There were no changes to the Polices during 2024/2025 after adoption as per the CSE Rules		

✓ Compliant ✗ Not Applicable

CORPORATE GOVERNANCE

Rule No.	Corporate Governance Rule	Compliance Status	Company's Commitment
9.3.1	Listed Entities shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include;	✓	
(a)	Nominations and Governance Committee	✓	Please refer page 162 of this Report
(b)	Remuneration Committee	✓	Please refer page 158 of this Report
(c)	Audit Committee	✓	Please refer page 154 of this Report
(d)	Related Party Transactions Review Committee	✓	Please refer page 160 of this Report
9.3.2	Listed Entities shall comply with the composition, responsibilities and disclosures required in respect of the above-Board committees as set out in these Rules.	✓	Please refer pages 128 of this Report
9.3.3	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above	✓	
9.3.4.1	Listed Entities shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Entity. The Entity shall provide copies of the same at the request of the Exchange and/or the SEC.	✓	The secretaries of the company maintain the records of the said information along with the meeting minutes of the shareholders.
(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	✓	
9.4.2	Communication and relations with shareholders and investors:	✓	
(a)	Listed Entities shall have a policy on effective communication and relations with shareholders and investors and disclose the existence of the same in the Annual Report and the website of the Listed Entity.		The management has taken steps to establish the company policy on effective communication and relations with Shareholders and disclosed the existence of the same in the Annual Report and the website.
(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.	✓	
9.5.1	Listed entities must establish and maintain a formal policy for their Board of Directors, which includes:	✓	The entity established a formal policy for the Board of Directors which shall address the criteria stipulated in section 9.5.1

✓ Compliant ✗ Not Applicable

Rule No.	Corporate Governance Rule	Compliance Status	Company's Commitment
(a)	Recognise the need for a balance of representation between Executive and Non-Executive Directors and cover at minimum board composition, the roles and functions of the Chairperson and Chief Executive Officer or equivalent position (hereinafter commonly referred to as the CEO), Board balance and procedures for the appraisal of Board performance and the appraisal of the CEO.	✓	
(b)	Where a Listed Entity decides to combine the role of the Chairperson and CEO.	✓	The positions of the Chairperson and CEO are not combined
(i)	set out the rationale for combining such positions; and,	✓	
(ii)	require the Board Charter of the Listed Entity to contain terms of reference/functions of the Senior Independent Director (SID) and the powers of the SID, which should be equivalent to that of the Chairperson in the instance of a conflict of interest.	✓	
(iii)	set out the measures implemented to safeguard the interests of the SID.	✓	
(c)	Require diversity in Board composition for Board effectiveness in terms of a range of experience, skills, competencies, age, gender, industry requirements and importance of objective selection of directors.	✓	
(d)	Stipulate the maximum number of Directors with the rationale for the same.	✓	
(e)	Specify the frequency of Board meetings, having regard to the requirements under the Listing Rules.		
(f)	Provide mechanisms for ensuring that Directors are kept abreast of the Listing Rules and on-going compliance and/or non-compliance by the Listed Entity with obligations arising under such Rules.	✓	
(g)	Specify the minimum number of meetings, in numbers and percentage, that a Director must attend, in order to ensure consistent attendance at Board Meetings and to avoid being deemed to vacate such position.	✓	
(h)	Provide requirements relating to trading in securities of the Listed Entity and its listed group companies and disclosure of such requirements.	✓	
(i)	Specify the maximum number of directorships in Listed Entities that may be held by Directors.	✓	
(j)	Recognise the right to participate at meetings of the Board and Board Committees by audio visual means and for such participation to be taken into account when deciding on the quorum.		
9.5.2	Listed Entities shall confirm compliance with the requirements of the policy referred to in Rule 9.5.1 above in the Annual Report and provide explanations for any non-compliance with any of the requirements with reasons for such non-compliance and the proposed remedial action.	✓	The entity confirms the compliance of section 9.5.1 in the Annual Report for the year ended 31st March 2025.
9.6.1	The Chairperson of every Listed Entity shall be a Non- Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity in terms of Rule 9.6.3 below.	✓	
9.6.3	The Requirement for a SID	✗	Not Applicable

✓ Compliant ✗ Not Applicable

CORPORATE GOVERNANCE

Rule No.	Corporate Governance Rule	Compliance Status	Company's Commitment
9.7.1	The Listed Entities shall take necessary steps to ensure that their Directors and The Listed Entities shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of these Rules: In evaluating fitness and propriety of the persons referred in these Rules, Listed Entities shall utilise the 'Fit and Proper Assessment Criteria'.	✓	The company conducted a Fit and Proper Assessment for all directors, as stipulated in section 9.7.3.
9.7.2	Listed Entities shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' meeting or appointments are made.	✓	Nominations and Governance Committee conducts the Fit and Proper Assessment of the directors at least once a year for existing directors and keeps records of the same.
9.7.3	Fit and Proper Assessment Criteria	✓	The Company has taken steps to establish Fit and Proper Assessment Criteria.
9.7.4	Listed Entities shall obtain declarations from their Directors and CEO on an annual basis confirming that each of them has continuously satisfied the Fit and Proper Assessment Criteria set out in these Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.	✓	All the directors of the company and CEO provided a declaration confirming that they have continuously satisfied with the Fit and Proper Assessment Criteria.
9.7.5	Disclosures in the Annual Report of Listed Entities In their Annual Report, listed entities must include the following:	✓	Relevant disclosures made on the annual report of the company.
(a)	A statement that the Directors and CEO of the Listed Entity satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange.	✓	Please refer pages 162 of this report for Nominations and Governance Committee report.
(b)	Any non-compliance/s by a director and/or the CEO of the Listed Entity with the Fit and Proper Assessment Criteria set out in these Rules during the financial year and the remedial action taken by the Listed Entity to rectify such noncompliance/s.	✓	There were no such incidents during 2024/2025
9.8.1	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	✓	The total number of directors was eight (08) as at 31st March 2025.
9.8.2	Minimum Number of Independent Directors:	✓	The total number of Independent Directors were three (3) as at 31st March 2025.
(a)	The Board of Directors of Listed Entities shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Listed Entity at any given time, whichever is higher.	✓	
(b)	Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change.	✓	
9.8.3	Criteria for determining independence	✓	The entity ensured that all the criteria required in determining independence are satisfied by the independent directors of the Company.
9.8.5	The Board of Directors of Listed Entities shall require:	✓	
(a)	Require each Independent Director to annually submit a signed and dated declaration of their "independence" or "non independence" using the specified criteria and format in Appendix 9A.	✓	All the independent directors submitted the signed declaration of their independence to the board. Required disclosures are mentioned in the annual report.

✓ Compliant ✗ Not Applicable

Rule No.	Corporate Governance Rule	Compliance Status	Company's Commitment
(b)	Annually assess the "independence" or "non- independence" of each Independent Director based on their declaration and other available information, listing the names of "independent" Directors in the Annual Report.	✓	Names of the Independent Directors are given in page no 126.
(c)	If the Board finds that the independence of an Independent Director is compromised according to the criteria in Rule 9.8.3, it should immediately issue a Market Announcement regarding this determination.	✓	The entity will take necessary actions to issue a Market Announcement, if the Board finds that the independence of an Independent Director is compromised.
9.9	If a Listed Entity provides for the appointment of Alternate Directors, it shall be required to comply with the following requirements and such requirements shall also be incorporated into the Articles of Association of the Entity:	✗	Currently there are no alternative directors appointed to the Board
9.10.1	Listed Entities shall disclose its policy on the maximum number of directorships its Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such number is exceeded by a Director(s), the Entity shall provide an explanation for such non- compliance in the manner specified in Rule 9.5.2 above.	✓	The Directors have complied with this. The directorships held by the Directors are given on page 126 in this report.
9.10.2	Listed Entities shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following;i) a brief resume of such Director;ii) his/ her capacity of directorship; and iii) Statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity.	✓	At the time of appointment of a new director to the board, the relevant market announcements are made in accordance with section 9.10.2 also such appointments are reviewed by the Nominations and Governance Committee.
9.10.3	Listed Entities shall make an immediate Market Announcement regarding any changes to the composition of the Board Committees referred to in Rule 9.3 above containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof.	✓	Relevant disclosures will be made if any changes in the composition of the board or any changes in the capacity of directorship arise.
9.10.4	Listed Entities shall also disclose the following in relation to the Directors in the Annual Report:	✓	Please refer pages 30 to 35 of this report for the profiles of the Board of Directors.
(a)	name, qualifications and brief profile;	✓	
(b)	the nature of his/her expertise in relevant functional areas;	✓	
(c)	whether either the Director or Close Family Members has any material business relationships with other Directors of the Listed Entity;	✓	
(d)	whether Executive, Non-Executive and/or independent Director;	✓	
(e)	the total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or Key Management Personnel indicating whether such companies are listed or unlisted Companies and whether such Director functions in an executive or non-executive capacity, provided that where he/she holds directorships in companies within a Group of which the Listed Entity is a part, their names (if not listed) need not be disclosed; it is sufficient to state that he/she holds other directorships in such companies;	✓	
(f)	number of Board meetings of the Listed Entity attended during the year;	✓	Please refer to the page 130 for the number of Board meetings attended by the Board of Directors during the year.

CORPORATE GOVERNANCE

Rule No.	Corporate Governance Rule	Compliance Status	Company's Commitment
(g)	names of Board Committees in which the Director serves as Chairperson or a member;	✓	
(h)	Details of attendance of Committee Meetings of the Audit, Related Party Transactions Review, Nominations and Governance and Remuneration Committees. Such details shall include the number of meetings held and the number attended by each member and,	✓	Please refer to the pages below for the details of attendance of Committee Meetings.
(i)	The terms of reference and powers of the SID (where applicable).	✗	Not Applicable
9.11.1	Listed Entities shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of these Rules.	✓	The company made necessary arrangements to establish a Nominations and Governance Committee. Please refer pages 162 to 163 of this report.
9.11.6	Nominations and Governance Committee. Report signed by its chairperson.	✓	Please refer pages 162 to 163 of this report.
9.12.8	Disclosure in Annual Report – Remuneration Committee Report The Annual Report should set out the following:	✓	Please refer to the Remuneration Committee Report from in page 158 of this report.
(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,	✓	
(c)	The aggregate remuneration of the Executive and Non-Executive Directors.	✓	
9.13	Audit Committee	✓	
9.13.5	Disclosures in Annual Report- Audit Committee Report	✓	Please refer to the Audit Committee Report from pages 154 to 157 of this report
9.14.1	Related Party Transactions Review Committee (RPT).	✓	
9.14.8(1)	Related Party Disclosure – Non current RPT Exceeding 10% of the equity or 5% of the total assets whichever is lower (in the specified format)	✗	
9.14.8(2)	Related Party Disclosure – recurrent RPT Exceeding 10% of the gross revenue/income (in the specified format)	✗	
9.14.8(3)	Listed Entities shall have a Related Party Transactions Review Committee (RPT) that conforms to the requirements set out in Rule 9.14 of these Rules.	✓	Please refer to the Related Party Transactions Review Committee Report from pages 160 to 161 of this report.
9.14.8(4)	An affirmative declaration by the Board of Directors in the Annual Report that these Rules pertaining to Related Party Transactions have been complied with or if the Entity has not entered into any Related Party Transaction/s negative statement to that effect.	✓	
9.16	Additional Disclosures	✓	Given in pages 136 for these disclosures

✓ Compliant ✗ Not Applicable

Code of Best Practice of Corporate Governance 2023 - Institute of Chartered Accountants of Sri Lanka (CA).

Section Number		Compliance Status	Company's Commitment
1 The Company			
A Directors			
A.1 The Board	Every public company should be headed by an effective Board, which should direct, lead and control the Company.	✓	
A.1.1 Regular Board Meetings	Frequency of Board meetings. (at least once every quarter)	✓	
A.1.2 Board Responsibilities	Ensure formulation and implementation of a sound business strategy.	✓	
	Ensure that the MD/CEO and the management team possess the necessary skills, experience and knowledge for effective implementation of the strategy.	✓	
	Adapt effective CEO and senior management succession strategy.	✓	
	Ensure that effective systems are in place to secure integrity of information, internal controls, business continuity and risk management.	✓	
	Ensure that the company's activities are conducted in compliance with laws, regulations and ethical standards.	✓	
	Ensure that all stakeholder interests are considered in corporate decisions.	✓	
	Recognised sustainable business development in corporate strategy, decisions and activities.	✓	
	Ensure that the Company's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations.	✓	
	Fulfill other Board functions that are vital, given the scale, nature and complexity of the business concerned.	✓	
A.1.3 Compliance with Laws and Access to Independent Professional Advice	Act in accordance with the laws of the country and seek professional advice whenever required.	✓	
A.1.4 Access to Advice and the Services of a Company Secretary	Advice and Services of the Company Secretary.	✓	
	The company should obtain appropriate insurance cover as recommended by the nominations committee for board, directors, and key management personnel.	✓	
A.1.5 Independent Judgment of Directors	Bring Independent judgment on various business issues and standards of business conduct.	✓	
A.1.6 Dedication of adequate time and effort to matters of the Board and the Company	Every Director should dedicate adequate time and effort to matters of the Board and the Company, to ensure that the duties and responsibilities owed to the Company are satisfactorily discharged.	✓	
A.1.7	One third of the directors can call for a resolution to be presented to the board where they feel it is in best interest to the company to do so.	✗	

✓ Compliant ✗ Not Applicable

CORPORATE GOVERNANCE

Section Number		Compliance Status	Company's Commitment
1 The Company			
A 1.8 Training and continuous Development of Directors	Every Director should receive appropriate training when first appointed to the Board and subsequently as necessary.	✓	
A.2 Chairman and Chief Executive Officer	Chairman and CEO are two different positions and need to be divided responsibilities.	✓	
A.2.1	Disclosure required if the positions of the Chairman and the CEO are combined.	✗	
A.3 Chairman's Role	The Chairman's role in preserving good Corporate Governance.	✓	
A.4 Financial Acumen	Availability of sufficient financial acumen and knowledge to offer guidance on matters of finance.	✓	
A.5 Board Balance	The Board should have a balance of executive and non-Executive Directors.	✓	
A.5.1	Presence of non- Executive Directors.		
A.5.2	Independent Directors	✓	
A.5.3	Criteria to evaluate "Independence" of Non-Executive Directors.	✓	
A.5.4	Annual Declaration of Non-Executive Directors.	✓	
A.5.5	Annual determination of "Independence" of Non-Executive Directors by the Board.	✓	
A.5.6	Appointment of an Alternate Directors by a Non-executive/Independent Directors.	✗	
A.5.7	Appointment of Senior Independent Director.		
A.5.8	Availability of the senior independent director for confidential discussions with other directors.	✓	
A 5.9	Responsibility of Chairman to hold meetings only with Non-executive Directors.	✓	
A.5.10	Recording of concerns which cannot be unanimously resolved in Board minutes.	✓	
A.6 Supply of Information	The Board should be provided with timely information in a form and of a quality appropriate to enable it to discharge its duties.	✓	
A.6.1	Managements responsibility to provide the Board with appropriate and timely information.		
A.6.2	Preparation of minutes, agenda and Board papers prior to the Board meetings.	✓	
A.7 Appointments to the Board; Nominations Committee	There should be a formal and transparent procedure for the appointment of new Directors to the Board.	✓	
A.7.1	Composition of the Nominations Committee	✓	
A.7.2	Annual assessment of the board composition against pre-defined criteria of skill and knowledge requirements.	✓	
A.7.3	Succession plan for the Chief Executive Officer and for Key Management Personnel and determine the training and development for those identified for succession.	✓	
A.7.4	Disclosure of details of new directors to shareholders.	✓	

✓ Compliant ✗ Not Applicable

Section Number		Compliance Status	Company's Commitment
1 The Company			
A.7.5	The chairman and members of the nominations committee should be identified in the annual report.	✓	please refer page 162 for the report of the Nominations & Governance Committee
A.7.6	Terms and reference for nominations committees	✓	
A.8 Re Election	All Directors should be required to submit themselves for re-election at regular intervals and at least once in every three years.	✓	
A.8.1	Appointment and re-election of non-Executive Directors.	✓	
A.8.2	Election of Directors by the shareholders.	✓	
A.8.3	In the event of a resignation of a director prior to completion of his appointed term, the director should provide a written communication to the board of his reasons for resignations.	✓	
A.9 Appraisal of Board Performance	Board should periodically appraise their own performance.	✓	
A.10 Disclosure of Information of Directors	Shareholders should be kept advised of relevant details in respect of Directors.	✓	
A.10.1	Disclosures on Directors in the annual report.	✓	
A.11 Appraisal of CEO	The Board should require, at least annually, to assess the performance of the CEO.	✓	
A.11.1	Setting annual target for MD/CEO.	✓	
A.11.2	Evaluation of the performance of the CEO.	✓	
B			
B.1 Directors Remuneration	Companies should establish a formal and transparent procedure for developing policies on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his/her own remuneration.	✓	
B.2 Level and Makeup of Remuneration	The Levels of remuneration of both Executive and Non-Executive Directors should be sufficient to attract and retain the Directors needed to run the Company successfully.	✓	please refer page 158 for the report of the Remuneration Committee
B.2.1	Presence of a Remuneration Committee.	✓	
B.2.2	Composition of Remuneration Committee.	✓	
B.2.3	Ability to consult the Chairman and/or CEO and to seek professional advice by the committee.	✓	
B.2.4	Determination of remuneration of Non- Executive Directors.	✓	
B.2.5	Remuneration packages of Executive Directors.	✓	
B.2.6	Comparison of remuneration with other Companies.	✓	
B.2.7	The remuneration committee should be sensitive to remuneration and employment conditions elsewhere in the company or group of which it is a part, especially when determining annual salary increase.	✓	

✓ Compliant ✗ Not Applicable

CORPORATE GOVERNANCE

Section Number		Compliance Status	Company's Commitment
1 The Company			
B.2.8	Designing performance-based remuneration of Executive Directors.	✓	
B.2.9	Executive share options should not be offered at a discount, save as permitted by the listing rules of the Stock Exchange. Shares granted under share option schemes should not be exercisable in less than three years and the remuneration committee should consider requiring directors to hold a minimum number of shares and to hold shares for a further period after vesting or exercise.	✗	The Company does not currently operate any employee share option schemes.
B.2.10	In designing schemes of performance-related remuneration, remuneration committee should follow the provisions that would enable the company to recover sums paid or withhold a portion of such performance related remuneration and specify the circumstances in which a company may not be entitled to do so.	✗	
B.2.11	The remuneration committee should consider what compensation commitments their chief executive's and executive directors' contracts of services, if any, entail in the event of early termination.	✓	
B.2.12	Where the initial contract does not explicitly provide for compensation commitments, remuneration committee should, within legal constraints, tailor their approach in early termination cases to the relevant circumstances.		
B.2.13	The remuneration of non-executive directors should be determined by the Board or shareholders, with the option to delegate this responsibility to a Board sub-committee, possibly including the CEO.	✓	
B.2.14	Non-executive directors should be fairly compensated based on their role and time commitment, with limited use of share options, as these may affect their independence.	✓	
B.2.15	The chairman and members of the remuneration committee should be listed in the annual report each year.	✓	
B.2.16	The terms and reference for remuneration committee.	✓	
B.3 Disclosure of Remuneration	The Company's Annual Report should contain a statement of Remuneration policy and details of Remuneration of the Board as whole.	✓	
B.3.1	Disclosure of Remuneration.	✓	
C. Relations with Share Holders			
C.1 Constructive use of the Annual General Meeting (AGM) and Conduct of General Meeting	Boards should use the AGM to communicate with shareholders and should encourage their participation.	✓	
C.1.1	Companies should arrange for the Notice of the AGM and related papers to be sent to shareholders as determined by statute, before the meeting.	✓	
C.1.2	Separate Resolution to be proposed for each item.	✓	
C.1.3	Use of Proxy Votes.	✓	
C.1.4	Availability of Chairmen of Board Committees at the AGM.	✓	
C.1.5	Summary of procedures Governing voting at the General Meeting.	✓	

✓ Compliant ✗ Not Applicable

Section Number		Compliance Status	Company's Commitment
1 The Company			
C.2	The Board should implement effective communication with shareholders.	✓	
C.2.1	Communication channel to reach shareholders.	✓	
C.2.2	Company's Communication		
C.2.3	Policy and methodology.	✓	
C.2.4	The Company should disclose the contact person for such communications.	✓	
C.2.5	Process to make directors aware of major issues and concerns of shareholders.	✓	
C.2.6	Person to be contacted on shareholders matters.	✓	
C.2.7	Formulation of a process for responding to shareholders and disclosure on them.	✓	
C.3 Major and Material Transaction	Disclosure of all material transactions including related party transactions.	✗	
D. Accountability and Audit			
D.1 Financial and Business Reporting	The Board should present a balanced and understandable assessment of the Company's financial position, performance and prospects.	✓	
D.1.1	Board responsibility for statutory and regulatory reporting.	✓	
D.1.2	Declarations by Directors in the Directors' report.	✗	
D.1.3	Declarations by the Chief Executive Officer and the Group Financial Controller on the financial statements before the approval of the board of directors.	✓	
D.1.4	Declaration by the Board on going concern of the business.	✓	
D.1.5	Statements by Directors and Auditors on responsibility for financial reporting.	✓	
D.1.6	Management Discussion Analysis.	✓	
D.1.7	Requirement to summon an Extraordinary General Meeting (EGM) to notify serious loss of capital.	✗	
D.1.8	Adequate and accurate disclosure of related party transactions.	✓	
D.2 Risk Management and Internal Control	Risk Internal Controls	✓	
D.2.1	Directors to conduct an annual review of Risk Management and internal controls.	✓	
D.2.1.1	Robust assessment of the principal risks facing the Company.	✓	
D.2.1.2	The board should describe the risk management framework, processes, and responsibilities and explain in the Annual Report how they are being managed or mitigated.	✓	
D.2.1.3 to D.2.1.8	Establishment of a risk committee to oversee risk management, and its composition, duties, authority and the disclosure in the annual report.	✗	
D.2.2	Establishment of a risk management framework.	✓	
D.2.2.1	The board should ensure that effective system of internal controls is establish in respect of financial, operational and compliance system, processes, and practices and are monitored regularly.	✓	
D.2.2.2	The need for an internal audit function.	✓	

✓ Compliant ✗ Not Applicable

CORPORATE GOVERNANCE

Section Number		Compliance Status	Company's Commitment
1 The Company			
D.2.2.3	Audit Committee to ensure carrying out the reviews of the process and effectiveness of risk management and Internal Control.	✓	
D.2.2.4	Responsibilities of directors in maintaining a sound system of internal control and the contents of the statement of internal control.	✓	
D.3	Audit Committee.	✓	
D.3.1	The Board Should establish an Audit Committee.	✓	
D.3.2	Duties of the Audit Committee. Terms of reference of the Audit Committee.	✓	
D.3.3	The number of meetings held attendance of each director. The scope of work and how its roles and responsibilities were discharged.	✓	
D.4 Risk Committee	The board should establish a procedure for risk management including how they determine, risk culture, risk appetite, risk identification and classification, rating and management of risk.	✓	
D.5 Related Party Transactions Review Committee	The Board should establish a procedure to ensure that the Company does not engage in transactions with 'related parties' in a manner that would grant such parties "more favorable treatment" than that accorded to third parties in the normal course of business.	✓	
D.6	Code of Business Conduct & Ethics.	✓	
D.7	Corporate Governance Disclosure.	✓	
D.7.1	Disclosure of compliance with the Corporate Governance Code	✓	
2. Shareholders			
E. Institutional Investors			
E1.1	A listed company should conduct a regular and structured dialogue with shareholders.	✓	
E.2 Evaluation on Governance Disclosures	Institutional investors should be encouraged to give due weight to the relevant governance arrangements.		
F. Other Investors			
F.1 Investing/ Divesting Decisions	Individual Shareholders are encouraged to seek independent advice on investing or divesting decisions.		
F.2 Shareholder Voting	All Shareholders are encouraged to participate at Annual General Meeting and cast their votes.		Audit Committee over look the risk management function.
3. Other matters			
G. Interest of Things and Cybersecurity	The Board review the IT environment through its audit committee	✓	
H. Environment, Society and Governance (ESG)			
H.1.1 - H.1.5	Disclose the policies and procedures adopted to develop environment, society and Governance (ESG).	✓	
I. Special Considerations for Listed Entities			
I.1	Establishment and maintenance of policies	✓	
I.2	Policy on matters relating to the board of directors	✓	

✓ Compliant ✗ Not Applicable

LIST OF OTHER DIRECTORSHIPS

Full Name	Name of Company / Fund / Organisation	Capacity
Mr. Sattar Kassim	Fits Aviation (Private) Limited	NED
	Aberdeen Produce (Private) Limited	NED
	Colombo Realty (Private) Limited	NED
	Socializer 360 (Private) Limited	NED
	ASK Capital (Private) Limited	NED
	Roar Digital (Private) Limited	NED
	Snehadhana Foundation	NED
	Lanka Healthcare Foundation	NED
	KMA Holdings (Pvt) Ltd	NED
	BMA Holdings (Pvt) Ltd	NED
	Silver Wings (Pvt) Ltd	NED
	Roar Advertising (Private) Limited	NED
	Vidullanka PLC	NED
	Expoasia Holdings (Private) Limited	NED
	The Goodness Foundation	NED
Mr. Shafik Kassim	Fits Aviation (Private) Limited	Chairman/ ED
	Lanka Healthcare Foundation	NED
	Silver Wings (Pvt) Ltd	NED
	Socializer 360 (Private) Limited	NED
	Maitland Holding (Private) Limited	NED
	KMA Holdings (Pvt) Ltd	NED
	BMA Holdings (Pvt) Ltd	NED
	Expoasia Holdings (Private) Limited	NED
	Snehadhana Foundation	ED
The Goodness Foundation	NED	
Mr. M Z M Ghouse	Amana Takaful PLC	Chairman / NED
	Twickernam Holdings Pvt Ltd	NED
Mr. A O Kassim	Fits Aviation (Private) Limited	NED
	Alpha Investment Holdings Limited	ED
	Alpha Wealth Limited	ED
	Lanka Food Solutions (Private) Limited	NED
	Rokfam (Private) Limited	NED
	Snehadhana Foundation	NED
	The Goodness Foundation	NED
	Amana Takaful (Maldives) PLC	NED
Amana Takaful PLC	NED	

CORPORATE GOVERNANCE

Full Name	Name of Company / Fund / Organisation	Capacity
Mrs. Shehara De Silva	Keells Food PLC	NED
	NTT Neelan Thiruchelvam Trust	NED
	Quickshaws (Pvt) Ltd	NED
	Quickshaws Travel (Pvt) Ltd	NED
	Chimneys (Pvt) Ltd	NED
	Informatics Institute of Technology	NED
	Amana Takaful PLC	NED
	Sri Lanka Family Planning Association	NED
	Optima Design (Pvt) Ltd	NED
Mr. U K D Dharmadasa	HNB General Insurance Ltd.	NED
	Lakshman Cooray and Company	NED
Mr. W B W M R A M T G Aluwihare	Abans Finance PLC	NED

NED - Non-Executive Director

ED - Executive Director

In addition to the above, Mr Sattar Kassim, Mr Shafik Kassim, Mr Zulficar Ghouse and Mr. Abdullah Kassim hold directorships in companies within the Group which are not public listed entities.

ANNUAL REPORT ON THE BOARD OF DIRECTORS AFFAIRS ON THE COMPANY - 2024/25

The Directors of Ex-Pack Corrugated Cartons PLC have the pleasure in presenting to the Shareholders their Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March 2025, conforming to the requirements of the Companies Act No. 07 of 2007 and Sri Lanka Accounting Standards. The report also includes certain disclosures required to be made under the Listing Rules of the Colombo Stock Exchange and the guideline-recommended best practices on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Colombo Stock Exchange.

Company Overview

The Company is a Public Limited Liability Company Incorporated and domiciled in Sri Lanka and was listed on the Colombo Stock Exchange on 10th November 2021.

The registered office of the Company and the principal place of business is situated at No.11 A, Milepost Avenue, Colombo 03.

Principal Activities

During the year the principal activities of the Company were the manufacturing and selling of Corrugated Cartons to local and foreign markets. The principle activity of its subsidiary were engaging in the business of exporting all type of waste papers. There were no changes in the principle activities of the Company and its subsidiary during the year.

Review of Operations

The Chairman's Review on Pages 24 which forms an integral part of these reports provides an overall assessment of the financial performance and the financial position of the company.

Financial Statements

The financial statements of the Group and Company are given on pages 174 to 179 Summarised Financial Results for the year ended 31st March 2025 are duly certified by the Chief Financial Officer and approved by the Board of Directors. The approved Financial Statements have been signed on behalf of the Board by two Directors in compliance with the Companies Act No. 07 of 2007

GROUP & COMPANY				
	Group (Rs'000)		Company (Rs'000)	
Y/E 31 March	2025	2024	2025	2024
Revenue	9,932,074,391	9,875,058,464	6,326,319,204	6,441,082,584
Profit /(Loss) before tax for the year	721,667,014	810,616,190	628,212,341	753,516,418
Net Profit /(Loss) after tax for the year	453,021,212	580,489,368	426,364,746	536,594,143

Auditors' Report

The Independent Auditors' Report on the financial statements is given on Page 170 Accounting Policies The accounting policies adopted by the Company in the preparation of financial statements are given on pages from 180 to 191 which are consistent with those of the previous period.

Directors' Responsibility for Financial Reporting

The Directors are responsible for the preparation of the Financial Statements of the Company and the Group to reflect a true and fair view of the financial position and the performance of the Company and the Group. Please refer page 171 for the Directors' Responsibility on Financial Reporting.

Directors

The names of the Directors who held office as at the end of the accounting period and Directors who ceased to hold office during the accounting period are given below and their brief profiles appear on pages from 32 to 35.

Name of Director		Date of Appointment	Date of Resignation
Sattar Kassim - Chairman	Non - Executive Non - Independent Director	19.03.2002	-
Shafik Kassim	Non - Executive Non - Independent Director	19.03.2002	-
Mohamed Zulficar Mohamed Ghouse - Managing Director	Executive Non - Independent Director	10.12.2012	-
Abdulah Osman Kassim	Executive Non - Independent Director	25.06.2021	-
Wanigasekara Bandaranayake Wasala Mudiyanse Ralahamilage Aluwihare Mahawalawwe Thulci Goutham Aluwihare	Non - Executive Independent Director	15.06.2021	-
Shehara De Silva	Non - Executive Independent Director	25.06.2021	-
Ukwatte Kankanamage Dinesh Dharmadasa	Non - Executive Independent Director	25.06.2021	-
U D W Chathuranga Abeyrathne	Non-Executive Non-Independent Director	02.08.2023	-

Interest Register

In terms of the Companies Act No. 7 of 2007 an Interests register was maintained during the accounting period under review. This Annual Report also contains particulars of entries made in the Interests register.

Directors' Attendance of the Board Meeting

The details of Directors' attendance of the Board meeting on page 130.

ANNUAL REPORT ON THE BOARD OF DIRECTORS AFFAIRS ON THE COMPANY - 2024/25

Directors' Remuneration

The Director's remuneration is disclosed in Note 24.4 to the financial statements on page 218.

The Auditors

The financial statements for the year ended 31st March 2025 have been audited by Messrs Ernst & Young (Chartered Accountants), and the Independent Auditors' Report thereon is given on page 170 of the Annual Report. As far as directors are aware the auditors do not have any relationship (other than that of an Auditor) with the Company except for those disclosed below. The auditors also do not have any interest in the Company.

The audit fee payable to the auditors for the year under review is Rs. 1,232,000 (Group – Rs. 1,732,000)

Stated Capital

The Stated Capital of the Company as at 31st March 2025 was Rs.1,199,999,997.20/- (333,333,333 Shares).

Directors' and Chief Executive Officers' Shareholding the shareholdings of the Directors and the Chief Executive Officer (CEO) of the Company are as follows.

Name of Directors	31.03.2025	31.03.2024
Mr. Sattar Kassim	94,800	94,800
Mr. Shafik Kassim	14,400	14,400
Mr. M. Z. M. Ghouse	14,400	14,400
Mr. Abdullah Osman Kassim	234,400	234,400
Mr. W. B. W. M. R. A. M. T. G. Thulci Aluwihare	-Nil-	-Nil-
Mr. U. K. Dinesh Dharmadasa	37,400	37,400
Ms. Shehara De Silva	13,100	13,100
Mr. U D W Chathuranga Abeyratne	-Nil-	-Nil-
Mr. Mohamed Riyaz Valli Mohamed (CEO)	85,910	85,910

Major Shareholders, Distribution Schedule And Other Information

Information on the twenty largest shareholders of the company, distribution schedule of the number of shareholders, percentage of shares held by the public as per the Listing Rules of the Colombo Stock Exchange are given on page 166 under Investor Information.

Public Holding

The percentage of public shareholding as at the 31st March 2025 was 34.63%.

Capital Commitments

There were no material capital expenditure commitments as at 31st March 2025 other than those disclosed in Note 21.

Statutory Payments

The Directors, to the best of their knowledge and belief, are satisfied that all statutory dues have been paid up to date, or have been provided for in the Financial Statements.

Donations

There were no donations made by the Company during the year.

Events Occurring After the Reporting Period

No circumstances have arisen after the reporting period which would require adjustment to or disclosure in the financial statements other than those disclosed in Note 23 on page 214 of the financial statements.

Going Concern

The Board of Directors is satisfied that the company has adequate resources to Continue its operations in the foreseeable future. Accordingly, the Financial Statements are prepared based on the going concern concept.

Corporate Governance Corporate

Governance practices and principles with respect to the management and operations of the Company are set out on pages from 124 of the Corporate Governance Report. The Corporate Governance Report also includes the requirements of rules of Section 9 of the CSE Listing Rules as applicable. Further the Company has established policies as required by the listing rules of CSE. Confirmation of the existence of these policies are noted on the Company's website.

Board Sub Committees

Audit Committee, Related Party Transactions Review Committee, Remuneration Committee and Nominations & Governance Committee function as sub-committees of the Board and they are composed of Directors with the requisite qualifications and experience. The composition of the said Committees are given under page 154 to 163 in the Corporate Governance Report.

Related Party Transactions Review Committee

The Board of Directors has given the following statement in respect of the related party transactions review committee

The Related Party Transactions of the Company during the financial year have been reviewed by the Related Party Transactions Review Committee and are in compliance with the Section 09 of the CSE Listing Rules.

Related Party Transactions Review Committee report is given on page 160 to 161 of the Annual Report.

Employee Share Ownership Plans

The Company did not have any employee share ownership/option plans during the year.

Annual General Meeting

The Annual General Meeting of the Company will be held on 30th June 2025 at 10 am (as a virtual meeting). The Notice of the Annual General meeting appears on page 231.

Acknowledgment of the Contents of the Annual Report as required by the Companies Act no 7 of 2007, the Board of Directors hereby acknowledge the contents of the Annual Report.

By Order of the Board
EX-PACK CORRUGATED CARTONS PLC

(Sgd.)
Sattar Kassim
Chairman

(Sgd.)
Zulficar Ghouse
Managing Director

(Sgd.)
Business Intelligence (Pvt) Ltd.
Company Secretaries
5th June 2025

REPORT OF THE BOARD AUDIT COMMITTEE

I am pleased to present the Audit Committee Report for the financial year ended 31st March 2025.

Throughout the year, the Committee diligently carried out its responsibilities, providing independent oversight and reporting to the Board to support accurate, timely, and transparent financial disclosures, while upholding the integrity and quality of financial reporting. The Audit Committee operates under a formal Audit Charter and continues to play a critical role in evaluating the effectiveness of the Company's internal control systems and risk management processes.

In addition to its core audit oversight responsibilities, the Committee also performs the Risk Oversight function, thereby enhancing its role in ensuring that appropriate risk management frameworks and internal control mechanisms are in place across the Group. This report outlines the Committee's key activities and performance during the financial year ended 31st March 2025.

Composition of the Committee

During the year under review, the Board Audit Committee comprised the following members. Detailed profiles of the Committee members, as at 31st March 2025, are presented on pages 30 to 35 of this report.

Name of the Director	Designation	Committee Designation
Ukwatte Kankanamage Dinesh Dharmadasa	Non-Executive Independent Director	Chairman
Wanigasekara Bandaranayake Wasala Mudiyanse Ralahamilage Aluwihare Mahawalawwe Thulci Goutham Aluwihare	Non-Executive Independent Director	Member
Shehara De Silva	Non-Executive Independent Director	Member

Regular attendees by invitation

NAME	DESIGNATION
Mr. Zulficar Ghouse	Managing Director
Mr. Mohamed Riyaz	Chief Executive Officer
Mr. Abdullah Kassim	Director
Mr. Anushka De Silva	Group CFO – Aberdeen Holdings
Mr. Abdul Latiff Ahamed	CFO
Mr. Mohamed Shamil	Senior Manager - Finance & Compliance

Secretary of the Committee

Ms. Najiha Carrim, Manager – Corporate Secretarial and Compliance of the Group, served as the Secretary to the Committee during the year under review.

Meetings and Attendance

The Audit Committee convenes as often as necessary or appropriate, and at a minimum, on a quarterly basis each year. During the year under review, the Committee held four (04) meetings. The attendance of the Committee members at these meetings is detailed below;

Attendance	Elegible to Attend	Attended	%
Ukwatte Kankanamage Dinesh Dharmadasa	4	4	100%
Wanigasekara Bandaranayake Wasala Mudiyanse Ralahamilage Aluwihare Mahawalawwe Thulci Goutham Aluwihare	4	4	100%
Shehara De Silva	4	4	100%

Role of the Audit Committee

The Audit Committee is a key component of the Group's corporate governance framework, entrusted with the responsibility of providing independent oversight of the financial reporting process, internal controls, risk management, and compliance with legal and regulatory requirements. By fulfilling these responsibilities, the Committee supports the Board in ensuring accountability, transparency, and the integrity of the Group's operations.

The Committee acts as a safeguard for stakeholder interests by ensuring that financial disclosures are accurate and reliable, risk exposures are effectively managed, and the control environment remains robust and responsive to internal and external challenges.

Key responsibilities of the Audit Committee include:

- **Oversight of Financial Reporting:**

The Committee reviews the quarterly and annual financial statements to ensure that they are prepared in accordance with applicable accounting standards and regulatory requirements. This includes a critical assessment of the quality, transparency, accuracy, and completeness of the financial disclosures, enabling the Board to confidently endorse the financial results.

- **Assessment of Internal Controls:**

The Committee is responsible for evaluating the adequacy and effectiveness of the Group's internal control systems. It monitors the implementation of recommendations provided by internal auditors and ensures timely corrective action is taken where necessary to mitigate identified control deficiencies.

- **Risk Management Supervision:**

In addition to its core responsibilities, the Audit Committee also performs the Group's risk oversight function. It assesses the strength and effectiveness of the risk management framework, ensuring that appropriate mechanisms are in place for

identifying, measuring, and managing key business and operational risks. The Committee ensures that risk exposures are consistently monitored and mitigated through sound risk governance practices.

- **Internal Audit Function:**

The Committee reviews and monitors the scope, coverage, and performance of internal audit activities. It ensures the internal audit function remains independent, adequately resourced, and capable of delivering objective assurance on the Group's systems and processes.

- **External Audit Matters:**

The Committee recommends the appointment, re-appointment, or removal of the External Auditors to the Board. It assesses the auditors' independence, qualifications, performance, and sufficiency of resources. The Committee also reviews the scope of the external audit, the terms of engagement, and the auditors' findings and recommendations.

Through these responsibilities, the Audit Committee contributes meaningfully to enhancing the Group's financial discipline, accountability, and long-term value creation. Its work reinforces confidence among shareholders, regulators, and other stakeholders in the Group's governance and operational integrity.

Activities of the Committee

During the year under review, the Audit Committee performed its duties in accordance with its charter, supporting the Board in upholding sound financial governance, transparency, and regulatory compliance. The Committee's activities were directed towards ensuring accurate financial reporting, effective internal controls, robust risk management, and adherence to statutory and regulatory frameworks. The key activities undertaken included:

- **Financial Statement Oversight:**

Reviewed the preparation, presentation, and adequacy of disclosures in the Company's quarterly and annual financial statements, ensuring compliance with

Sri Lanka Accounting Standards (SLFRS/LKAS) and the applicable financial reporting framework.

- **Regulatory Compliance:**

Oversaw the Company's compliance with financial reporting requirements under the Companies Act No. 7 of 2007, the continuing listing requirements of the Colombo Stock Exchange (CSE), and other relevant regulatory guidelines governing financial disclosures and reporting obligations.

- **Internal Controls and Risk Management:**

Evaluated the adequacy and effectiveness of the Group's internal control systems and risk management processes. The Committee ensured that these frameworks align with the expectations of the Sri Lanka Auditing Standards and are sufficient to safeguard the integrity of operations.

- **External Audit Oversight:**

Assessed the independence, objectivity, and performance of the External Auditors. The Committee reviewed the audit scope, key findings, and management's responses to ensure appropriate actions were taken to address audit recommendations.

- **Auditor Appointment and Terms:**

Made recommendations to the Board on the appointment, re-appointment, and removal of the External Auditors. The Committee also reviewed and approved the auditors' terms of engagement and remuneration, ensuring alignment with the audit scope and regulatory expectations.

Through these activities, the Audit Committee contributed to enhancing the integrity of financial governance, reinforcing internal control mechanisms, and supporting the Group's commitment to accountability and transparency.

REPORT OF THE BOARD AUDIT COMMITTEE

Compliance with Rules and Regulations

The Audit Committee operates in accordance with the regulatory framework and best practices applicable to listed entities in Sri Lanka. The Rules on Corporate Governance under the Listing Rules of the Colombo Stock Exchange (CSE), along with the Code of Best Practice on Corporate Governance jointly issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka (SEC), provide clear guidance on the composition, responsibilities, and functions of the Audit Committee.

The Committee ensures that its operations are aligned with these regulatory expectations and continues to uphold the highest standards of transparency, accountability, and governance across the Group.

Financial Reporting Oversight

The Committee reviewed and deliberated on the Interim and Annual Financial Statements of the Company prior to their release. This included assessing the completeness, accuracy, and consistency of financial disclosures and ensuring that the accounting policies and methods adopted were in compliance with Sri Lanka Accounting Standards (SLFRS/LKAS). Upon satisfactory review, the Committee recommended the financial statements for Board approval and public disclosure.

The Committee also took responsibility for overseeing the preparation of the Annual Report to ensure the reliability of the financial reporting process and the credibility of disclosures presented to stakeholders.

External Audit and Auditor Independence

The Audit Committee reviewed the scope and performance of the external audit function, led by Ernst & Young, Chartered Accountants, for the financial year ended 31st March 2025. This included an evaluation of the services provided to ensure that the

independence and objectivity of the External Auditors were not compromised.

To the best knowledge of the Board and the Committee, the External Auditors had no relationships or interests with the Company other than the audit engagement, as disclosed. Based on this review, the Committee confirmed that the Auditors remained independent throughout the audit period.

The Committee discussed and approved the Letter of Engagement and audit scope with the External Auditors prior to commencement and subsequently reviewed the final audit findings and management letters.

In line with good governance, a formal evaluation process, which included input from senior management, was used to assess the performance of the Auditors. Following this assessment, the Committee recommended to the Board the reappointment of Ernst & Young as the External Auditors for the financial year ending 31st March 2026, subject to shareholder approval at the Annual General Meeting. The Board was also advised on the determination of the Auditors' remuneration.

Internal Audit Function

The Company continues to strengthen its governance and risk oversight through a well-structured internal audit function. This function is outsourced to KPMG, an independent audit firm, to ensure objectivity and professional rigour. Internal audits are conducted across key operational and functional areas based on an annual plan reviewed and approved by the Committee.

The internal audit plays a critical role in evaluating and improving the effectiveness of risk management, internal controls, and governance processes. Reports issued by the Internal Auditors are reviewed by the Committee on a quarterly basis. The Committee ensures that timely corrective action is taken by management on audit recommendations and tracks the progress of such actions systematically.

The internal audit process is proactive and future-focused, aiming to identify and mitigate potential risks while fostering a culture of continuous improvement across the Group. Through this mechanism, the Company seeks to uphold high standards of accountability, ensure compliance with regulatory requirements, and drive sustainable business practices.

Identification of Risks and Control Measures

The Committee regularly monitors the effectiveness of the risk management framework across the Group. Formal assurances and confirmations are obtained quarterly from the senior management of Group companies regarding the status of internal controls, risk exposure, and compliance with applicable laws and regulations.

The Committee reviews management's responses to identified risks and evaluates the adequacy of remedial actions. This systematic approach ensures that emerging risks are promptly addressed and that the Company remains resilient and agile in the face of operational and financial uncertainties.

Internal Controls and Compliance Monitoring

The Audit Committee remains satisfied that the control environment of the Company provides reasonable assurance though not absolute on the reliability of financial reporting and the safeguarding of Company assets.

The Committee continues to monitor the timely settlement of statutory dues and assesses the effectiveness of financial and operational control procedures through the reports and findings submitted by both the Internal and External Auditors.

Conclusion

During the year under review, the Audit Committee ensured comprehensive oversight of the internal audit plan and scope, reviewed audit findings, and monitored follow-up actions taken by management. The Committee also

engaged with the External Auditors prior to and after the audit to discuss the scope, key findings, and reporting matters.

The Committee is satisfied that the independence of the External Auditors has not been impaired by any circumstance or engagement that could lead to a conflict of interest. The nature of non-audit services, if any, was duly considered and deemed to have no adverse impact on independence.

Furthermore, the Committee received formal assurance from the CEO & the Head of Finance affirming the integrity of the Company's financial reporting, internal controls, and operational compliance.

The Audit Committee remains committed to upholding strong governance practices, promoting transparency, and reinforcing the Company's culture of accountability and risk awareness ultimately contributing to sustainable value creation for all stakeholders.

(Sgd.)

Dinesh Dharmadasa

Chairman of the Audit Committee

05 June 2025
Colombo

REPORT OF THE BOARD REMUNERATION COMMITTEE

I am pleased to present the report of the Remuneration Committee for the financial year ended 31st March 2025. This report outlines the Committee's structure, responsibilities, and key activities undertaken during the period under review.

Composition of the Committee

As at 31st March 2025, the Remuneration Committee comprised four Non-Executive Directors, three of whom are Independent, in accordance with the requirements of the Colombo Stock Exchange (CSE) Corporate Governance Code.

In compliance with Section 9.10.3 of the Listing Rules of the Colombo Stock Exchange, the Board of Directors reconstituted the Remuneration Committee with effect from 13th August 2024.

The reconstituted Committee comprises the following members:

Name of the Director	Designation	Committee Role
Mrs. Shehara De Silva	Independent, Non-Executive Director	Chairperson
Mr. Ukwatte Kankanamage Dinesh Dharmadasa	Independent, Non-Executive Director	Member
Mr. Wanigasekara Bandaranayake Wasala Mudiyanse Ralahamilage Aluwihare Mahawalawwe Thulci Goutham Aluwihare	Independent, Non-Executive Director	Member
Mr. Sattar Kassim	Non-Independent, Non-Executive Director	Member

The Committee's composition reflects a balanced mix of independence, experience, and governance oversight. This ensures objective evaluation and fairness in the formulation of remuneration-related decisions.

Ms Najiha Carrim, Manager – Corporate Secretarial and Compliance functioned as the Secretary to the Committee during the year, except when matters pertaining to their own remuneration were under discussion. Additionally, the Head of Finance supported the Committee by providing relevant data and insights as per the terms of reference approved by the Board.

Role and Responsibilities of the Committee

The Remuneration Committee is tasked with assisting the Board in developing and maintaining a fair, transparent, and performance-linked remuneration framework. Its mandate covers Executive Directors, Non-Executive Directors, Key Managerial Personnel (including the Chief Executive Officer), as well as senior executives and employees across the Company.

The Committee ensures that the remuneration framework supports the Company's strategic objectives, promotes accountability, rewards performance, and retains critical talent.

Key responsibilities of the Committee include:

- **Recommending the Overall Remuneration Policy and Framework**
Advising the Board on the Company's remuneration philosophy and structure, including the overall policy for Directors, senior executives, and Key Managerial Personnel. The policy is designed to promote meritocracy, retain top talent, and support both individual excellence and corporate performance.
- **Reviewing and Recommending Compensation and Incentive Structures**

Proposing total remuneration packages, performance-based incentives, and benefits, including fixed pay, variable pay, bonuses, and non-cash components, based on market benchmarks, internal equity, and individual performance outcomes.

- **Oversight of Bonus and Variable Pay Schemes**

Reviewing and recommending annual bonus structures and other variable pay schemes that are tied to defined performance metrics and KPIs. The Committee ensures that such incentives drive responsible business performance and align with stakeholder expectations.

- **Ensuring Compliance and Good Governance**

Ensuring that all remuneration-related decisions are made in accordance with applicable labour laws, listing rules, corporate governance codes, and the Articles of Association of the Company. The Committee is committed to upholding principles of transparency, fairness, and accountability in all matters.

Meeting Attendance

During the financial year under review, the Committee held one meeting. The attendance of Committee members was as follows:

Name of the Director	Eligible No. of meetings to attend	Attended No. of meeting	Attendance
Ms. Shehara De Silva	2	2	✓ 100%
Mr. Sattar Kassim	2	2	✓ 100%
Mr. U. K. D. Dharmadasa	2	2	✓ 100%
Mr. W. B. W. M. R. A. M. T. G. Aluwihare	1	1	✓ 100%

The Managing Director attended the meeting by invitation and did not participate in any discussions related to his own remuneration.

*Mr. W.B.W.M.R.A.M.T.G. Aluwihare was appointed to the Remuneration Committee with effect from 13th August 2024 and attended the meeting held following his appointment.

Remuneration Policy and Governance

The Committee works in close collaboration with the Board and the Company's Human Resources and Finance functions to formulate and recommend a competitive and transparent remuneration policy. As stipulated in the Company's Articles of Association, no Director participates in decisions concerning their own remuneration.

The Committee's approach is built on the following core principles:

- Alignment of individual and corporate performance
- Compliance with legal, regulatory, and governance requirements
- Maintenance of internal equity and external competitiveness
- Promotion of long-term value creation and employee retention

All remuneration decisions are benchmarked against market data, peer group practices, and the Company's financial performance.

Procedure and Implementation

The Committee reviewed and made recommendations on:

- Compensation structures across all levels of the organisation
- Performance-based increments and incentive payouts
- Retirement benefits and extensions of service beyond the official retirement age of 55 years, considered on a case-by-case basis for a maximum of one year

- Changes to bonus and variable pay schemes to ensure alignment with evolving performance expectations

Final decisions on remuneration were made by the Board of Directors upon consideration of the Committee's recommendations.

Conclusion

The Remuneration Committee remains firmly committed to ensuring that the Company's compensation practices are fair, robust, and aligned with both corporate values and stakeholder expectations. The Committee will continue to refine and strengthen remuneration strategies to support the Company's sustainable growth, talent development, and long-term success.

(Sgd.)

Mrs. Shehara De Silva

Chairperson – Remuneration Committee

05 June 2025
Colombo

REPORT OF THE BOARD RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

I am pleased to present the report of the Related Party Transactions Review Committee (RPTRC) for the financial year ended 31st March 2025.

The Committee has continued to carry out its responsibilities in line with its mandate to review and oversee the Company's and Group's related party transactions (RPTs), thereby ensuring that such transactions are conducted at arm's length and in the best interest of shareholders and stakeholders. This governance function remains essential in preserving transparency, integrity, and accountability in all related dealings across the Group.

The Related Party Transactions Review Committee was established in accordance with the Code of Best Practice on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka, and Section 9 of the Continuing Listing Requirements of the Colombo Stock Exchange (CSE).

Composition of the Committee

As at 31st March 2025, the Related Party Transactions Review Committee comprised three (03) Independent Non-Executive Directors, whose independence and expertise reinforce the integrity of the Committee's reviews and recommendations.

Name of the Director	Designation	Committee Designation
Mr. Wanigasekara Bandaranayake Wasala Mudiyanse Ralahamilage Aluwihare Mahawalawwe Thulci Goutham Aluwihare	Independent, Non-Executive Director	Chairman
Ms. Shehara De Silva	Independent, Non-Executive Director	Member
Mr. Ukwatte Kankanamage Dinesh Dharmadasa	Independent, Non-Executive Director	Member

Mr. Thulci Aluwihare served as the Chairman of the Committee during the year under review.

The Managing Director, Chief Executive Officer, CFO, and Finance Manager are permanent invitees to all Committee meetings, offering insights and clarifications to support the Committee's evaluations.

Secretary of the Committee

Ms. Najiha Carrim, Manager – Corporate Secretarial and Compliance of the Group, served as the Secretary to the Committee during the year under review.

Objective of the Committee

The objective of the Committee is to assist the Board in ensuring full compliance with the Code on Related Party Transactions and the CSE Listing Rules, while safeguarding the interests of minority shareholders and promoting transparency in transactions involving related parties.

Role and Responsibilities of the Committee

The Committee is mandated to review, assess, and monitor all related party

transactions undertaken by the Company and its subsidiaries, in accordance with the applicable rules and internal policies. The Committee ensures that such transactions are properly disclosed, justified, and subject to appropriate approval processes.

Key responsibilities include:

- Reviewing in advance all proposed related party transactions
- Monitoring any material changes to previously reviewed transactions prior to their completion.
- Determining whether transactions require Board or shareholder approval.
- Recommending revisions to policies and procedures governing RPTs as necessary.
- Establishing and reviewing guidelines for Senior Management on recurring RPTs.
- Ensuring that immediate market disclosures and disclosures in the Annual Report are made in accordance with regulatory requirements and within the required timeframes.

Policies and Procedures

The Company has in place a formal Related Party Transactions Policy, which governs the identification, evaluation, and approval of all RPTs. Key Management Personnel (KMPs) are required to submit annual declarations disclosing their related parties and potential transactions. This information is then used to populate and maintain an updated internal database of related party connections.

In line with LKAS 24 – Related Party Disclosures, a related party transaction is defined as:

“A transfer of resources, services, or obligations between related parties, regardless of whether a price is charged.”

All such transactions are reviewed by the Committee either prior to being entered into or, where subject to conditional approval, before completion.

Meeting Attendance

During the year under review, the Committee convened four (04) meetings. The attendance of the Committee members is presented below:

Name of the Director	Eligible No. of meetings to attend	Attended No. of meeting	Attendance
Mr. Thulci Aluwihare	4	4	100%
Ms. Shehara De Silva	4	4	100%
Mr. U. K. D. Dharmadasa	4	4	100%

Review of Related Party Transactions for FY 2024/25

During the financial year ended 31st March 2025, the Committee diligently reviewed all related party transactions undertaken by the Company and its subsidiaries. The Committee ensured that these transactions were carried out in an ordinary course of business and on an arm's length basis, and that they did not exceed the thresholds set out in Section 9 of the CSE Listing Rules.

The Committee's observations and recommendations were formally communicated to the Board of Directors. Full disclosure of all related party transactions for the year is provided in Note 24 to the Financial Statements on pages 215 to 218 of this Annual Report.

Declaration

The Board of Directors has declared that during the year under review, there were no recurrent or non-recurrent related party transactions that exceeded the specified thresholds outlined in Section 9 of the CSE Listing Rules. The Company has remained fully compliant with the applicable requirements concerning the review, disclosure, and approval of related party transactions.

Conclusion

The Related Party Transactions Review Committee remains committed to upholding the principles of good governance and accountability by ensuring that all related party transactions are conducted with due transparency and fairness. The Committee will continue to operate in accordance with its charter, proactively reviewing all RPTs and ensuring timely disclosures, thus safeguarding stakeholder confidence and regulatory compliance.

(Sgd.)

Thulci Aluwihare

Chairman – Related Party Transactions Review Committee

05 June 2025
Colombo

REPORT OF THE NOMINATIONS AND GOVERNANCE COMMITTEE

For the Year Ended 31st March 2025

I am pleased to present the report of the Nominations and Governance Committee for the financial year ended 31st March 2025. This report is presented in compliance with Section 9.10.3 of the Listing Rules of the Colombo Stock Exchange (CSE). In line with the revised corporate governance requirements, the Nominations and Governance Committee (NGC) was formally established with effect from 13th August 2024, pursuant to approval by the Board at its meeting held on the same date.

The Committee supports the Board in fulfilling its responsibilities related to Board composition, nominations, succession planning, governance structures, and ensuring compliance with evolving regulatory frameworks. It plays a critical role in ensuring that the Board remains appropriately constituted to meet the Company's strategic needs while upholding high standards of governance.

Composition of the Committee

As of 31st March 2025, the Nominations and Governance Committee comprised three (03) Independent Non-Executive Directors, whose profiles reflect a strong mix of governance, legal, and industry experience. The Committee composition is as follows:

Name of the Director	Board Designation	Committee Role	Date of Appointment
Mr. Ukwatte Kankanamage Dinesh Dharmadasa	Independent, Non-Executive Director	Chairman	13 August 2024
Ms. Shehara De Silva	Independent, Non-Executive Director	Member	13 August 2024
Mr. Wanigasekara Bandaranayake Wasala Mudiyanse Ralahamilage Aluwihare Mahawalawwe Thulci Goutham Aluwihare	Independent, Non-Executive Director	Member	13 August 2024

Secretary of the Committee

Ms. Najiha Carrim, Manager – Corporate Secretarial and Compliance of the Group, served as the Secretary to the Committee during the year under review.

Committee Responsibilities and Governance Framework

The Committee operates under a formal charter and is tasked with reviewing and recommending the appointment and reappointment of Directors, succession planning, and overseeing the governance policies of the Company. A documented nomination policy and process are in place to ensure transparency and merit-based appointments. The policy mandates that all Directors submit themselves for re-election at regular intervals and at least once every three years, in accordance with the Company's Articles of Association.

The Committee is also responsible for evaluating the independence of Directors annually, reviewing potential conflicts of interest, and ensuring disclosures under the Companies Act No. 7 of 2007 and CSE Listing Rules are up to date.

Meeting Attendance

During the financial year ended 31st March 2025, the Committee met on 26th March 2025 to consider matters relating to the re-election of Directors and to review declarations submitted by Board members in accordance with the CSE corporate governance framework. Attendance at this meeting is as follows:

Name of the Director	Eligible No. of meetings to attend	Attended No. of meeting	Attendance
Mr. U.K.D Dharmadasa (Chairman)	1	1	✓ 100%
Ms. Shehara De Silva	1	1	✓ 100%
Mr. Thulci Goutham Aluwihare	1	1	✓ 100%

At the meeting, the Committee also reviewed:

- Fit and Proper declarations from all Directors in line with CSE Rule 9.7;
- Declarations of independence by Directors designated as Independent, in compliance with Rule 9.8.3;

- Annual disclosures on Directors' interest in transactions and share dealings under Sections 192(2) and 200 of the Companies Act;
- Board re-election recommendations, with emphasis on knowledge, performance, and strategic contributions.

Based on this review, the Committee confirmed that all three Independent Non-Executive Directors (Ms. Shehara De Silva, Mr. U.K.D. Dharmadasa, and Mr. Thulci Aluwihare) continue to meet the criteria for independence. Furthermore, the Committee recommended the re-election of Mr. Sattar Kassim and Mr. U.D.W.C. Abeyratne, who are due to retire by rotation, based on their experience, governance contributions, and strategic insight.

Board Diversity and Composition

The Committee values diversity as a cornerstone of Board effectiveness. As of 31st March 2025, the Board includes members with expertise in finance, law, operations, and governance, with age representation ranging from early 40s to early 70s. Gender diversity is also reflected through the presence of female leadership among the Independent Non-Executive Directors. The Committee will continue to foster diversity across all dimensions during future nominations.

Director Induction and Continuing Governance Education

There were no new appointments during the year. However, all Directors received a corporate governance update during the period under review, covering key topics such as the revised CSE Listing Rules, securities market regulations, and global governance trends. The Company's policy also mandates orientation programs for newly appointed Directors, which will be conducted accordingly for any future appointments.

Statement on Independence and Compliance

The Committee confirms that all Directors designated as Independent meet the criteria outlined in Section 9 of the CSE Listing Rules. Further, the Company has complied with all applicable corporate governance requirements under the CSE Listing Rules as of the reporting date. No instances of non-compliance were observed during the year.

Conclusion

The Nominations and Governance Committee continues to play a vital role in maintaining the integrity and effectiveness of the Board. Through its oversight, the Committee ensures that the Board remains strategically aligned, diverse, and equipped to deliver sustained long-term value for the Company and its stakeholders.

(Sgd.)

Dinesh Dharmadasa

Chairman of the – Nominations and Governance Committee

05 June 2025

Colombo

THE STATEMENT OF DIRECTORS' RESPONSIBILITY

The responsibility of the Directors in relation to the Financial Statements of the Company and the Consolidated Financial Statements of the Company and its Subsidiaries are set out in the following statement. These differ from the responsibilities of the Auditors, which are set out in the Report of the Auditors given on page 172 to 173.

In accordance with the provisions of the Companies Act No.7 of 2007, the financial statements comprise a Statement of Financial Position of the Company and its Subsidiaries which present a true and fair view of the state of affairs at the end of the financial year.

- Accordingly, the Board of Directors also wishes to confirm that in preparing the financial statements.
- Appropriate accounting policies have been selected and applied in a consistent manner.
- Reasonable and prudent judgments and estimates have been made and applicable accounting standards have been followed.
- Presented in accordance with the Sri Lanka Accounting Standards (SLFRS/ LKAS).

Further, the Board Directors are responsible for ensuring that the Company keeps sufficient accounting records to disclose with reasonable accuracy of the financial position of the Company and of the Group for ensuring that the financial statements comply with the Companies Act No. 07 of 2007.

The Directors are also responsible for taking reasonable measures to safeguard the assets of the Company and of the Group, and in that context to have proper regard to the establishment of appropriate systems of internal control to prevent and detect frauds and other irregularities.

The Directors of the Company are of the view that they have discharged their responsibilities as set out in this statement.

By Order of the Board

(Sgd.)

Business Intelligence (Pvt) Ltd.

Company Secretaries
5th June 2025
Colombo.

MANAGING DIRECTOR'S, CHIEF EXECUTIVE OFFICER'S, AND CHIEF FINANCIAL OFFICER'S STATEMENT OF RESPONSIBILITY

As part of our commitment to sound corporate governance, the Managing Director, Chief Executive Officer, and Chief Financial Officer of Ex-Pack Corrugated Cartons PLC jointly present this Statement of Responsibility. This declaration is made in line with the Code of Best Practice on Corporate Governance, jointly issued by the Securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka.

This statement reflects our accountability in ensuring that the Group upholds the highest standards of financial integrity, internal control, and risk management, forming the foundation for long-term value creation.

Responsibility for Internal Controls and Risk Management

The Board of Directors has the ultimate responsibility for the adequacy, effectiveness, and continuous evolution of the Group's internal control systems. These systems are designed to facilitate the achievement of strategic and operational goals, while ensuring compliance with applicable laws, safeguarding of assets, and integrity in financial reporting.

However, we acknowledge that internal control systems, by their nature, are designed to manage risks, not eliminate them. Accordingly, these systems can provide reasonable, though not absolute, assurance against material misstatements, losses, or fraud.

The Board has entrusted the day-to-day design and implementation of internal controls to the Executive Management. To support this, an integrated control environment has been established, supported by clearly documented policies, defined responsibilities, ethical practices, and transparent oversight mechanisms.

Our risk management process is dynamic and forward-looking, ensuring that risks are proactively identified, assessed, and mitigated. The Board, through its delegated Committees, regularly monitors emerging risks, regulatory developments, and shifts in the external environment to ensure the Company remains resilient and agile.

This control culture is reinforced through robust internal audit coverage, continuous process improvements, and feedback loops from both internal and external assurance providers.

Strengthening Financial Stewardship and Reporting Integrity

The financial reporting process is central to building investor confidence and maintaining market integrity. At Ex-Pack, the financial reporting framework is governed by stringent internal controls, reconciliations, reviews, and approvals across all business units and subsidiaries.

Key elements of this framework include:

- Oversight by the Audit Committee, which independently reviews financial statements, monitors auditor independence, and evaluates the robustness of internal control systems.
- Engagement with the Group's external auditors, who provide independent assurance on the accuracy, compliance, and fairness of the financial statements in line with Sri Lanka Accounting Standards (SLFRS/LKAS).
- Periodic review and risk-based audits conducted by an independent internal audit function that reports directly to the Audit Committee.
- Budgetary controls and variance analysis, conducted regularly, ensure performance remains aligned with strategic objectives and financial benchmarks.

The Company has invested in building finance function capacity, equipping teams with digital tools, training, and performance metrics to promote accuracy, consistency, and transparency in all financial transactions and disclosures.

Upholding Ethical Conduct and Governance Values

The Board and Management recognise that strong governance is more than regulatory compliance, it is a reflection of our corporate values, culture, and ethical conduct. At every level, the Group encourages responsible decision-making, openness, and accountability.

Our governance structures ensure:

- Clear separation of oversight and executive roles;
- A documented Code of Conduct guiding employee behaviour and stakeholder engagement;
- Zero tolerance for unethical practices, including fraud, bribery, and conflicts of interest.

We remain committed to maintaining stakeholder trust by aligning our actions with the highest standards of integrity and professionalism.

Confirmation

Based on the comprehensive internal control framework, continuous monitoring, and governance mechanisms described above, we confirm that the Group's internal control and risk management systems are operating effectively and provide reasonable assurance over the reliability of financial reporting.

The Financial Statements for the year ended 31st March 2025 have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS), the Companies Act No. 07 of 2007, and other applicable regulatory requirements. These Financial Statements reflect a true and fair view of the financial position, performance, and cash flows of the Company and the Group.

We remain dedicated to fostering a governance culture that enables sustainable growth, regulatory compliance, and stakeholder value enhancement.

By order of the Board of Directors of
Ex-Pack Corrugated Cartons PLC

(Sgd.)
Zulficar Ghouse
Managing Director

(Sgd.)
Mohamed Riyaz
Chief Executive Officer

(Sgd.)
Abdul Latiff Ahamed
Chief Financial Officer
05 June 2025
Colombo

SHARE INFORMATION

1.1 Stated capital

The Stated Capital of the Company comprises 333,333,333 Ordinary Voting Shares representing a value of rupees 1,199,999,997.20 as at the end of 31st March 2025.

As at	31st March 2025		31st March 2024	
	No of Shares	Value of Shares (LKR)	No of Shares	Value of Shares (LKR)
At the beginning of the financial year	333,333,333	1,199,999,997.20	333,333,333	1,199,999,997.20
At the end of the financial year	333,333,333	1,199,999,997.20	333,333,333	1,199,999,997.20

1.2 Twenty largest shareholders of the company

	Name of the Shareholder	As at 31/03/2025		As at 31/03/2024	
		Number of Shares	%	Number of Shares	%
1	Aberdeen Holdings (Private) Limited	216,733,334	65.02	216,733,334	65.02
2	Sri Lanka Insurance Corporation Ltd-Life Fund	12,112,605	3.63	12,112,605	3.63
3	Bank of Ceylon A/C Ceybank Unit Trust	5,529,896	1.66	5,529,896	1.66
4	Mr. Mohamed Faizer Hashim	2,781,785	0.83	1,991,510	0.60
5	Mr. Saifullah Yusoof	2,720,000	0.82	2,528,021	0.76
6	Mr. Mohamed Naleem Mohamed Mubarak	2,060,000	0.62	2,060,000	0.62
7	Bank of Ceylon A/C Ceybank Century Growth Fund	2,000,000	0.60	2,000,000	0.60
8	Commercial Bank of Ceylon Plc A/C No.03	1,977,000	0.59	977,000	0.29
9	Mr. Mohamed Zuraish Hifaz Hashim/Mr. N.R.M. Hashim	1,700,000	0.51	1,793,342	0.54
10	Commercial Bank of Ceylon Plc/W. Jinadasa	1,684,706	0.51	1,684,706	0.51
11	Mr. Husein Nuruddin Esufally/ Mrs. S.R.A. Esufally	1,262,442	0.38	-	-
12	Development Interplan (Ceylon)Limited	1,100,000	0.33	1,100,000	0.33
13	Merchant Bank of Sri Lanka & Finance/ K.L.K.M Indika	1,048,935	0.31	1,187,435	0.36
14	Acquity Partners (Pvt) Limited/ Mr. Subramaniam Vasudevan	1,021,503	0.31	-	-
15	Dr. Senadhi Indrajith Bangamuarachchi	1,020,000	0.31	-	-
16	Asia Securities (Pvt) Ltd (Trading Account)	1,018,786	0.31	-	-
17A	DFCC Bank Plc/Mr. P. Pranavan	1,000,000	0.30	777,000	0.23
17B	Sanasa General Insurance Company Ltd	1,000,000	0.30	-	-
18	Mrs. Kurulusuriyage Niranjala Liyoni Peiries	900,000	0.27	-	-
19	Hatton National Bank PLC/Almas Holdings (Private) Limited	879,491	0.26	-	-
20	Malship Ceylon Ltd	875,000	0.26	-	-
	Top 20 Total	260,425,483	78.13	250,474,849	75.21
	Other's Total	72,907,850	21.87	82,858,484	24.79
	Total	333,333,333	100.00	333,333,333	100.00

1.3 Distribution shareholders

As of 31st March 2025									
Value Band	Resident			Non – Resident			Total		
	No of Share Holders	No of Shares	%	No of Share Holders	No of Shares	%	No of Share Holders	No of Shares	%
1-1,000	2064	724,375	0.22	3	1,050	0.00	2067	725,425	0.22
1,001-10,000	1836	7,837,417	2.35	4	14,080	0.00	1840	7,851,497	2.36
10,001-100,000	1022	29,826,403	8.95	6	280,768	0.08	1028	30,107,171	9.03
100,001-1,000,000	149	37,821,739	11.35	4	1,056,509	0.32	153	38,878,248	11.66
Over 1,000,000	16	255,770,992	76.73	0	0	0.00	16	255,770,992	76.73
TOTAL	5087	331,980,926	99.60	17	1,352,407	0.40	5,104	333,333,333	100

As of 31st March 2024									
Value Band	Resident			Non – Resident			Total		
	No of Share Holders	No of Shares	%	No of Share Holders	No of Shares	%	No of Share Holders	No of Shares	%
1-1,000	2103	782,236	0.23	3	1,050	0.00	2106	783,286	0.23
1,001-10,000	2033	8,872,840	2.66	6	26,100	0.01	2039	8,898,940	2.67
10,001-100,000	1118	32,822,525	9.85	7	266,768	0.08	1125	33,089,293	9.93
100,001-1,000,000	153	38,127,944	11.44	6	1,228,477	0.37	159	39,356,421	11.81
Over 1,000,000	13	251,205,393	75.36	0	0	0.00	13	251,205,393	75.36
TOTAL	5420	331,810,938	99.54	22	1,522,395	0.46	5,442	333,333,333	100

1.4 Composition of shareholders

As at	31st March 2025			31st March 2024		
	No of Shares	Holding %	No of Share Holders	No of Shares	Holding %	No of Share Holders
Individuals	71,917,142	21.58	4,887	77,265,765	23.18	5,202
Institutions	261,416,191	78.43	217	256,067,568	76.82	240
Total	333,333,333	100	5,104	333,333,333	100.00	5,442

1.5 Directors and CEO's shareholding

As at	As at 31/03/2025		As at 31/03/2024		
	Name of the Director	Number of Shares	Holding % as of total no of Issued Shares	Number of Shares	Holding % as of total no of Issued Shares
	Mr. Sattar Kassim	94,800	0.03%	94,800	0.03%
	Mr. Shafik Kassim	14,400	0.00%	14,400	0.00%
	Mr. M. Z. M. Ghouse	14,400	0.00%	14,400	0.00%
	Mr. Abdullah Osman Kassim	234,400	0.07%	234,400	0.07%
	Mr. W. B. W. M. R. A. M. T. G. Thulci Aluwihare	-Nil-	-Nil-	-Nil-	-Nil-
	Mr. U. K. Dinesh Dharmadasa	37,400	0.01%	37,400	0.01%
	Ms. Shehara De Silva	13,100	0.00%	13,100	0.00%
	Mr. Mohamed Riyaz Valli Mohamed (CEO)	85,910	0.03%	85,910	0.03%
	Mr. U D W Chathuranga Abeyratne	-Nil-	-Nil-	-Nil-	-Nil-
	Total	494,410	0.14%	494,410	0.14%

SHARE INFORMATION

1.6 Public shareholders

As at	31st March 2025			31st March 2024		
	No of Shares	Holding %	No of Share Holders	No of Shares	Holding %	No of Share Holders
Individuals Shares held by Public- shareholders	115,440,018	34.63	5,082	115,110,018	34.53	5,405
Shares held by Non- public shareholders	217,893,315	65.37	22	218,223,315	65.47	23
Total	333,333,333	100	5,104	333,333,333	100	5,428

As at	31st March 2025	31st March 2024
	Rs.	Rs.
Highest Price Per Share	17.20	14.90
Lowest Price Per Share	12.50	11.70
Closing Price Per Share	13.90	14.30

1.8 Utilisation of IPO funds

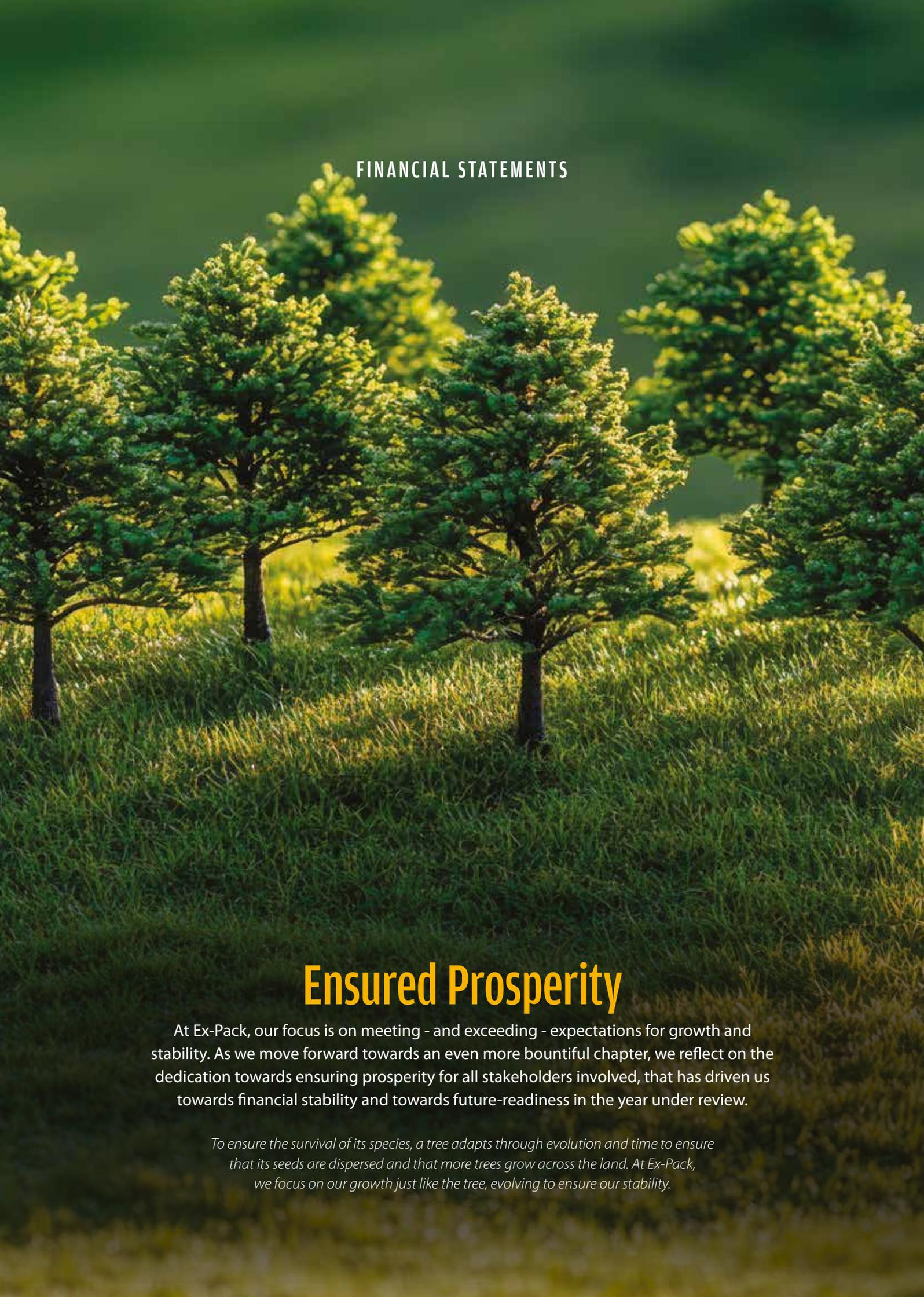
Ex-Pack raised Seven Hundred Million (LKR 700,000,000) via Initial Public Offering in October 2022 in order to set up a manufacturing facility. The status of Utilisation of Funds Raised Via IPO Proceeds as of 31st March 2025 is tabulated below,

Objective No.	Objective as per Prospectus	Amount allocated as per Prospectus in Rs	Proposed Date of Utilisation as per Prospectus	Amount allocated upon the receipt of proceeds in Rs. [A]	As a % of Total Proceeds	Amount Utilised in the Objective Rs. [B]	% of Utilise against allocation [B/A]	Clarification if not fully Utilised including where the funds are invested
1	Invest in a new state of the art manufacturing facility.	700,000,000	Q3 of FY22- Q4 of FY 24	700,000,000	100%	Purchase of Land 252.5 M	36%	N/A

- Disclosure regarding Status of fund utilisation consequent to the Shareholders approving the new objectives at the EGM held on 5th April 2024 (the relevant disclosures have been made to the CSE on 5th April 2024 itself) and up to the date the Interim Financial Statements have been approved by the Board of Directors.

Objective No.	New Objective as per EGM held on 5th April 2024	Amount allocated as per Prospectus in Rs.	Proposed Date of Utilisation as per Prospectus	Amount allocated upon the receipt of proceeds in Rs. [A]	As a % of Total Proceeds	Amount Utilised in the Objective after the EGM Rs. [B]	% of Utilise against allocation [B/A]	Clarification if not fully Utilised including where the funds are invested
1	Invest in a new state-of-the-art Machineries and Expansion to existing facility.	700,000,000	Q1 of FY25- Q4 of FY 25	700,000,000	100%	Made Advances to Machinery suppliers and Building Contractors 447.5 M Purchase of Land 252.5 M (Land to be sold subsequently and funds to be utilised for the new objective)	100.00%	N/A

As per the resolution passed at the Extraordinary General Meeting (EGM) held on 5th April 2024 regarding the modernisation of the facility, all machinery has been successfully installed, and commercial operations commenced in the middle of the fourth quarter of the financial year 2024/2025. With the completion of installation and the commencement of operations, the project as presented and approved at the EGM has been fully executed.



FINANCIAL STATEMENTS

Ensured Prosperity

At Ex-Pack, our focus is on meeting - and exceeding - expectations for growth and stability. As we move forward towards an even more bountiful chapter, we reflect on the dedication towards ensuring prosperity for all stakeholders involved, that has driven us towards financial stability and towards future-readiness in the year under review.

To ensure the survival of its species, a tree adapts through evolution and time to ensure that its seeds are dispersed and that more trees grow across the land. At Ex-Pack, we focus on our growth just like the tree, evolving to ensure our stability.

INDEPENDENT AUDITOR'S REPORT



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

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TO THE SHAREHOLDERS OF EX-PACK CORRUGATED CARTONS PLC

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Ex-Pack Corrugated Cartons PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2025, and statements of Profit or Loss and Other Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for opinion

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

Key audit matters

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

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

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

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

A member firm of Ernst & Young Global Limited

Key audit matter	How our audit addressed the key audit matter
<p>Existence and carrying value of Trade Receivables</p> <p>As at 31 March 2025, the carrying value of trade receivables amounted to Rs. 1.7 Bn net of a provision for impairment of Rs. 24 Mn, as disclosed in Notes 8, 2.2.5 and 2.4 to the financial statements.</p> <p>This was a key audit matter due to:</p> <ul style="list-style-type: none"> the materiality of the reported trade receivable balance which represents 20% of the Group's total assets as of the reporting date; and the degree of management judgements and assumptions associated with evaluating the recoverability of the trade receivable balance as disclosed in notes 8, 2.2.5 and 2.4 to the financial statements. 	<p>Our audit procedures included the following key procedures</p> <ul style="list-style-type: none"> Tested the existence of trade receivables through confirmations, and where appropriate, examined cash receipts and other supporting documentation Obtained an understanding of and evaluated the process used by the management to assess impairment of trade receivables Tested the aged analysis of trade receivables by referring to the source documents Tested the calculation of the provision for impairment and evaluated the reasonableness of the judgements and assumptions used by the management in determining the provision. <p>We also evaluated adequacy of the disclosure of notes 8, 2.2.5 and 2.4 to the financial statements.</p>
<p>Existence and carrying value of Inventories</p> <p>As at 31 March 2025, the carrying value of inventories amounted to Rs. 1.5 billion net of provision for slow moving inventories of Rs.1.2 million as disclosed in notes 7, 2.2.13 and 2.4 to the financial statements.</p> <p>Existence and carrying value of inventories was a key audit matter due to:</p> <ul style="list-style-type: none"> the materiality of the reported inventory balance which represented 17% of the Group's total assets as of the reporting date; and judgements applied by the management on identifying inventories requiring write down to net realizable value (NRV), and estimates applied in the determination of the provision for slow moving inventories as disclosed in notes 7, 2.2.13 and 2.4 to the financial statements. 	<p>Our audit procedures included the following key procedures</p> <ul style="list-style-type: none"> Observed physical inventory counts and reconciled the count results to the inventory listings compiled by management to support amounts reported Tested the relevant key controls over inventory valuation Tested whether inventories were stated at the lower of cost and net realizable value, by comparing cost with subsequent selling prices Assessed the reasonableness of management judgements applied in determining the provision for slow-moving inventories. Our procedures included testing the completeness and accuracy of inventory age reports used as a basis to estimate the provision. <p>We also evaluated the adequacy of the disclosures in notes 7, 2.2.13 and 2.4 to the financial statements.</p>

Other Information included in the 2024/25 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of management and those charged with governance for the financial statements

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

INDEPENDENT AUDITOR'S REPORT

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

Those charged with governance are responsible for overseeing the financial reporting process of both Company and Group.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud

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

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

future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

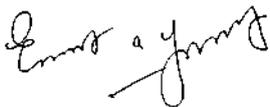
From the matters communicated with those charged with governance, we determine those matters that were of

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

Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 4184.



5 June 2025
Colombo

STATEMENT OF FINANCIAL POSITION

As at 31 March 2025	Note	GROUP		COMPANY	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	3	4,061,543,761	2,344,187,870	3,954,911,461	2,237,510,796
Right to Use of Assets	4	363,328,514	181,466,763	57,148,331	86,585,663
Intangible Assets	5	205,759,885	204,972,018	1,913,833	946,131
Investment in Subsidiary	6	-	-	205,000,000	205,000,000
Deferred Tax Assets	18.2	-	4,857,439	-	-
		4,630,632,160	2,735,484,090	4,218,973,625	2,530,042,590
Current Assets					
Inventories	7	1,482,239,975	1,141,612,190	1,011,967,922	727,134,228
Trade and Other Receivables	8	2,186,403,444	1,847,398,604	1,399,526,940	1,264,604,100
Advances and Prepayments		295,228,884	293,003,506	173,983,441	287,353,976
Cash and Cash Equivalents	9	68,987,130	720,830,738	42,636,004	690,226,195
		4,032,859,433	4,002,845,038	2,628,114,307	2,969,318,499
Total Assets		8,663,491,593	6,738,329,128	6,847,087,932	5,499,361,089
EQUITY AND LIABILITIES					
Stated Capital	10	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000
Revaluation Reserves		623,223,435	623,223,435	623,223,435	623,223,435
Retained Earnings		1,609,347,139	1,356,650,126	1,065,102,615	840,419,842
Equity Attributable to Equity Holders of the Parent		3,432,570,574	3,179,873,561	2,888,326,050	2,663,643,277
Non Controlling Interest		(1,133,583)	(1,042,792)		
Total Equity		3,431,436,991	3,178,830,769	2,888,326,050	2,663,643,277
Non-Current Liabilities					
Deferred Tax Liability	18.2	409,965,736	311,096,758	393,376,568	311,096,758
Retirement Benefit Liability	12	157,982,451	149,261,444	110,808,061	108,350,043
Finance cost Bearing Loans and Borrowings	11	1,240,685,149	138,673,466	1,023,042,742	73,755,847
		1,808,633,336	599,031,668	1,527,227,371	493,202,648
Current Liabilities					
Finance cost Bearing Loans and Borrowings	11	2,100,607,460	2,156,793,945	1,258,453,696	1,657,931,057
Trade and Other Payables	13	1,244,045,850	634,996,306	1,125,279,091	553,136,731
Income Tax Payable		78,767,956	168,676,440	47,801,724	131,447,376
		3,423,421,266	2,960,466,691	2,431,534,511	2,342,515,164
Total Equity and Liabilities		8,663,491,593	6,738,329,128	6,847,087,932	5,499,361,089

I certify that these financial statements comply with the requirements of the Companies Act No. 07 of 2007.

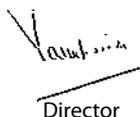


Chief Finance Officer

The Board of Directors is responsible for these Financial Statements. Signed for and on behalf of the Board by;



Director



Director

The accounting policies and notes on pages 180 through 222 form an integral part of the Financial Statements.

5 June 2025

Colombo

STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2025	Note	GROUP		COMPANY	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Revenue from Contracts with Customers	14	9,932,074,391	9,875,058,464	6,326,319,204	6,441,082,584
Cost of Sales		(7,734,477,054)	(7,719,337,095)	(4,618,159,756)	(4,759,285,698)
Gross Profit		2,197,597,337	2,155,721,369	1,708,159,448	1,681,796,886
Other Operating Income	15	62,484,972	83,886,913	82,438,402	101,335,377
Selling and Distribution Expenses		(460,932,195)	(423,976,734)	(410,607,604)	(371,476,056)
Administrative Expenses		(877,114,803)	(798,747,118)	(630,581,851)	(562,565,326)
Results from operating activities		922,035,311	1,016,884,430	749,408,395	849,090,881
Finance Cost	16	(221,256,307)	(239,422,575)	(142,103,209)	(128,229,809)
Finance Income		20,888,010	33,154,335	20,907,155	32,655,346
Profit Before Tax	17	721,667,014	810,616,190	628,212,341	753,516,418
Income Tax Expense	18	(268,645,802)	(230,126,822)	(201,847,595)	(216,922,275)
Profit for the Year		453,021,212	580,489,368	426,364,746	536,594,143
Profit for the period attributable to:					
Equity holders of the parent		453,112,003	580,718,932		
Non-controlling interests		(90,791)	(229,564)		
		453,021,212	580,489,368		
Basic/Diluted earnings per share	19	1.36	1.74	1.28	1.61
Dividend per share	20			0.62	0.67

The accounting policies and notes on pages 180 through 222 form an integral part of the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2025	Note	GROUP		COMPANY	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Profit for the year		453,021,212	580,489,368	426,364,746	536,594,143
Other comprehensive income/ (loss)					
Other comprehensive income/ (loss) not to be classified to statement of profit or loss in subsequent period					
Actuarial (loss)/gains on defined benefit plans	12	8,930,965	(13,623,713)	7,120,990	(15,257,686)
Income tax effect on actuarial (loss)/gains		(2,679,289)	4,087,114	(2,136,297)	4,577,306
		6,251,676	(9,536,599)	4,984,693	(10,680,380)
Other comprehensive income/(loss) for the year, net of tax		6,251,676	(9,536,599)	4,984,693	(10,680,380)
Total comprehensive income/(loss) for the year, net of tax		459,272,888	570,952,769	431,349,439	525,913,763
Attributable To					
Equity holders of the Parent		459,363,679	571,182,333		
Non Controlling Interests		(90,791)	(229,564)		
		459,272,888	570,952,769		

The accounting policies and notes on pages 180 through 222 form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

Group	Stated Capital	Revaluation Reserve	Retained Earnings /Loss	Non Controlling Interests	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April 2023	1,200,000,000	623,223,435	1,008,801,126	(813,228)	2,831,211,333
Profit for the year	-	-	580,718,932	(229,564)	580,489,368
Other Comprehensive (Loss)/Income	-	-	(9,536,599)	-	(9,536,599)
Dividends to equity holders	-	-	(223,333,333)	-	(223,333,333)
Balance as at 31 March 2024	1,200,000,000	623,223,435	1,356,650,126	(1,042,792)	3,178,830,769
Profit for the year	-	-	453,112,003	(90,791)	453,021,212
Other Comprehensive Income/(Loss)	-	-	6,251,676	-	6,251,676
Dividends to equity holders	-	-	(206,666,666)	-	(206,666,666)
Balance as at 31 March 2025	1,200,000,000	623,223,435	1,609,347,139	(1,133,583)	3,431,436,991

Company	Stated Capital	Revaluation Reserve	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April 2023	1,200,000,000	623,223,435	537,839,412	2,361,062,847
Profit for the year	-	-	536,594,143	536,594,143
Other Comprehensive Income/(Loss)	-	-	(10,680,380)	(10,680,381)
Dividends to equity holders	-	-	(223,333,333)	(223,333,333)
Balance as at 31 March 2024	1,200,000,000	623,223,435	840,419,842	2,663,643,277
Profit for the year	-	-	426,364,746	426,364,746
Other Comprehensive Income /(Loss)	-	-	4,984,693	4,984,693
Dividends to equity holders	-	-	(206,666,666)	(206,666,666)
Balance as at 31 March 2025	1,200,000,000	623,223,435	1,065,102,615	2,888,326,050

The accounting policies and notes on pages 180 through 222 form an integral part of the Financial Statements.

STATEMENT OF CASH FLOWS

Year ended 31 March 2025	Note	GROUP		COMPANY	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Cash Flows From / (Used in) Operating Activities					
Profit Before Tax		721,667,014	810,616,190	628,212,341	753,516,418
Adjustments For					
Depreciation of Property, Plant and Equipment	3	198,053,694	158,044,916	178,538,910	139,568,645
Amortization of Right of Use Assets	4	82,834,348	58,649,350	29,437,332	14,799,400
Amortisation of Intangible Assets	5	720,411	845,448	540,576	663,008
Provision for Retirement Benefit Obligation	12	30,777,307	30,291,632	21,554,471	20,513,008
Profit/(Loss) on Disposal of Property, Plant and Equipment	15	(69,831)	(8,975,063)	-	(8,940,063)
Allowance for slow moving Inventories		4,800,000	4,800,000	-	-
Dividend Income		-	-	(30,138,658)	(30,037,474)
Lease Interest	16	38,629,372	38,130,994	17,875,361	16,680,277
Finance Income		(20,888,010)	(33,154,335)	(20,907,155)	(32,655,346)
Finance Cost	16	182,626,935	201,291,581	124,227,848	111,549,532
		1,239,151,240	1,260,540,713	949,341,026	985,657,405
Working Capital Changes					
(Increase)/Decrease in Inventories		(345,427,783)	347,253,784	(284,833,692)	262,813,544
(Increase)/Decrease in Trade and Other Receivables		(339,004,840)	(58,523,714)	(134,922,840)	65,178,516
(Increase)/Decrease in Advances and Prepayments		(2,225,378)	(123,978,181)	113,370,535	(219,823,002)
Increase/ (Decrease) in Trade and Other Payables		609,049,544	(118,122,355)	572,142,360	8,611,756
Cash Generated from Operations		1,161,542,783	1,307,170,247	1,215,097,389	1,102,438,218
Gratuity Paid	12	(13,125,335)	(4,611,722)	(11,975,463)	(4,202,350)
Tax Paid		(257,507,158)	(298,629,237)	(205,349,734)	(249,112,801)
Finance Cost Paid		(182,626,935)	(201,291,581)	(124,227,848)	(111,549,532)
Net Cash flows From/(Used in) Operating Activities		708,283,355	802,637,707	873,544,344	737,573,535

Year ended 31 March 2025	Note	GROUP		COMPANY	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Cash Flows From / (Used in) Investing Activities					
Acquisition of Property, Plant and Equipment	3	(1,917,439,588)	(169,167,049)	(1,895,939,577)	(143,212,225)
Advanced Paid on Acquisition Right of Use Assets		(35,940,148)	-	-	-
Acquisition of Intangible Assets	5	(1,508,278)	(1,224,760)	(1,508,278)	(620,000)
Proceeds from Sale of Property Plant and Equipment		2,099,831	9,260,000	-	9,225,000
Finance Income		20,888,010	33,154,335	20,907,155	32,655,346
Dividend Income Received from Subsidiary		-	-	30,138,658	30,037,474
Net Cash Flows From/(Used in) Investing Activities		(1,931,900,173)	(127,977,474)	(1,846,402,042)	(71,914,405)
Cash Flows From / (Used in) Financing Activities					
Proceeds From Finance cost Bearing Loans and Borrowings	11	23,328,673,688	20,675,782,711	19,893,205,418	18,220,149,619
Repayment of Finance cost Bearing Loans and Borrowings	11	(22,479,316,034)	(21,000,344,129)	(19,341,915,342)	(18,527,332,379)
Payment of Lease Liabilities	11	(94,088,110)	(85,754,848)	(40,360,000)	(27,492,000)
Dividends paid		(206,666,666)	(223,333,333)	(206,666,666)	(223,333,333)
Net Cash Flows From/(Used in) Financing Activities		548,602,878	(633,649,599)	304,263,410	(558,008,093)
Net (Decrease)/Increase in Cash and Cash Equivalents		(675,013,940)	41,010,634	(668,594,288)	107,651,037
Cash and Cash Equivalents at the Beginning of the Year	9	717,798,270	676,787,636	690,226,195	582,575,158
Cash and Cash Equivalents at the End of the Year	9	42,784,330	717,798,270	21,631,907	690,226,195

The accounting policies and notes on pages 180 through 222 form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 General

Ex-Pack Corrugated Cartons PLC (Company) is a limited liability company incorporated and domiciled in Sri Lanka. The registered office of the company at No 11A Milepost Avenue, Colombo 03 and the principal place of the business is situated at No. 79, Pattiwila Road, Gonawala, Kelaniya.

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the Group as follows,

The Company's principal activity included the manufacturing and selling of Corrugated Cartons to local and foreign markets.

The Company had two fully owned subsidiaries, Neptune Papers (Private) Limited and Denshun Industries (Private) Limited. On 25 March 2021, the Company disposed its entire shareholding of Denshun Industries (Private) Limited to its parent, Aberdeen Holdings (Private) Limited.

Neptune Papers (Private) Limited has acquired 100% shares of Neptune Services (Private) Limited on 31 December 2021 from Aberdeen Holdings (Private) Limited. The Saffron Food Services (Private) Limited name changed to Neptune Services (Private) Limited effect from 01 April 2022. Neptune Papers (Private) Limited also acquired Neptune Recycles (Private) Limited on 01 April 2021. Neptune Recycles has acquired 80% of shares of Neptune Eco Friends (Private) Limited on 31 December 2021.

Neptune Papers (Private) Limited - The principal activities of the company were engaging in the business of exporting of all types of waste papers.

The principal activity of Neptune Services (Private) Limited purchasing and reselling of wastepaper to the local mills.

Neptune Recycles (Private) Limited – The principal activities of the company were purchasing and reselling of wastepaper to the local mills.

Neptune Eco Friends (Private) Limited – The principal activities of the company were collecting and selling wastage via mobile application software.

All the subsidiary companies are incorporated in Sri Lanka and no subsidiaries that are incorporated outside Sri Lanka.

1.3 Parent Enterprise and Ultimate Parent Enterprise

The Company's parent undertaking is Aberdeen Holdings (Private) Limited which is incorporated in Sri Lanka.

1.4 Date of Authorisation for Issue

The Consolidated Financial Statements of Ex-Pack Corrugated Cartons PLC, for the year ended 31 March 2025 were authorised for issue in accordance with a resolution of the Board of Directors on 5 June 2025.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 General Accounting Policies

2.1.1 Basis of Measurement

The Consolidated Financial Statements have been prepared on the historical cost basis unless stated otherwise and accounting policies are applied consistently.

2.1.2 Basis of Preparation and Statement of Compliance

These Financial Statements, comprising of both the Company's separate Financial Statements and the Consolidated Financial Statements of the Company and its Subsidiaries ("Group"), comprise the Statements of Financial Position, Statements of Profit or Loss, Statements of the Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows together with the Accounting Policies and Notes to the Financial Statements.

The Consolidated Financial Statements have been prepared in accordance with the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, which requires compliance with Sri Lanka Accounting Standards (SLFRS's and LKAS's) promulgated by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

2.1.3 Functional and Presentation Currency

The Financial Statements of the Group are presented in Sri Lankan Rupees, which is the Group's functional currency.

2.1.4 Comparative Information

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year. The previous years' figures and phrases have been rearranged wherever necessary to confirm to the current presentation.

2.1.5 Going Concern

The Board of Directors has made an assessment of the Group's ability to continue as a going concern in the foreseeable future and they do not intend either to liquidate or to cease trading.

2.2 Summary of Significant Accounting Policies

2.2.1 Basis of Consolidation

The Consolidated Financial Statements (referred to as the 'Group') comprise the financial statements of the Company and its Subsidiaries. Subsidiaries are disclosed in Notes 08 to the financial statements. The financial statements of the Subsidiaries

are prepared in compliance with the Group's accounting policies unless stated otherwise.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in the Statement of Profit or Loss.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, which is 12 months ending 31 March, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

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

and circumstances in assessing whether it has power over an investee, including:

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

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

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

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

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. If the Group retains any interest in the previous subsidiary then such interest is accounted for as an equity-accounted investee or in accordance with the Group's accounting policy for financial instruments depending on the level of influence retained.

Investments in Subsidiaries are recognised at cost less impairment in the separate financial statements of the Company.

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.2.2 Current/Non-Current Classification

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

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

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

2.2.3 Fair Value Measurement

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

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

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

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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by 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 land and building. Involvement of external valuers is decided upon annually by the Board of Directors, where selection criteria would include market knowledge, reputation, and independence and whether professional standards are maintained.

For the purpose of fair value disclosures, the Group 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.

2.2.4 Foreign Currency Translations

The financial statements are presented in Sri Lanka Rupees, which is the Group's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to profit or loss. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.2.5 Financial Instruments – Financial assets

Initial Recognition and Measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivable that do not contain significant financing component for which Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of financial asset not a fair value through profit or loss, transaction costs. Trade receivable that do not contain a significant financing component for which the Group has applied the practical expedient are measured at the transaction price determined under SLFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI it needs to give rise to cash flows that are 'solely payments of principal and interest' on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows selling the financial assets or both.

Purchases or sales of financial assets that require delivery of financial assets within a time frame established by regulation or convention in the market place are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Company's financial assets include cash and bank balances, fixed deposits, trade and other receivables including amount due from related parties, and advances and prepayments.

Subsequent measurement

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

- i. Financial assets at amortised cost (debt instruments)
- ii. Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- iii. Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon de-recognition (equity instruments)
- iv. Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

Financial assets at amortised cost (debt instruments)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

NOTES TO THE FINANCIAL STATEMENTS

- The rights to receive cash flows from the asset have expired or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) the Group has transferred substantially all the risks and rewards of the asset, or
 - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group 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 Group has retained.

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

Financial assets at amortised cost (debt instruments)

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

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers financial asset is default when contractual payments are 365 days due. However, in certain cases, the Group may also consider a financial asset to be in default when internal

or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity.

2.2.6 Financial Instruments – Financial Liabilities

Initial Recognition and Measurement

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

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

The Company's financial liabilities include trade and other payables including amount due to related parties, loans and borrowings including bank overdrafts.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by SLFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in SLFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, Finance cost-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to Finance cost-bearing loans and borrowings.

De-recognition

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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.2.7 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset with the net amount reported in the statement of financial position only if there is a current enforceable legal right to offset the recognised amounts and intent to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.2.8 Determination of Fair values

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

For all financial instruments where fair values are determined by referring to externally quoted prices or observable pricing inputs to models, independent price determination or validation is obtained. When there is no active market, direct observation of a trade price may not be possible. In these circumstances, the Group uses alternative market information to validate the financial instrument's fair value, with greater weight given to information that is considered to be more relevant and reliable.

Fair value are determined according to the following hierarchy.

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

Level 2: Other valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

2.2.9 Property, Plant and Equipment

Basis of measurement

Property, Plant and equipment is stated at cost/revaluation, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing component parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to Significant accounting judgments, estimates and assumptions and provisions for further information about the recorded decommissioning provision. The carrying value of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Land and buildings are subsequently measured at fair value, less accumulated depreciation on buildings, and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

NOTES TO THE FINANCIAL STATEMENTS

Depreciation

Depreciation is calculated by using a straight-line method on the cost of all property, plant and equipment, other than freehold land, in order to write off such amounts over the estimated useful economic life of such assets. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each reporting period end and adjusted prospectively, if appropriate.

2.2.10 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the reporting period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.2.11 Intangible assets

Computer software acquired is separately measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful life of computer software is assessed and amortised over the useful economic life of 4 years.

2.2.12 Cash and Cash Equivalents

Cash and Cash Equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of cash flow statement, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

2.2.13 Inventories

Inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Raw materials:

- Purchase cost on a Weighted Averaged Cost (WAC) basis.

Work in Progress:

- Cost of direct materials

Finished goods:

- Cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.2.14 Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.2.15 Retirement Benefit Obligations

The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the group pays fixed contributions to a separate entity. A defined benefit plan, define an amount of pension benefit that an employee will receive on retirement, based on the years of service and compensation.

a) Defined Contribution Plans – Employees' Provident Fund & Employees' Trust Fund

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with the respective statutes and regulations in Sri Lanka. The Group contributes 14% and 3% of basic emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

b) Defined Benefit Plan – Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit is calculated using Projected Unit Credit (PUC) method as recommended by LKAS 19 – "Employee benefits". The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using Finance cost that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

The present value of the defined benefit obligations depends on a number of factors that are determined using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in Note 12. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

The Group's accounting policy for defined benefit plans is to recognise actuarial gains and losses in the period in which they occur in full in other comprehensive income in accordance with LKAS 19. Accordingly, the Group recognised all cumulative actuarial gains and losses at the date of transition to SLFRS. Further details are disclosed in financial statements.

Provision has been made for retirement gratuities from the beginning of service for all employees, in conformity with LKAS 19 on employee benefits. However, for entities of the Group operating in Sri Lanka, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The liability is not externally funded. The settlement of the liability is based on legal liability method or the following basis as applied by the respective entities.

The Retirement Benefit Obligation of the Company is based on the Actuarial Valuation carried out by Messrs., Actuarial and Management Consultants (Private) Limited, a firm of Professional Actuaries.

2.2.16 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

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

I) Right-of-use assets

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

shorter of the lease term and the estimated useful lives of the assets, as follows:

• Buildings	03 to 06 years
• Plant and machinery	05 to 10 years
• Motor vehicles and other equipment	04 to 05 years

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

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

II) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

The Group's lease liabilities are included in Finance cost-bearing loans and borrowings (Note 11).

III) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low

NOTES TO THE FINANCIAL STATEMENTS

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.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.2.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

2.2.18 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group is the principal in its revenue arrangements, as it typically controls the goods before transferring them to the customer. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The following specific recognition criteria must also be met before revenue is recognised:

a) Sale of Goods

Revenue from sale of goods is recognised at the point in time when control of the goods are transferred to the customer, generally on sold of the goods.

The Group's contracts with customers sales include one performance obligation. The Group has concluded that revenue from sales should be recognised at the point in time when control of the asset is transferred to the customer, generally on sold of goods (Local Sales) or delivery of the goods based on shipping terms (Export Sales). Therefore, the adoption of SLFRS 15 did not have an impact on the timing of revenue recognition.

However, in determining the transaction price for the sales, the Group considers the effects of variable consideration and the existence of significant financing components.

b) Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial instruments – initial recognition and subsequent measurement.

c) Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

d) Gains and Losses

Gains and losses arising from incidental activities to main revenue generating activities and those arising from a group of similar transactions which are not material, are aggregated, reported and presented on a net basis.

e) Finance income

Finance income comprises Finance cost income on funds invested and gain arisen from the foreign exchange translation of financial assets and liabilities.

Finance income is recognised on a time proportion basis that takes in to account the effective Finance cost rate (EIR) on asset. EIR is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

f) Dividend Income

Dividend income is recognised when the Group's right to receive the payment is established.

g) Rental Income

Rental income arising from operating leases on investment properties or renting out of premises are recognised as income on a straight-line basis over the term of the lease or agreement.

h) Others

Other income is recognised on an accrual basis.

2.2.19 Taxation

Current Taxes

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

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

Deferred Taxation

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

Deferred tax liabilities are recognised for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and the carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

2.2.20 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the "indirect method".

Finance cost paid are classified as operating cash flows, Finance cost received is classified as investing cash flows for the purpose of presenting Statement of Cash Flows.

2.3 Changes in Accounting Policies and Disclosures

2.3.1 Changes in Accounting standards

The new and amended standards and interpretations that are issued up to the date of issuance of the Group financial statements but are not effective for the current annual reporting period, are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

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 (SLFRS 4) 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 as to certain guarantees and financial instruments with discretionary participation features. 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 Group financial statement.

Lack of exchangeability – Amendments to LKAS 21

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.

NOTES TO THE FINANCIAL STATEMENTS

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 1 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 Group financial statement.

2.4. Significant Accounting Judgments, Estimates & Assumptions

The preparation of Financial Statements in conformity with accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and disclosure of contingent liabilities of the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence actual experience and results may differ from these judgments and estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period and any future periods.

In the process of applying the Group's accounting policies, the key assumptions made relating to the future and the sources of estimation at the reporting date together with the related judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are included below;

a) Revaluation of land and buildings

The Group uses the revaluation model of measurement of land and buildings. The Group engaged independent expert valuers, to determine the fair value of its land and buildings. Fair value is determined by reference to market-based evidence of transaction prices for similar properties. Valuations are based on open market prices, adjusted for any difference in the nature, location or condition of the specific property. These

valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The date of the most recent revaluation was on 31 March 2023. The changes in fair value recognised in other comprehensive income and in the statement of changes in equity. The valuer has used valuation techniques such as market values and discounted cash flow methods where there was lack of comparable market data available based on the nature of the property.

b) Measurement of the Recoverable Amount of Cash-Generating Units Containing Goodwill and Impairment Test on Investment in Subsidiary:

The Group tests annually whether goodwill requires impairment, in accordance with the accounting policy stated in Note 2.2.1. The recoverable value of Goodwill together with the related investment in subsidiary has been assessed considering its value in use discounting future cash flows generated from containing the operations of the unit.

c) Defined Benefit Plans

The cost of the defined benefit plan is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases, and mortality rates more fully described in Note 14. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the weighted average cost of capital. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country.

d) Deferred Tax Asset

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

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

e) Valuation of Inventories

The Group has applied judgement in the determination of impairment in relation to inventories that are slow moving or obsolete. The Group's impairment assessment in relation to such inventories take into account factors such as the use of significant judgement over identifying inventories requiring write down to NRV, including consideration of product life cycles, nature of inventories, future inventory demand and quality/ grading assessments, and the existence of significant estimates applied in the determination of NRV considering expected sales prices and allowance policies based on historical sales.

f) Allowances for Doubtful Debt

Company reviews at each reporting date all receivables to assess whether an allowance should be recorded in the Statement of Profit or Loss. Management uses judgment in estimating such allowance considering the past due status of outstanding and any other factors management is aware of that indicates uncertainty in recoverability. Refer Note 8 for more details.

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT

3.1 Group

3.1.1 Cost / Valuation

Year ended 31 March 2025	Land		Building		Motor Vehicles		Office Equipment		Furniture and Fittings		Technological Equipment		Plant & Machinery		Tools and Equipment		Spare Parts		Stores & Equipment		Capital WIP		Total		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
As at 01 April 2024	1,440,396,135	575,601,000	234,382,236	29,292,063	8,641,779	51,575,948	793,789,689	3,007,283	53,155,620	10,315,644	7,910,616	3,208,068,013													
Additions	142,321,023	7,662,699	-	6,890,660	3,624,062	9,339,737	1,513,906,108	148,900	-	-	233,546,399	1,917,439,588													
Transferred From/(To) ROU Assets	-	-	(33,551,382)	-	-	-	106,078,484	-	-	-	-	72,527,102													
Write-down of property plant and equipment	-	-	(24,703,005)	-	-	-	(43,522,987)	-	-	-	-	(68,225,992)													
Disposals	-	-	(11,786,753)	-	-	-	(2,750,000)	-	-	-	-	(14,536,753)													
As at 31 March 2025	1,582,717,158	583,263,699	164,341,096	36,182,723	12,265,841	60,915,685	2,367,501,294	3,156,183	53,155,620	10,315,644	241,457,015	5,115,271,958													

3.1.2 Accumulated Depreciation

As at 01 April 2024	-	59,910,830	181,252,799	6,602,194	3,292,747	28,665,920	526,541,037	2,314,935	53,155,620	2,146,061	7,910,616	863,880,143														
Charge for the year	-	60,038,540	17,820,398	3,940,840	1,181,794	10,719,386	102,878,214	204,442	-	1,270,080	-	198,053,694														
Transferred From ROU Assets	-	-	(30,843,309)	-	-	-	103,370,413	-	-	-	-	72,527,104														
Transfer	-	-	(24,703,005)	-	-	-	(43,522,987)	-	-	-	-	(68,225,992)														
Disposals	-	-	(9,756,753)	-	-	-	(2,750,000)	-	-	-	-	(12,506,753)														
As at 31 March 2025	-	119,949,370	133,770,130	10,543,034	4,474,541	39,383,306	686,516,677	2,519,377	53,155,620	3,416,141	-	1,053,728,197														
As at 01 April 2024	1,440,396,135	515,690,170	53,129,438	22,689,869	5,349,032	22,912,027	267,248,652	692,349	-	8,169,583	7,910,616	2,344,187,870														
As at 31 March 2025	1,582,717,158	463,314,329	30,570,966	25,639,689	7,791,300	21,532,379	1,680,984,617	636,806	-	6,899,503	241,457,015	4,061,543,761														

3.1.3 During the financial year, the Group acquired Property, Plant and Equipment to the aggregate value of Rs. 1,917,439,588/-, (2024 - Rs. 169,167,049/-). Total cash payments amounting to Rs.1,917,439,588/-, (2024 - Rs. 169,167,049/-) were made during the year for purchase of Property, Plant and Equipment.

3.1.4 Property, Plant and Equipment includes fully depreciated assets having a gross carrying amounts of Rs. 640,001,601/- (2024 - Rs. 518,092,095/-).

3.1.5 The Group's lands which are reflected at revalued amounts have been determined based on active market price method. The revaluation was last carried out on 31 March 2023 by A.A.M. Fathihu, an independent valuer.

3. PROPERTY, PLANT AND EQUIPMENT (CONTD...)

3.2 Company

3.2.1 Cost / Valuation

Year ended 31 March 2025	Land	Building	Motor Vehicles	Office Equipment	Furniture and Fittings	Technological Equipment	Plant & Machinery	Tools and Equipment	Spare Parts	Stores & Equipment	Capital WIP	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 01 April 2024	1,440,396,135	575,601,000	171,942,581	6,378,397	7,315,013	38,635,465	679,020,877	1,281,572	53,155,620	-	7,910,616	2,981,637,276
Additions	142,321,023	7,662,699	-	1,361,991	3,345,741	7,464,737	1,500,236,987	-	-	-	233,546,399	1,895,939,577
Transfer	-	-	(36,686,882)	-	-	-	106,078,484	-	-	-	-	69,391,602
Write-down of property plant and equipment	-	-	(24,703,005)	-	-	-	(43,522,987)	-	-	-	-	(68,225,992)
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2025	1,582,717,158	583,263,699	110,552,694	7,740,388	10,660,754	46,100,202	2,241,813,361	1,281,572	53,155,620	-	241,457,015	4,878,742,463

3.2.2 Accumulated Depreciation

As at 01 April 2024	-	599,108,30	132,538,540	2,681,340	2,840,859	20,914,632	471,385,893	698,766	53,155,620	-	-	744,126,480
Charge for the year	-	60,038,540	14,005,199	749,617	1,010,150	8,555,975	94,004,349	175,080	-	-	-	178,538,910
Transfer	-	-	(33,978,809)	-	-	-	103,370,413	-	-	-	-	69,391,604
Write-down of property plant and equipment	-	-	(24,703,005)	-	-	-	(43,522,987)	-	-	-	-	(68,225,992)
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2025	-	119,949,370	87,861,925	3,430,957	3,851,009	29,470,607	625,237,668	873,846	53,155,620	-	-	923,831,002

As at 01 April 2024	1,440,396,135	515,690,170	39,404,041	3,697,057	4,474,154	17,720,833	207,634,984	582,806	-	-	7,910,616	2,237,510,796
As at 31 March 2025	1,582,717,158	463,314,329	22,690,769	4,309,431	6,809,745	16,629,595	1,616,575,693	407,726	-	-	241,457,015	3,954,911,461

3.2.3 The carrying amount of revalued Freehold Land, Freehold Buildings & Buildings on Leasehold Land if they were carried at cost less depreciation would be as follows

Year ended 31 March 2025	Land	Building
	Rs.	Rs.
Cost	1,003,081,055	468,356,875
Accumulated Depreciation	-	(217,545,123)
Carrying Amount as at 31 March 2025	1,003,081,055	250,811,752
Carrying Amount as at 31 March 2024	860,760,032	266,183,762

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT (CONTD...)

3.2.4 During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 1,895,939,577/- (2024 - Rs. 143,212,225/-). Cash payments amounting to Rs. 1,895,939,577/- (2024 - Rs. 143,212,225/-) were made during the year for purchase of Property, Plant and Equipment.

3.2.5 Property, Plant and Equipment includes fully depreciated assets having a gross carrying amounts of Rs. 558,965,722/- (2024 - Rs. 431,777,476/-).

3.2.6 The Group/Company uses the revaluation model of measurement of land and buildings. The Group/Company engaged A.A.M. Fathihu, an accredited independent valuer, to determine the fair value of its land and buildings. Fair value is determined by reference to market-based evidence. Valuations are based on active market prices, adjusted for any difference in the nature, location or condition of the specific property. The date of the most recent revaluation for Land and building was 31 March 2023.

The table below sets out information about significant unobservable inputs used in measuring land and buildings measured at fair value categorised as level 3 in the fair value hierarchy.

Location and Date of Last Revaluation	Sub-Category	Total area	Valuation Technique	Significant Unobservable Inputs		Fair Value - 31 Mar 2025 Rs.	Fair value Measurement Sensitivity to Unobservable Inputs Measurement	
				Inputs	Rate Applied			
Land No. 79, Pattiwila Road, Gonawala, Kelaniya. (31 Mar 2025)	1 Main Land	679.30 Perch	Direct Capital Comparison Method	Per perch price	800,000	543,224,000	Significant increases (decreases) in estimated price per perch would result in a significantly higher (lower) fair value.	
	Development Cost			Per perch price	1,500,000	3,277,135		
	2 Car Park Land	19.13 Perch				28,695,000		
	Development Cost							
		15 Perch			Per perch price	2,981,600		44,724,000
		8.82 Perch			Per perch price	1,487,982		13,124,000
		9 Perch			Per perch price	1,049,889		9,449,000
Building No. 79, Pattiwila Road, Gonawala, Kelaniya. (31 Mar 2025)	10.8 Perch			Per perch price	1,263,796	13,649,000	Significant increases (decreases) in estimated price per perch would result in a significantly higher (lower) fair value.	
	11.47 Perch			Per perch price	1,437,140	16,484,000		
	16.68 Perch			Per perch price	899,281	15,000,000		
	17.8 Perch			Per perch price	1,181,685	21,034,001		
						717,517,158		
Land Samurthi Mawatha, Heiyanthuduwa, Biyagama.(31 Mar 2025)	1 Undevelopment Land 1A	321.5 Perch	Direct Capital Comparison Method	Per perch price	1,000,000	321,500,000	Significant increases (decreases) in estimated price per perch would result in a significantly higher (lower) fair value.	
	2 Undevelopment Land 1B	22.25 Perch		Per perch price	831,461	18,500,000		
	3 Undevelopment Land 1C	28 Perch		Per perch price	900,000	25,200,000		
						365,200,000		
Land Location - No 151, Samurthi Mawatha, Heiyanthuduwa, Biyagama.(31 Mar 2025)	1 Main Land	527.5 SqFt	Direct Capital Comparison Method	Per perch price	985,000 - 1,250,000	500,000,000	Significant increases (decreases) in estimated price per perch would result in a significantly higher (lower) fair value.	
						500,000,000		
Building No. 79, Pattiwila Road, Gonawala, Kelaniya. (31 Mar 2025)	1 Main Factory & Store	139,418 SqFt	Replacement Cost	Per square foot value	3,500	487,963,000	Significant increases (decreases) in estimated replacement cost per perch would result in a significantly higher (lower) fair value.	
	2 Two Story Building 1	17,362 SqFt		Per square foot value	4,020	69,448,000		
	3 Two Story Building 2	1,400 SqFt		Per square foot value	5,100	7,140,000		
	Development Cost					7,662,699		
4 Car Park Garage	5,200 SqFt		Per square foot value	2,125	11,050,000	583,263,699		

3. PROPERTY, PLANT AND EQUIPMENT (CONTD...)

Item and Valuation Approach	Item and Valuation Approach	Relationship Between Comparable
Land and Buildings		
Fair value is determined by Cost Method	The valuations carried out on replacement cost method are based on two components: the depreciated cost of the building element and the market value of the land. Current building costs and often the land price will be established by comparison. The valuation model is based on value per square meter.	The higher the value per perch/ square feet, higher fair value and higher the Estimated Outgoing Expenses, lower the fair value.
Fair value is determined by Market Comparable method	Sale prices of comparable land in similar location are adjusted for differences in key attributes such as land size. The valuation model is based on value per square meter.	The higher the value per perch/ square feet, higher fair value and higher the Estimated Outgoing Expenses, lower the fair value.
Fair value is determined by Income method	This method involves capitalisation of the expected rental income at an appropriate rate of years purchase currently characterised by the real estate market. Significant Unobservable Valuation Inputs includes Gross monthly rental Per Sq ft and Estimated Outgoing Expenses.	The higher the Gross monthly rental, higher fair value and higher the Estimated Outgoing Expenses, lower the fair value.

3.3 The useful lives of the assets is estimated as follows

Year ended 31 March 2025	2025 Rs.	2024 Rs.
Building	20 Years	20 Years
Tools and Equipment	8 Years	8 Years
Plant and Machinery	5-10 Years	5-10 Years
Office Equipment	4-8 Years	4-8 Years
Furniture and Fittings	8 Years	8 Years
Motor Vehicle	5 Years	5 Years
Technical Equipment	4 Years	4 Years
Spare Parts	3 Years	3 Years
Stores & Equipment	3-8 Years	3-8 Years

4. LEASES

4.1 Right to Use of Assets

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability (present value of future lease payments discounted using the Company's incremental borrowing rate) adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The movement of Right of Use Lease assets of the Group/Company is as follows;

4.1.1 Group

Cost	Balance As at 01.04.2024 Rs.	Additions during the year Rs.	Disposals during the year Rs.	De- Recognition Rs.	Balance As at 31.03.2025 Rs.
Buildings	288,487,304	195,466,330	-	(69,159,405)	414,794,229
Motor Vehicle	11,033,499	-	-	(3,135,500)	7,897,999
Plant and Machinery	25,469,202	69,229,769	-	-	94,698,971
Land	16,079,538	-	-	-	16,079,538
	341,069,543	264,696,099	-	(72,294,905)	533,470,737

NOTES TO THE FINANCIAL STATEMENTS

4. LEASES (CONTD...)

Amortisation	Balance As at 01.04.2024 Rs.	Charge for the year Rs.	Disposals during the year Rs.	De- Recognition Rs.	Balance As at 31.03.2025 Rs.
Buildings	134,729,326	75,833,103	-	(69,159,405)	141,403,024
Motor Vehicle	6,006,292	1,736,375	-	(3,135,500)	4,607,167
Plant and Machinery	18,465,174	3,656,918	-	-	22,122,092
Land	401,988	1,607,952	-	-	2,009,940
	159,602,780	82,834,348	-	(72,294,905)	170,142,223

Net book values	Balance As at 31.03.2025 Rs.	Balance As at 31.03.2024 Rs.
Buildings	273,391,205	153,757,978
Motor Vehicle	3,290,832	5,027,207
Plant and Machinery	72,576,879	7,004,028
Land	14,069,598	15,677,550
	363,328,514	181,466,763

4.1.2 Company

Cost	Balance As at 01.04.2024 Rs.	Additions during the year Rs.	De- Recognition Rs.	Balance As at 31.03.2025 Rs.
Buildings	95,187,768	-	-	95,187,768
Land	16,079,538	-	-	16,079,538
	111,267,306	-	-	111,267,306

Amortisation	Balance As at 01.04.2024 Rs.	Charge for the year Rs.	De- Recognition Rs.	Balance As at 31.03.2025 Rs.
Buildings	24,279,655	27,829,380	-	52,109,035
Land	401,988	1,607,952	-	2,009,940
	24,681,643	29,437,332	-	54,118,975

Net book values	Balance As at 31.03.2025 Rs.	Balance As at 31.03.2024 Rs.
Buildings	43,078,733	70,908,113
Land	14,069,598	15,677,550
	57,148,331	86,585,663

4.2 Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the initial application date, discounted using the Finance cost rate implicit in the lease or, if that rate can not be readily determined, the Company's incremental borrowing rate. The movement of Lease creditor for the period is described in Note 11.

5. INTANGIBLE ASSETS

5.1 Computer Software

Year ended 31 March 2025	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Cost				
As at 1 April	3,975,760	2,751,000	2,414,652	1,794,652
Additions	1,508,278	1,224,760	1,508,278	620,000
Disposals	-	-	-	-
As at 31 March	5,484,038	3,975,760	3,922,930	2,414,652
Amortisation				
As at 1 April	2,547,413	1,701,965	1,468,521	805,513
Amortisation for the year	720,411	845,448	540,576	663,008
Disposals	-	-	-	-
As at 31 March	3,267,824	2,547,413	2,009,097	1,468,521
Net book value	2,216,214	1,428,347	1,913,833	946,131

5.2 Goodwill

Year ended 31 March 2025	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Goodwill acquired through business combinations have been allocated to cash generating unit for impairment testing as follows,				
Neptune Papers (Private) Limited	203,543,671	203,543,671	-	-
	203,543,671	203,543,671	-	-
Total Intangible Assets	205,759,885	204,972,018	1,913,833	946,131

The recoverable amount of cash generating unit has been determined based on the value in use (VIU) calculation (Note 5.3)

NOTES TO THE FINANCIAL STATEMENTS

5. INTANGIBLE ASSETS (Contd...)

5.3 Key assumption used in the VIU calculation.

Gross margins

The basis used to determine the value assigned to the budgeted gross margins is the gross margins achieved in the year preceding the budgeted year adjusted for projected market conditions.

Discount rates

The discount rate used is the WACC (16%) (2024 - (16%))

Inflation

The basis used to determine the value assigned to the budgeted cost inflation, is the inflation rate, based on projected economic conditions.

Volume growth

Volume growth has been budgeted on a reasonable and realistic basis by taking into account the growth rates of one to five years immediately to the budgeted year based on Industry growth rates. Cash flows beyond the five year period are extrapolated using 5% growth rate (2024- 1.2%)

6 INVESTMENT IN SUBSIDIARY

Company	2025		2024	
	Holding %	Rs.	Holding %	Rs.
Non Quoted				
Neptune Papers (Private) Limited	100%	205,000,000	100%	205,000,000
		205,000,000		205,000,000
Less : Provision for impairment				
		-		-
		205,000,000		205,000,000

6.1 Details of Sub-Subsidiaries held;

Company	Investor	2025		2024	
		Holding %	Rs.	Holding %	Rs.
Neptune Recyclers (Private) Limited		100%	500	100%	500
Neptune Eco Friends (Private) Limited		80%	800	80%	800
Neptune Services (Private) Limited		100%	1,000	100%	1,000

6.2 Acquisition made by the Group during the year 2022

Company	Investor	Purchase Consideration	% Acquired	Date Acquired
Neptune Recyclers (Private) Limited	Neptune Papers (Private) Limited	500	100%	01 April 2021
Neptune Services (Private) Limited	Neptune Papers (Private) Limited	1,000	100%	31 December 2021

Further, an amount of Rs. 800/- was invested in 80% of shares of Neptune Eco Friends (Private) Limited, which was incorporated in 2022.

6.3 Asset acquired and liabilities assumed through the acquisitions are summarised below;

Year ended 31 March 2025	Neptune Services (Private) Limited Rs.	Neptune Recyclers (Private) Limited Rs.	Total Rs.
Trade and Other Receivables	48,042,105	500	48,042,605
Bank Balances	48,910	-	48,910
Trade and Other Payables	(46,623,851)	-	(46,623,851)
Tax Payable	(147,824)	-	(147,824)
Identifiable net assets at fair value	1,319,340	500	1,319,840
Non-controlling Interest	-	-	-
Gain on bargain purchase	(1,318,340)	-	(1,318,340)
Purchase consideration transferred	1,000	500	1,500

6.4 Satisfied by

Cash Consideration to be paid	1,500
	1,500
Analysis of cash and cash equivalents on acquisition of subsidiary	
Cash at bank acquired on business combination	48,910
Net cash inflow on acquisition	48,910

7. INVENTORIES

Year ended 31 March 2025	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Raw Material	681,905,775	554,336,412	681,905,775	554,336,412
Work-in-Progress	30,917,205	16,558,799	30,917,205	16,558,799
Finished Goods	540,078,632	473,917,501	76,138,151	54,639,540
Goods-in-Transit	82,135,144	3,678,108	82,135,144	3,678,108
Consumables	148,427,061	97,921,370	140,871,647	97,921,369
Less: Allowance for obsolete inventory	(1,223,842)	(4,800,000)	-	-
	1,482,239,975	1,141,612,190	1,011,967,922	727,134,228

NOTES TO THE FINANCIAL STATEMENTS

8. TRADE AND OTHER RECEIVABLES

Year ended 31 March 2025	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Trade Debtors - Other	1,749,731,385	1,606,440,315	1,079,297,988	1,106,012,385
- Related Parties (8.1)	11,826,859	7,288,054	11,383,224	8,574,329
Less: Allowances for Doubtful Debt (8.3)	(24,558,217)	(20,227,052)	(14,524,593)	(14,524,593)
	1,737,000,027	1,593,501,317	1,076,156,619	1,100,062,121
Staff Debtors	8,170,711	3,565,423	8,170,711	3,565,423
Other Debtors - Others	53,901,950	64,240,301	36,553,965	23,610,696
- Related Parties (8.2)	34,481,973	111,901,588	24,803,599	89,914,784
Less: Allowances for NBT	(3,214,870)	(3,214,870)	(3,214,870)	(3,214,870)
Less: Allowances for Doubtful Debt	(24,803,599)	(24,803,599)	(24,803,599)	(24,803,599)
	68,536,165	151,688,843	41,509,806	89,072,434
VAT Receivable	480,647,906	201,989,098	381,641,169	175,250,198
Less: Allowances for Impairment	(99,780,654)	(99,780,654)	(99,780,654)	(99,780,654)
Income Tax Receivable	-	-	-	-
	380,867,252	102,208,444	281,860,515	75,469,544
	2,186,403,444	1,847,398,604	1,399,526,940	1,264,604,100

8.1 Trade Debtors - Related Parties

Year ended 31 March 2024	Relationship	GROUP		COMPANY	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Bio Extracts (Pvt) Ltd	Affiliate Company	2,626,630	2,473,704	2,618,630	2,473,704
Expoteas Ceylon (Pvt) Ltd	Affiliate Company	5,606,631	2,674,426	5,591,631	2,674,426
Fits Express (Pvt) Ltd	Affiliate Company	2,700,159	874,595	2,630,679	874,595
Fits Retail (Pvt) Ltd	Affiliate Company	594,784	1,265,329	542,284	1,265,329
Hi Energy Services (Pvt) Ltd	Affiliate Company	16,310	-	-	-
Neptune Papers (Pvt) Ltd	Subsidiary	-	-	-	1,286,275
Expoceylon Pharmaceuticals (Pvt) Ltd	Affiliate Company	214,360	-	-	-
Lanka Commodity Trading (Pvt) Ltd	Affiliate Company	67,985	-	-	-
		11,826,859	7,288,054	11,383,224	8,574,329

8.2 Other Debtors - Related Parties

Year ended 31 March 2025	Relationship	GROUP		COMPANY	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Aberdeen Holdings (Pvt) Ltd	Parent	9,678,374	21,657,685	-	-
Lanka Commodity Trading (Pvt) Ltd	Affiliate Company	-	74,725	-	-
Hi Energy Services (Pvt) Ltd	Affiliate Company	-	65,157,685	-	65,111,185
Lanka Food Solutions (Pvt) Ltd	Affiliate Company	24,803,599	24,803,599	24,803,599	24,803,599
Bio Extract (Pvt) Ltd	Affiliate Company	-	35,729	-	-
Expoceylon Pharmaceuticals (Pvt) Ltd	Affiliate Company	-	172,165	-	-
		34,481,973	111,901,588	24,803,599	89,914,784

8.3 Movements in the allowance for impairment of Trade Receivables;

Year ended 31 March 2025	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
At the beginning of the year	20,227,052	16,044,918	14,524,593	14,524,593
Provision (reversal) / made during the year	4,331,165	4,182,134	-	-
Write-off during the year	-	-	-	-
Balance at the end of the year	24,558,217	20,227,052	14,524,593	14,524,593

8.4 Trade receivables are non-interest bearing and are generally on times of 30-90 days.

As at 31 March, the ageing analysis of trade receivables, is as follows:

Group	Total Rs.	< 30 days Rs.	31-90 days Rs.	91-180 days Rs.	181-360 days Rs.	>360 days Rs.
2025	1,761,558,244	987,040,570	495,825,206	208,759,746	47,019,976	22,912,746
2024	1,613,728,369	963,242,174	556,602,482	48,518,983	27,039,387	18,325,342

Company	Total Rs.	< 30 days Rs.	31-90 days Rs.	91-180 days Rs.	181-360 days Rs.	>360 days Rs.
2025	1,090,681,212	602,477,426	341,644,149	133,621,251	59,264	12,879,122
2024	1,114,586,714	616,269,106	440,287,894	30,468,517	14,501,099	13,060,097

Note 25.4 on credit risk of all trade receivables, which discusses how the Group/Company manages and measures credit quality of trade receivables that are neither past due nor impaired.

NOTES TO THE FINANCIAL STATEMENTS

9. CASH AND CASH EQUIVALENTS

9.1 Favourable Cash and Cash Equivalents balance

Year ended 31 March 2025	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Cash at Bank	61,222,943	210,614,993	41,636,004	189,226,195
Cash in Hand	7,764,187	10,215,745	1,000,000	1,000,000
Short-term Deposit	-	500,000,000	-	500,000,000
	68,987,130	720,830,738	42,636,004	690,226,195

9.2 Unfavourable Cash and Cash Equivalents balance

Bank overdrafts	(26,202,800)	(3,032,468)	(21,004,097)	-
	(26,202,800)	(3,032,468)	(21,004,097)	-
Net Cash & Cash Equivalent balance for the purpose of Cash Flow Statement	42,784,330	717,798,270	21,631,907	690,226,195

10. STATED CAPITAL

Year ended 31 March 2025	GROUP/COMPANY			
	2025		2024	
	Number of shares	Rs.	Number of shares	Rs.
Issued and fully-paid - ordinary shares				
Balance at the beginning of the year	333,333,333	1,200,000,000	333,333,333	1,200,000,000
	333,333,333	1,200,000,000	333,333,333	1,200,000,000

The company has issued Eighty three million three hundred thirty three thousand three hundred thirty three (83,333,333) new ordinary voting shares each at Rs. 8.40/- to the general public on 31 October 2021 by way of an offer for subscription in the Colombo Stock Exchange.

11. FINANCE COST BEARING LOANS AND BORROWINGS

Year ended 31 March 2025	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Non-current Finance cost bearing loans and borrowings				
Lease - Motor Vehicle and Plant and Machinery (11.1)	52,929,596	9,734,826	-	-
Lease - Buildings (11.2)	193,779,313	113,522,369	29,066,502	58,339,576
Term Loans (11.3)	979,166,667	-	979,166,667	-
Lease - Land (11.2)	14,809,573	15,416,271	14,809,573	15,416,271
	1,240,685,149	138,673,466	1,023,042,742	73,755,847
Current Finance cost bearing loans and borrowings				
Lease - Motor Vehicle and Plant and Machinery (11.1)	13,492,889	4,115,017	-	-
Lease - Buildings (11.2)	89,025,246	48,019,206	29,463,074	22,136,225
Lease - Land (11.2)	606,696	538,412	606,696	538,412
Term Loans (11.3)	1,971,279,829	2,101,088,842	1,207,379,829	1,635,256,420
Bank overdrafts (9.2)	26,202,800	3,032,468	21,004,097	-
	2,100,607,460	2,156,793,945	1,258,453,696	1,657,931,057
Total Finance cost bearing loans and borrowings	3,341,292,609	2,295,467,411	2,281,496,438	1,731,686,904

11.1 Lease - Motor Vehicle and Plant and Machinery

Group	Balance as at 01.04.2024 Rs.	New leases Rs.	Repayments Rs.	Balance as at 31.03.2025 Rs.	Current as at 31.03.2025 Rs.	Non-current as at 31.03.2025 Rs.
Commercial Bank of Ceylon PLC	16,517,410	75,165,234	(6,011,296)	85,671,348	20,460,008	65,211,340
Finance Charges Allocated to Future Periods	(2,667,567)	(18,202,734)	1,621,438	(19,248,863)	(6,967,119)	(12,281,744)
Net Liability	13,849,843	56,962,500	(4,389,858)	66,422,485	13,492,889	52,929,596

11.2 Lease - Buildings and Land

Group	Balance as at 01.04.2024 Rs.	Interest Expense Recognised in Profit or Loss Rs.	New lease Rs.	Repayments Rs.	Balance as at 31.03.2025 Rs.	Current as at 31.03.2025 Rs.	Non-current as at 31.03.2025 Rs.
Buildings	161,541,575	35,146,348	171,793,450	(85,676,814)	282,804,559	89,025,246	193,779,313
Land	15,954,683	1,861,586	-	(2,400,000)	15,416,269	606,696	14,809,573
	177,496,258	37,007,934	171,793,450	(88,076,814)	298,220,828	89,631,942	208,588,886

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCE COST BEARING LOANS AND BORROWINGS (Contd...)

11.2 Lease - Buildings and Land

Company	Balance as at 01.04.2024 Rs.	Finance cost Expense Recognised in Profit or Loss Rs.	New lease Rs.	Repayments Rs.	Balance as at 31.03.2025 Rs.	Current as at 31.03.2025 Rs.	Non-current as at 31.03.2025 Rs.
Buildings	80,475,801	16,013,775	-	(37,960,000)	58,529,576	29,463,074	29,066,502
Land	15,954,683	1,861,586	-	(2,400,000)	15,416,269	606,696	14,809,573
	96,430,484	17,875,361	-	(40,360,000)	73,945,845	30,069,770	43,876,075

11.3 Term Loans

Group	Balance as at 01.04.2024 Rs.	New Loan Obtained Rs.	Repayments Rs.	Balance as at 31.03.2025 Rs.	Current as at 31.03.2025 Rs.	Non-current as at 31.03.2025 Rs.
Bank of Ceylon- LKR	409,192,935	1,245,142,814	(1,600,335,749)	54,000,000	54,000,000	-
National Development Bank - LKR	183,300,000	5,895,896,150	(5,429,596,150)	649,600,000	649,600,000	-
National Development Bank - USD	70,732,422	363,006,169	(433,738,591)	-	-	-
Hatton National Bank PLC- LKR	160,800,000	8,222,800,000	(8,099,700,000)	283,900,000	283,900,000	-
Hatton National Bank PLC Mortgage Loan- LKR	-	1,000,000,000	-	1,000,000,000	20,833,333	979,166,667
Seylan Bank PLC- LKR	479,000,000	768,500,000	(1,022,500,000)	225,000,000	225,000,000	-
Commercial Bank - LKR	52,000,000	1,403,500,000	(1,171,000,000)	284,500,000	284,500,000	-
Amana Bank - LKR	349,500,000	3,716,000,000	(3,915,500,000)	150,000,000	150,000,000	-
Amana Bank - USD	396,563,485	713,828,555	(806,945,544)	303,446,496	303,446,496	-
	2,101,088,842	23,328,673,688	(22,479,316,034)	2,950,446,496	1,971,279,829.36	979,166,667

Company	Balance as at 01.04.2024 Rs.	New Loan Obtained Rs.	Repayments Rs.	Balance as at 31.03.2025 Rs.	Current as at 31.03.2025 Rs.	Non-current as at 31.03.2025 Rs.
Bank of Ceylon- LKR	409,192,935	1,245,142,814	(1,600,335,749)	54,000,000	54,000,000	-
National Development Bank - LKR	30,000,000	4,070,496,150	(3,810,496,150)	290,000,000	290,000,000	-
Hatton National Bank- LKR	-	8,003,000,000	(7,838,900,000)	164,100,000	164,100,000	-
Hatton National Bank PLC Mortgage Loan- LKR	-	1,000,000,000	-	1,000,000,000	20,833,333	979,166,667
Seylan Bank- LKR	450,000,000	768,500,000	(993,500,000)	225,000,000	225,000,000	-
Seylan Bank - USD	-	376,237,899	(376,237,899)	-	-	-
Amana Bank - LKR	349,500,000	3,716,000,000	(3,915,500,000)	150,000,000	150,000,000	-
Amana Bank - USD	396,563,485	713,828,555	(806,945,544)	303,446,496	303,446,496	-
	1,635,256,420	19,893,205,418	(19,341,915,342)	2,186,546,496	1,207,379,829	979,166,667

12. RETIREMENT BENEFIT LIABILITY

Year ended 31 March 2025	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Defined Benefit Obligation - Gratuity				
Defined Benefit Obligation as at the Beginning of the Year	149,261,444	109,957,821	108,350,043	76,781,699
Finance cost	17,911,372	19,792,408	13,002,005	13,820,706
Current service cost	12,865,935	10,499,224	8,552,466	6,692,302
Benefits paid	(13,125,335)	(4,611,722)	(11,975,463)	(4,202,350)
Actuarial (gains)/losses on obligation	(8,930,965)	13,623,713	(7,120,990)	15,257,686
Defined Benefit Obligation as at the End of the Year	157,982,451	149,261,444	110,808,061	108,350,043

12.1 The Retirement Benefit Obligation of the Company as at 31st March 2025 is based on the Actuarial Valuation carried out by Messrs, Actuarial and Management Consultants (Private) Limited, a firm of Professional Actuaries.

12.2 Principal assumption used in determining post employment benefit obligation for the group are shown below:

	GROUP		COMPANY	
	2025	2024	2025	2024
Discount rate	10%-11%	12.00%	11.00%	12.00%
Salary Increment Rate	9.50%-11%	12.00%	9.50%	12.00%
Retirement age	60 Years	60 Years	60 Years	60 Years

The Retirement Benefit Plan of the Company was amended due to the increase in retirement age enacted by the Minimum Retirement Age of Workers Act No. 28 of 2021.

12.3 Sensitivity of assumptions employed in actuarial valuation

Year ended 31 March 2025	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
1% Increase in Discount Rate	(8,927,857)	(9,574,313)	(6,663,199)	(7,426,959)
1% Decrease in Discount Rate	9,919,042	10,757,580	7,430,272	8,378,912
1% Increase in Salary Increment Rate	9,553,319	10,232,402	6,887,595	7,717,546
1% Decrease in Salary Increment Rate	(8,761,134)	(9,288,070)	(6,294,058)	(6,979,196)

NOTES TO THE FINANCIAL STATEMENTS

12. RETIREMENT BENEFIT LIABILITY (Contd...)

12.4 The following are the expected payments to the defined benefit plan in future years

Year ended 31 March 2025	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Within the next 12 months	20,740,029	16,014,604	13,241,062	10,094,000
Between 2 and 5 years	44,016,042	39,332,010	28,144,623	25,441,098
Between 5 and 10 years	61,043,836	54,632,382	43,449,003	39,976,820
Beyond 10 years	32,182,545	39,282,449	25,973,373	32,838,125
Total expected payments	157,982,451	149,261,445	110,808,061	108,350,042

13. TRADE AND OTHER PAYABLES

Year ended 31 March 2025	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Trade Payables - Others	907,231,286	413,210,926	797,106,662	335,556,482
	907,231,286	413,210,926	797,106,662	335,556,482
Other Payables - Others	44,849,665	44,745,082	42,685,324	44,074,154
- Related Parties (13.1)	57,578,285	3,946,394	57,300,205	3,413,274
Sundry Creditors including accrued expenses	234,386,614	173,093,904	228,186,900	170,092,821
	1,244,045,850	634,996,306	1,125,279,091	553,136,731

13.1 Other Payables - Related Parties

Year ended 31 March 2025	Relationship	GROUP		COMPANY	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Aberdeen Holdings (Pvt) Ltd	Parent	56,420,907	3,145,240	56,350,667	3,075,000
Expoteas Ceylon (Pvt) Ltd	Affiliate Company	339,141	-	339,141	-
Fits Express (Pvt) Ltd	Affiliate Company	11,444	-	11,444	-
Amana Takaful Ltd	Affiliate Company	340,203	13,899	340,203	13,899
Antler Foundry (Pvt) Ltd	Affiliate Company	466,591	787,255	98,750	198,375
Neptune Papers (Pvt) Ltd	Subsidiary	-	-	160,000	126,000
		57,578,285	3,946,394	57,300,205	3,413,274

14. REVENUE FROM CONTRACTS WITH CUSTOMERS

Year ended 31 March 2025	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Local Sales	4,247,110,457	4,798,491,884	2,842,127,969	3,293,385,341
Export Sales	4,250,426,359	3,645,033,496	3,311,045,663	3,053,131,031
Waste Sales - Export	1,425,335,573	1,426,794,750	173,145,572	94,566,212
Service Income	9,202,002	4,738,334	-	-
	9,932,074,391	9,875,058,464	6,326,319,204	6,441,082,584

14.1 Set out below is the disaggregation of the Group/Company revenue from contracts with customers:

a) Based on the nature of the product sold

Year ended 31 March 2025	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Types of Products and Services				
Manufacture and sale of Corrugated Cartons	8,213,964,158	8,141,052,023	6,153,173,632	6,346,516,372
Manufacture of papers / paper reels	1,044,870,778	1,141,164,151	-	-
Recycling of fabric export sales	381,813,184	402,962,367	-	-
Waste sales	250,355,665	133,130,466	173,145,572	94,566,212
Service Income	41,070,609	56,749,457	-	-
	9,932,074,391	9,875,058,465	6,326,319,204	6,441,082,584

b) Based on the geographical locations of the customers

Year ended 31 March 2025	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Sri Lanka	8,358,856,327	8,146,649,272	6,210,403,487	6,219,813,473
Other South Asia	1,567,413,833	1,715,869,254	110,111,486	213,316,719
Other	5,804,231	12,539,938	5,804,231	7,952,393
	9,932,074,391	9,875,058,464	6,326,319,204	6,441,082,584

15. OTHER OPERATING INCOME

Year ended 31 March 2025	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Profit on Disposal of Property, Plant and Equipment	69,831	8,975,063	-	8,940,063
Exchange Gain	18,592,871	13,223,387	18,592,872	13,227,846
Sundry Income	37,674,442	57,115,577	33,706,872	49,129,994
Income from Weighbridge Inhouse	6,147,828	4,572,886	-	-
Dividend Income	-	-	30,138,658	30,037,474
	62,484,972	83,886,913	82,438,402	101,335,377

NOTES TO THE FINANCIAL STATEMENTS

16. FINANCE COST

Year ended 31 March 2025	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Finance cost on Banking Finance	124,227,848	112,025,915	124,227,848	111,549,532
Finance Charge on Wakala Loans	58,399,089	89,265,664	-	-
Finance cost on Finance Lease (Ijara)	1,621,436	1,936,318	-	-
Lease Interest	37,007,934	36,194,678	17,875,361	16,680,277
	221,256,307	239,422,575	142,103,209	128,229,809

17. PROFIT/(LOSS) BEFORE TAX

Stated after Charging,

Year ended 31 March 2025	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Included in Cost of Sales				
Employees Benefits including the following,				
- Defined Benefit Plan Costs - Gratuity	15,949,918	14,334,869	10,452,918	9,798,869
- Defined Contribution Plan Costs - EPF and ETF	30,739,088	25,430,478	25,284,573	21,302,671
Depreciation & Amortisation	202,221,692	133,385,262	154,217,969	113,409,649
Included in Administrative & Distribution Expenses				
Employees Benefits including the following,				
- Defined Benefit Plan Costs - Gratuity	14,827,389	15,956,763	11,101,553	10,714,139
- Defined Contribution Plan Costs - EPF and ETF	34,301,158	30,973,834	23,302,928	21,473,479
Depreciation & Amortisation	30,535,133	30,695,146	24,861,517	26,822,004
Auditor's Fees and Expenses - External	1,785,000	1,390,000	1,500,000	1,500,000
- Other	6,448,078	2,034,430	6,007,078	3,585,686

18. INCOME TAX

The major components of income tax expense for the year ended 31 March are as follows :

Year ended 31 March 2025	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Income Statement				
Current Income Tax				
Current Income Tax Charge (Note 18.1)	168,423,770	265,888,483	121,704,082	226,509,838
Under/(Over) Provision of Income Tax for the Previous Year	(825,096)	11,091,594	-	11,091,594
	167,598,674	276,980,077	121,704,082	237,601,432
Deferred Income Tax				
Deferred Taxation Charged (Note 18.2)	101,047,128	(46,853,255)	80,143,513	(20,679,157)
	101,047,128	(46,853,255)	80,143,513	(20,679,157)
Tax on Dividend Income	-	-	-	-
Income tax expense reported in the Income Statement	268,645,802	230,126,822	201,847,595	216,922,275

18.1 A reconciliation between tax expense and the product of accounting profit multiplied by the statutory tax rate is as follows:

Year ended 31 March 2025		GROUP		COMPANY	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Accounting Profit (Profit before Tax)		721,667,014	810,616,190	628,212,341	753,516,418
Aggregate Disallowed Items		470,323,048	440,560,965	290,289,102	328,230,169
Aggregate Allowable Items		(648,615,066)	(413,732,398)	(482,572,329)	(326,713,797)
Adjustments for intra group transactions		30,138,658	30,037,474	-	-
Income from other Sources		(51,296,068)	-	(51,045,814)	-
Taxable Profit		522,217,586	867,482,231	384,883,300	755,032,790
Tax on taxable income	30%	156,866,366	250,963,781	115,464,990	216,885,867
Tax on Interest income	30%	6,239,092	9,623,971	6,239,092	9,623,971
Tax on Dividend income	15%	5,318,312	5,300,731	-	-
Total		168,423,770	265,888,483	121,704,082	226,509,838
				121,704,082	226,509,838

NOTES TO THE FINANCIAL STATEMENTS

18. INCOME TAX (Contd....)

18.1.1 General provisions

Corporate Income Taxes of companies resident in Sri Lanka have been computed in accordance with the Inland Revenue Act No. 24 of 2017 as amended.

18.1.2 Income tax rates

Concessionary Tax Rates

The Inland Revenue (Amendment) Act No 45 of 2022 was certified by the speaker on 19th December 2022. The standard rate of income tax has been increased to 30% from 24% w.e.f 01st October 2022. The tax rates of the companies up to 30 September 2022 are as follows.

Nature of the Profits/Gains	Rates
Export Profits including Indirect Export	14%
Manufacturing	18%
Investment Income and Other Income	24%

* The budget 2021 proposed a 50% tax concession for the years 2021/2022 for companies that get listed in the CSE before 31 December 2021, and to maintain a corporate tax rate of 14% for the subsequent three years.

18.2 Deferred Tax Assets, Liabilities and Income Tax relates to the followings.

Group	Statement of Financial Position		Income Statement	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
On Capital allowances for tax purposes	175,537,624	68,165,769	107,371,855	(12,306,993)
On Fair Value of Land/ Investment Property *	-	-	-	-
On Fair Value of Land/ Investment Property **	-	-	-	(22,472,241)
On Defined benefit plans	(47,394,734)	(44,778,433)	(5,295,590)	(7,703,972)
On Provision for doubtful debt	(7,367,465)	(6,068,116)	(1,299,349)	(1,254,640)
On Carried forward disallowed finance cost	-	-	-	-
On Lease liability - Building	(3,228,008)	(2,418,220)	(809,788)	(3,115,409)
On Provision for slow moving inventory	(360,000)	(1,440,000)	1,080,000	-
	117,187,417	13,461,000		
Deferred Tax Charge/(Reversal)			101,047,128	(46,853,255)

18. INCOME TAX (Contd...)**18.2 Deferred Tax Assets , Liabilities and Income Tax relates to the followings (Contd...)**

Year ended 31 March 2025	Statement of Financial Position		Other Comprehensive Income	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
On Fair Value of Land/ Investment Property *	25,682,561	25,682,561	-	-
On Revaluation of Land	174,873,972	174,873,972	-	-
On Revaluation of Building	92,221,786	92,221,786	-	-
Defined Benefit Plans	-	-	2,679,289	(4,087,114)
	292,778,319	292,778,319	2,679,289	(4,087,114)
Represented By,				
Net Deferred Tax Assets		4,857,439		
Net Deferred Tax Liability	409,965,736	311,096,758		

Company	Statement of Financial Position		Income Statement	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Deferred Tax Liability/(Asset)				
On Capital allowances for tax purposes	143,237,299	58,134,276	85,103,023	7,882,584
On Fair Value of Land/ Investment Property **	-	-	-	(22,472,241)
On Defined benefit plans	(33,242,418)	(32,505,013)	(2,873,702)	(4,893,197)
On Allowance for Doubtful Debt	(4,357,378)	(4,357,378)	-	-
On Lease liability - Building	(5,039,254)	(2,953,446)	(2,085,808)	(1,196,303)
	100,598,249	18,318,439		
Deferred Tax (Reversal)/Expense			80,143,513	(20,679,157)

Company	Statement of Financial Position		Other Comprehensive Income	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
On Fair Value of Land/ Investment Property *	25,682,561	25,682,561	-	-
On Revaluation of Land	174,873,972	174,873,972	-	-
On Revaluation of Building	92,221,786	92,221,786	-	-
On Defined Benefit Plans	-	-	2,136,297	(4,577,306)
	292,778,319	292,778,319	2,136,297	(4,577,306)
Net Deferred Tax Liability	393,376,568	311,096,758		

NOTES TO THE FINANCIAL STATEMENTS

18. INCOME TAX (Contd...)

18.3 Impact on Deferred Tax Due to Tax Rate Change

Year ended 31 March 2025	GROUP	COMPANY
	2025 Rs.	2025 Rs.
Recognised in Statement of Profit or Loss due to during the year transactions	101,047,128	80,143,513
Recognised in Statement of Profit or Loss due to increase/(decrease) in Tax Rate	-	-
Income tax expense recognised in Statement of Profit or Loss	101,047,128	80,143,513
Recognised in Other Comprehensive Income during the year transactions	2,679,289	2,136,297
Recognised in Other Comprehensive Income due to increase/(decrease) in Tax Rate	-	-
Income tax expense recorded in OCI	2,679,289	2,136,297

The Company has used the new tax rate introduced in the Inland Revenue (Amendment) Act No. 45 of 2022 certified on December 19, 2022.

* The company had transferred the Land which was held as Investment property to Owner occupied property in 2022.

** The effect on Deferred Tax liability on the Land which was held as Investment property due to the change in Income Tax rate during the year, has been charged to Income Statement as the asset was transferred to Owner occupied property as of 31 March 2022. The fair value of the Land as at 31 March 2022 was Rs. 382,000,000 at the point of transfer to the owner-occupied property.

19. BASIC/DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity holders of the company, by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the basic earnings per share computations

Year ended 31 March 2025	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Amounts used as the numerator :				
Net profit attributable to equity holders of the company	453,112,003	580,718,933	426,364,746	536,594,143
Amounts used as the denominator :				
Weighted average number of ordinary shares in issue applicable to basic earnings per share *	333,333,333	333,333,333	333,333,333	333,333,333
Earnings Per Share (Rs.)	1.36	1.74	1.28	1.61

* The weighted average number of shares takes into account the weighted average effect of share split occurred during the 2020/21. The weighted average shares were 50,000,000 before share split .

The company issued new shares amounting to 83,333,333 through a Initial Public Offer on 31 October 2021.

20. DIVIDENDS PER SHARE

Year ended 31 March 2025	COMPANY			
	2025		2024	
	Dividend per share Rs.	Gross dividend Rs.	Dividend per share Rs.	Gross dividend Rs.
Equity dividend on ordinary shares declared and paid during the year				
First interim dividend declaration	0.36	120,000,000	0.30	100,000,000
Second interim dividend declaration	0.26	86,666,667	0.37	123,333,333
	0.62	206,666,666	0.67	223,333,333

21. COMMITMENTS AND CONTINGENCIES

21.1 Capital Commitments

The Company does not have significant capital commitments as at the reporting date.

21.2 Contingencies

Corporate Guarantee -	Banking Institutions	GROUP/COMPANY	
		2025 Rs.	2024 Rs.
Expo Teas Ceylon (Pvt) Ltd	National Development Bank	800,000,000	800,000,000
Lanka Commodity Holdings (Pvt) Ltd	National Development Bank	1,000,000,000	1,000,000,000
Aberdeen Holdings (Pvt) Ltd	National Development Bank	300,000,000	300,000,000
Fits Aviation (Pvt) Ltd	National Development Bank	100,000,000	100,000,000
Lanka Commodity Trading (Pvt) Ltd	National Development Bank	200,000,000	200,000,000
Neptune Papers (Pvt) Ltd	Hatton National Bank	250,000,000	250,000,000
Neptune Papers (Pvt) Ltd	Pan Asia Bank	300,000,000	300,000,000
Neptune Papers (Pvt) Ltd	Seylan Bank	100,000,000	100,000,000
Neptune Papers (Pvt) Ltd	Nations Trust Bank	200,000,000	200,000,000
		3,250,000,000	3,250,000,000

NOTES TO THE FINANCIAL STATEMENTS

22. ASSETS PLEDGED

The following assets have been pledged as security for liabilities

Nature of Assets	Nature of Liabilities	GROUP/COMPANY	
		Facility Amount	
		2025 Rs.	2024 Rs.
i Primary Mortgage over Stock and book debts for Rs. 600,000,000	Wakala/Murabaha/Trade Facility National Development Bank PLC	600,000,000	600,000,000
ii Short-term deposits held at Seylan Bank PLC for Rs. 500,000,000	Wakala Loan Seylan Bank PLC	-	450,000,000
iii Primary Mortgage of Rs.375,000,000 over the machinery located at No.79 & 166, Pattiwila Road, Gonawala, Kelaniya	Wakala/Murabaha/Trade Facility Hatton National Bank PLC	1,000,000,000	1,000,000,000
iv Co- current Stock Mortgage Rs.500mn	Trade Facility Standard Chartered Bank	500,000,000	500,000,000
v Primary Mortgage of Rs.1,000,000,000 over the machinery located at No.79, Pattiwila Road, Gonawala, Kelaniya	Diminishing Musharakah Facility Hatton National Bank PLC	1,000,000,000	-

23. EVENTS OCCURRING AFTER THE REPORTING DATE

There have been no material events occurring after the reporting date that require adjustments in the financial statements.

24. RELATED PARTY DISCLOSURE

24.1 Transaction with the parent and affiliated entities

The Group and Company carried out transactions in the ordinary course of the business on an arm's length basis at commercial rates with parties who are defined as Related Parties as per the Sri Lanka Accounting Standard - LKAS 24 'Related Party Disclosures'.

The details of guarantees provided to the banks on behalf of related parties are disclosed in Note 24.2

Group	Parent *		Affiliated Companies **		Total	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
As at 1 April	18,512,444	24,010,302	96,730,803	159,459,154	115,243,247	183,469,456
Expense incurred for others	(1,087,813)	(70,240)	-	-	(1,087,813)	(70,240)
Loans Provided	-	-	-	612,000,000	-	612,000,000
Loans Settled	-	-	(65,111,184)	(642,000,000)	(65,111,184)	(642,000,000)
Mark-up income charged	-	-	-	17,284,464	-	17,284,464
Mark-up income received	-	-	-	(30,439,933)	-	(30,439,933)
Sale Invoices	74,500	139,867	305,049,690	104,130,396	305,124,190	104,270,263
Courier Charges	-	-	(45,044)	(53,864)	(45,044)	(53,864)
Cash Receipts/Payment Made	63,337,878	58,079,362	(255,743,619)	(87,590,682)	(192,405,741)	(29,511,320)
Purchase of Tea & Meals	-	-	(7,290,597)	(6,468,716)	(7,290,597)	(6,468,716)
Management/Consultancy Fee	(71,228,875)	(63,628,846)	-	-	(71,228,875)	(63,628,846)
Insurance Policy	-	-	(22,962,658)	(15,265,801)	(22,962,658)	(15,265,801)
Dividend Receivable/(Payable)	(134,374,667)	145,211,333	-	-	(134,374,667)	145,211,333
Dividend Paid/Received	78,024,000	(145,211,333)	-	-	78,024,000	(145,211,333)
Secretarial Expenses	-	(18,000)	-	-	-	(18,000)
Technical Fees	-	-	(15,154,313)	(14,324,215)	(15,154,313)	(14,324,215)
Rental Income	-	-	-	-	-	-
As at 31 March	(46,742,533)	18,512,445	35,473,078	96,730,803	(11,269,454)	115,243,248
Included Under,	(46,742,533)	18,512,445	35,473,079	96,730,803	(11,269,454)	115,243,248
Trade Receivables (Note 8.1)	-	-	11,826,859	7,288,054	11,826,859	7,288,054
Other Receivables (Note 8.2)	9,678,374	21,657,685	24,803,599	90,243,903	34,481,973	111,901,588
Other Payables (Note 13.1)	(56,420,907)	(3,145,240)	(1,157,378)	(801,154)	(57,578,285)	(3,946,394)
	(46,742,533)	18,512,445	35,473,079	96,730,803	(11,269,454)	115,243,248

* Parent of the Company is Aberdeen Holdings (Private) Limited.

** Affiliated Companies includes, Lanka Commodity Holdings (Pvt) Ltd, Bio Extracts (Pvt) Ltd, Fits Express (Pvt) Ltd, Fits Aviation (Pvt) Ltd, Lanka Food Solutions (Pvt) Ltd, Amana Takaful Ltd, Expo Commodities DMCC and Expolanka Teas (Pvt) Ltd, Hi Energy Services (Pvt) Ltd, Antler Foundry (Pvt) Ltd, DFC Roasters (Pvt) Ltd.

NOTES TO THE FINANCIAL STATEMENTS

24. RELATED PARTY DISCLOSURE (Contd...)

24.2 The following Corporate Guarantee have been obtained as at reporting date.

	Nature of Assets	Nature of Liabilities	GROUP/COMPANY	
			Guarantee Amount	
			2025 Rs.	2024 Rs.
I	Corporate Guarantee of Aberdeen Holdings (Private) Limited	Wakala/Murabaha/Trade Facility of Bank of Ceylon	600,000,000	600,000,000
II	Corporate Guarantee of Aberdeen Holdings (Private) Limited	Trade Facility Standard Chartered Bank	500,000,000	500,000,000
III	Corporate Guarantee of Aberdeen Holdings (Private) Limited	Wakala/Murabaha/Trade Facility National Development Bank PLC	150,000,000	150,000,000
IV	Corporate Guarantee of Fits Aviation (Private) Limited	Wakala/Murabaha/Trade Facility National Development Bank PLC	150,000,000	150,000,000
V	Corporate Guarantee of Lanka Commodity Holdings (Private) Limited	Wakala/Murabaha/Trade Facility National Development Bank PLC	500,000,000	500,000,000
VI	Corporate Guarantee of Aberdeen Holdings (Private) Limited	Wakala/Murabaha/Trade Facility of Seylan Bank PLC	400,000,000	400,000,000
VII	Corporate Guarantee of Aberdeen Holdings (Private) Limited	Trade Facility of Pan Asia Banking Corporation PLC	200,000,000	200,000,000
VIII	Corporate Guarantee of Aberdeen Holdings (Private) Limited	Trade Facility of Nations Trust Bank	500,000,000	-

24.3 Transaction with the parent and affiliated entities

Company	Parent *		Subsidiaries**		Affiliated Companies ***		Total	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
As at 1 April	(3,075,000)	-	1,160,275	(127,720)	96,990,564	138,729,784	95,075,839	138,602,064
Loans Provided	-	-	-	-	-	612,000,000	-	612,000,000
Loans Settled	-	-	-	-	(65,111,184)	(642,000,000)	(65,111,184)	(642,000,000)
Mark-up income charged	-	-	-	-	-	17,284,464	-	17,284,464
Mark-up income received	-	-	-	-	-	(30,439,933)	-	(30,439,933)
Sale Invoices	-	-	3,828,298	20,401,736	54,048,230	39,121,088	57,876,528	59,522,823
Courier Charges	-	-	-	-	(45,044)	(53,864)	(45,044)	(53,864)
Purchase of Paper Reel/Stationaries	-	-	(1,685,570)	(2,145,010)	-	-	(1,685,570)	(2,145,010)
Cash Receipts/Payment Made	47,737,813	36,000,000	(3,463,003)	(16,968,730)	(11,767,627)	(7,596,352)	32,507,182	11,434,918
Sales Returned	-	-	-	-	-	(247,197)	-	(247,197)
Purchase of Tea & Meals	-	-	-	-	(7,290,595)	(4,936,871)	(7,290,595)	(4,936,871)
Purchase of Spices	-	-	-	-	-	(1,531,845)	-	(1,531,845)
Management/Consultancy Fee	(43,575,000)	(39,075,000)	-	-	-	-	(43,575,000)	(39,075,000)
Insurance Policy	-	-	-	-	(22,962,659)	(15,265,801)	(22,962,659)	(15,265,801)
Dividend Receivable/(Payable)	(134,374,667)	145,211,333	30,128,658	30,632,322	-	-	(104,246,009)	175,843,655
Dividend Paid/Received	78,024,000	(145,211,333)	(30,128,658)	(30,632,322)	-	-	47,895,342	(175,843,655)
IT Services	-	-	-	-	(8,464,400)	(8,072,910)	(8,464,400)	(8,072,910)
Reimbursement Expenses	(1,087,813)	-	-	-	-	-	(1,087,813)	-
As at 31 March	(56,350,667)	(3,075,000)	(160,000)	1,160,275	35,397,285	96,990,564	(21,113,382)	95,075,839
Included Under,								
Trade Receivables (Note 9.1)	-	-	-	1,286,275	11,383,224	7,288,054	11,383,224	8,574,329
Other Receivables (Note 9.2)	-	-	-	-	24,803,599	89,914,784	24,803,599	89,914,784
Other Payables (Note 14.1)	(56,350,667)	(3,075,000)	(160,000)	(126,000)	(789,538)	(212,274)	(57,300,205)	(3,413,274)
	(56,350,667)	(3,075,000)	(160,000)	1,160,275	35,397,285	96,990,564	(21,113,382)	95,075,839

* Parent of the Company is Aberdeen Holdings (Private) Limited.

**Subsidiaries companies include Neptune Papers (Pvt) Ltd, Neptune Services (Pvt) Ltd, Neptune Recycles (Pvt) Ltd, Neptune Eco Friends (Pvt) Ltd.

*** Affiliated companies includes, Lanka Commodity Holdings (Pvt) Ltd, Bio Extracts (Pvt) Ltd, Amana Takaful Ltd, Expolanka Teas (Pvt) Ltd, Lanka Foods Solutions (Pvt) Ltd, Hi Energy (Pvt) Ltd, Fits Express (Pvt) Ltd, Fits Aviation (Pvt) Ltd, Expoceylon Pharmaceuticals (Pvt) Ltd, DFC Roasters (Pvt) Ltd, Antler Foundry (Pvt) Ltd, Fits Retail (Pvt) Ltd and Expo Commodities DMCC.

NOTES TO THE FINANCIAL STATEMENTS

24. RELATED PARTY DISCLOSURE (Contd...)

24.4 Transactions with Key Management Personnel of the Company

The key management personnel of the Company are the members of its Board of Directors and those of its parent. There are no transaction with such KMP and their close family members, other than mentioned below.

a) Key Management Personnel Compensation

Year ended 31 March 2025	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Short-term employee benefits	159,948,168	151,985,493	144,007,000	136,705,000
Post employee benefits	4,472,333	8,345,000	1,367,333	5,355,000
	164,420,501	160,330,493	145,374,333	142,060,000

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise trade and other payables as well as Islamic Finance loans and borrowings (bank loans, finance lease and director loans). The main purposes of these financial liabilities is to finance the company's operations and fixed assets. The company has trade and other receivables, and cash that arrive directly from its operations.

The Group is exposed to market risk, credit risk, foreign exchange risk and liquidity risk.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

25.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: Finance cost risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and equity investments.

The overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the entity's financial performance.

25.2 Interest rate risk

Finance cost risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market Finance cost. The Group's exposure to the risk of changes in market Finance cost relates primarily to the Group's short-term and long term debt obligations with fixed Finance cost.

Year ended 31 March 2025	Increase/ decrease in basis points Rs.	COMPANY	GROUP
		Effect on profit before tax Rs.	Effect on profit before tax Rs.
2025	+200	(45,133,058)	(62,427,459)
	-200	45,133,058	62,427,459
2024	+200	(30,321,569)	(40,134,494)
	-200	30,321,569	40,134,494

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd ...)

25.3 Foreign exchange risk

The Group's exposure to foreign exchange risk is significant as the transactions with its main Customers and its main suppliers are denominated in United States Dollars. Hence, the element of risk is generated through the translation of such transactions into the reporting currency, i.e. Sri Lankan rupee.

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rate, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency risk as at 31st March 2025, and sensitivity analysis to profit & loss and equity if exchange rate increased / (decreased) by 20%.

As at 31 March 2025	Change in rates		COMPANY		GROUP	
			Effect on profit before tax		Effect on profit before tax	
			Rs.	Rs.	Rs.	Rs.
As at 31 March 2025						
USD	+ 20%	- 20%	(63,862,874)	63,862,874	(17,525,203)	17,525,203
As at 31 March 2024						
USD	+ 20%	- 20%	(15,513,025)	15,513,025	29,796,508	(29,796,508)

25.4 Credit risk

The Group's exposure to credit risk is minimal from its trade receivables. The Company has agreed to receive its exports sales proceeds in advance DP & through Letter of Credit. The Company also obtains bank guarantee from the customers.

The Group trades only with recognised and credit worthy third parties and all customers are subject to a credit verification process. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is minimal.

Carrying amount of financial assets represents the maximum credit exposure of those assets. The Group's maximum exposure to credit risk at the reporting date were as follows;

Year ended 31 March 2025	Note	2025		2024	
		Rs.	Rs.	Rs.	Rs.
Trade and other receivables	8	2,186,403,444	97%	1,847,398,604	72%
Cash at bank and cash equivalents	9	68,987,130	3%	720,830,738	28%
		2,255,390,574	100%	2,568,229,342	100%

25.5 Trade receivables

Customer credit risk is managed by each company subject to the Group's policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on the credit risk evaluation policy and individual credit limits are defined in accordance with this assessment.

Outstanding customer receivables are monitored on a regular basis.

Receivable balances are monitored on an ongoing basis to minimise bad debt risk and to ensure default rates are kept very low, whilst the improved operating environment resulted in improved collections during the financial year although there could be stresses in the ensuing year on account of the macroeconomic uncertainty and related impacts to our customers on account of elevated inflation and Finance cost and the possible impact on consumer discretionary spend. Company has a diverse client portfolio limiting the risk of exposure to few large customers or sectors allowing to successfully navigate any credit risks.

NOTES TO THE FINANCIAL STATEMENTS

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd ...)

25.6 Cash and cash equivalents and fixed deposits

Credit risk from balances with banks is managed in accordance with the Group treasury policy. Investments of surplus funds are made only with approved counterparties as per this policy. The credit rating of the banks are assessed before investments and the group has borrowings from the same banks where the deposits are held providing a natural hedge.

The Group held cash in hand and at bank of Rs. 69 Mn at 31 March 2025 (2024 Rs. 720 Mn) which represents its maximum credit exposure on these assets. Company also held fixed deposits of Rs. Nil as at 31 March 2025 (2024 Rs. 500 Mn).

25.7 Liquidity risk

The Company is indemnified of any liquidity risk by a letter of support issued by the Parent Company, undertaking to provide whatever financial support as may be necessary to enable the Group/Company, to meet its obligations as they fall due and to continue the operation of the Group/Company as a going concern.

25.7.1 Maturity analysis - Group

The table below summarises the maturity profile of the Group's financial liabilities at 31 March 2025 based on contractual undiscounted payments.

	Payable on demand Rs.	Less than 3 months Rs.	3 to 12 months Rs.	1 to 5 years Rs.	> 5 years Rs.	Total Rs.
As at 31 March 2025						
Financial liabilities						
Short term Loans	-	1,600,126,496	350,320,000	-	-	1,950,446,496
Lease liabilities	-	25,561,008	77,563,823	261,518,481	-	364,643,312
Bank overdrafts	-	5,198,703	-	-	-	5,198,703
Trade and other payables	-	1,025,674,808	213,184,857	4,246,318	-	1,243,105,983
Term Loans	-	-	20,833,333	979,166,667	-	1,000,000,000
	-	2,656,561,014	661,902,013	1,244,931,465	-	4,563,394,493

	Payable on demand Rs.	Less than 3 months Rs.	3 to 12 months Rs.	1 to 5 years Rs.	> 5 years Rs.	Total Rs.
As at 31 March 2024						
Short term Loans	-	1,618,957,860	482,130,982	-	-	2,101,088,843
Lease liabilities	-	7,628,815	45,043,820	138,673,466	-	191,346,102
Bank overdrafts	-	3,032,468	-	-	-	3,032,468
Trade and other payables	-	407,021,928	26,641,056	-	-	433,662,984
	-	2,036,641,071	553,815,858	138,673,466	-	2,729,130,395

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd ...)

25.7.2 Maturity analysis - Company

	Payable on demand Rs.	Less than 3 months Rs.	3 to 12 months Rs.	1 to 5 years Rs.	> 5 years Rs.	Total Rs.
As at 31 March 2025						
Financial liabilities						
Short term Loans	-	836,226,496	350,320,000	-	-	1,186,546,496
Lease liabilities	-	7,297,243	22,772,528	43,876,075	-	73,945,845
Trade and other payables	-	922,508,161	202,770,931	-	-	1,125,279,092
Term Loans	-	-	20,833,333	979,166,667	-	1,000,000,000
	-	1,766,031,899	596,696,791	1,023,042,742	-	3,385,771,434

	Payable on demand Rs.	Less than 3 months Rs.	3 to 12 months Rs.	1 to 5 years Rs.	> 5 years Rs.	Total Rs.
As at 31 March 2024						
Financial liabilities						
Short term Loans	-	1,153,125,439	482,130,982	-	-	1,635,256,421
Lease liabilities	-	2,763,570	19,911,067	73,755,848	-	96,430,485
Trade and other payables	-	547,922,285	5,214,445	-	-	553,136,731
	-	1,703,811,294	507,256,495	73,755,848	-	2,284,823,637

26. CAPITAL MANAGEMENT

Capital includes ordinary shares. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders and issue new shares.

As at 31 March	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Debt / Equity	97%	72%	79%	65%

NOTES TO THE FINANCIAL STATEMENTS

27. COMPARATIVE RECLASSIFICATION

The presentation and classification of following item which is related to property, plant & equipments and inventory in these financial statements are amended to ensure comparability with the current year.

Accounting Policy

The accounting policies have been consistently applied by the Company with those of the previous financial year in accordance with the Sri Lanka Accounting Standard - LKAS 01 on 'Presentation of Financial Statements'. Comparative information is reclassified wherever necessary to comply with the current presentation. The presentation and classification of the following items in these financial statements are amended to ensure the comparability with the current year.

Statement of Profit or Loss and Other Comprehensive Income

	Group		
	As disclosed Previous year Rs.	Adjustment Rs.	Current Presentation Rs.
Property, Plant & Equipment	2,344,109,330	78,540	2,344,187,870
Inventory	1,141,690,730	(78,540)	1,141,612,190

The above reclassification did not have any impact on comprehensive income, earnings per share, operating, investing and financing cashflows for the year ended 31 March 2025.

GRI CONTENT INDEX

Statement of use	Ex-Pack Corrugated Cartons PLC has reported in accordance with the GRI Standards for the period from 01 April 2023 to 31 March 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	NA

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	9, 236				A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.
	2-2 Entities included in the organization's sustainability reporting	4				
	2-3 Reporting period, frequency and contact point	4 and 7				
	2-4 Restatements of information	4				
	2-5 External assurance	5, 115, 116				
	2-6 Activities, value chain and other business relationships	4, 48-49, 10, 100				
	2-7 Employees	82-83				
	2-8 Workers who are not employees	84	2-8 a, b, c	Not applicable	Workers who are not employees of the Company comprise those providing auxiliary services such as security and janitorial, engaged based on contracts. As these do not form core operations of the Company, information pertaining to this indicators is not tracked.	
	2-9 Governance structure and composition	124				
	2-10 Nomination and selection of the highest governance body	132 and 162				
	2-11 Chair of the highest governance body	128				
	2-12 Role of the highest governance body in overseeing the management of impacts	128				

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-13 Delegation of responsibility for managing impacts	128				
	2-14 Role of the highest governance body in sustainability reporting	128-129				
	2-15 Conflicts of interest	131				
	2-16 Communication of critical concerns	130				
	2-17 Collective knowledge of the highest governance body	30-35, 125				
	2-18 Evaluation of the performance of the highest governance body	134				
	2-19 Remuneration policies	132				
	2-20 Process to determine remuneration	132				
	2-21 Annual total compensation ratio		2-21 a,b,c	Confidentiality constraints	Constraints in disclosing total compensation ratio	
	2-22 Statement on sustainable development strategy	22-25				
	2-23 Policy commitments	130				
	2-24 Embedding policy commitments	130				
	2-25 Processes to remediate negative impacts	135				
	2-26 Mechanisms for seeking advice and raising concerns	87				
	2-27 Compliance with laws and regulations	135				
	2-28 Membership associations	102				
	2-29 Approach to stakeholder engagement	53-59				
	2-30 Collective bargaining agreements	88				
Material topics						
	3-1 Process to determine material topics	60	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	61				
Economic performance						
GRI 201: Economic Performance 2016	3-3 Management of material topics	68				
	201-4 Financial assistance received from government		201-4 a,b,c	Not applicable	The Company does not receive any financial assistance from the government	
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	57,100				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	57,100				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	71				
GRI 207: Tax 2019	207-1 Approach to tax	71				
	207-2 Tax governance, control, and risk management	71				
	207-3 Stakeholder engagement and management of concerns related to tax	58				
	207-4 Country-by-country reporting		207-4 a,b,c	Not applicable	The Company does not have any oversea operations	
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	106				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	106				
	302-2 Energy consumption outside of the organization		302-2	Information unavailable/incomplete	Company is in the process of implementing mechanism to collect data.	
	302-3 Energy intensity	107				
	302-4 Reduction of energy consumption	15				
	302-5 Reductions in energy requirements of products and services		302-5	Information unavailable/incomplete	The Company does not currently measure this criteria	
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	107				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	108				
	303-2 Management of water discharge-related impacts	107	303-2	Information unavailable/incomplete	The Company does not currently measure this criteria	
	303-3 Water withdrawal	108				
	303-4 Water discharge	108				
	303-5 Water consumption	108				
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	106				

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	107				
	305-2 Energy indirect (Scope 2) GHG emissions	107				
	305-3 Other indirect (Scope 3) GHG emissions		305-3	Information unavailable/incomplete	The Company currently does not track this information	
	305-4 GHG emissions intensity	107				
	305-5 Reduction of GHG emissions	107				
	305-6 Emissions of ozone-depleting substances (ODS)		305-6 a,b,c,d	Not applicable	The Company's operations do not generate ODS	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		305-7 a,b,c	Not available	The Company does not currently track NOx and SOx emissions	
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	108				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	108-109				
	306-2 Management of significant waste-related impacts	108-109				
	306-3 Waste generated	109				
	306-4 Waste diverted from disposal	108				
	306-5 Waste directed to disposal	108				
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	81				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	84				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	84				
	401-3 Parental leave	83				
Labor/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	88				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	86-87				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	87				
	403-2 Hazard identification, risk assessment, and incident investigation	87				
	403-3 Occupational health services	87				
	403-4 Worker participation, consultation, and communication on occupational health and safety	87				
	403-5 Worker training on occupational health and safety	87				
	403-6 Promotion of worker health	87				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	87				
	403-8 Workers covered by an occupational health and safety management system	86-87				
	403-9 Work-related injuries	87				
	403-10 Work-related ill health	87				
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	85				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	86				
	404-2 Programs for upgrading employee skills and transition assistance programs	86				
	404-3 Percentage of employees receiving regular performance and career development reviews	85				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	82,127				
	405-2 Ratio of basic salary and remuneration of women to men	83				

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	101				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	101-102				
	413-2 Operations with significant actual and potential negative impacts on local communities	101				
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	99				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	99				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	99				

SASB INDEX

SUSTAINABILITY DISCLOSURE TOPICS & METRICS

Containers & Packaging

Ex-Pack Corrugated Cartons PLC

Financial year ended 31 March 2025

Table 1. Sustainability Disclosure Topics & Metrics

Topic	Metric	Category	Unit of Measure	Code	Page No/ Relevant Content
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Metric tonnes (t) CO ₂ -e, Percentage (%)	RT-CP-110a.1	107
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets	Discussion and Analysis	n/a	RT-CP-110a.2	107
Air Quality	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) volatile organic compounds (VOCs), and (4) particulate matter (PM)	Quantitative	Metric tonnes (t)	RT-CP-120a.1	107
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable and (4) total self-generated energy	Quantitative	Gigajoules (GJ), Percentage (%)	RT-CP-130a.1	106
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m ³), Percentage (%)	RT-CP-140a.1	108
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	n/a	RT-CP-140a.2	108
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Quantitative	Number	RT-CP-140a.3	108
Waste Management	Amount of hazardous waste generated, percentage recycled	Quantitative	Metric tonnes (t), Percentage (%)	RT-CP-150a.1	108
Product Safety	(1) Number of recalls issued, (2) total units recalled 1	Quantitative	Number	RT-CP-250a.1	97
	Discussion of process to identify and manage emerging materials and chemicals of concern	Discussion and Analysis	n/a	RT-CP-250a.2	97

SASB INDEX

Topic	Metric	Category	Unit of Measure	Code	Page No/ Relevant Content
Product Lifecycle Management	Percentage of raw materials from: (1) recycled content, (2) renewable resources, and (3) renewable and recycled content	Quantitative	Percentage (%) by weight	RT-CP-410a.1	97
	Revenue from products that are reusable, recyclable, or compostable	Quantitative	Presentation currency	RT-CP-410a.2	Not disclosed
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussion and Analysis	n/a	RT-CP-410a.3	97
Supply Chain Management	Total wood fibre procured; percentage from certified sources	Quantitative	Metric tonnes (t), Percentage (%)	RT-CP-430a.1	Not disclosed. No wood and fibre is used in the manufacturing process.
	Total aluminium purchased; percentage from certified sources	Quantitative	Metric tonnes (t), Percentage (%)	RT-CP-430a.2	Not disclosed. Aluminium purchased for product manufacturing

Table 2. Activity Metrics

ACTIVITY METRIC	Category	Unit of Measure	Code	Page No/ Relevant Content
Amount of production, by substrate ²	Quantitative	Metric tonnes (t)	RT-CP-000.A	49
Percentage of production as: (1) paper/wood, (2) glass, (3) metal, and (4) plastic	Quantitative	Percentage (%) by revenue	RT-CP-000.B	100% of production is paper based.
Number of employees	Quantitative	Number	RT-CP-000.C	48

NOTICE OF MEETING

The Board of Directors of Ex-Pack Corrugated Cartons PLC has decided to hold Annual General Meeting (AGM) as a Virtual Meeting on 30th June 2025 at 10.00 am in line with the guidelines issued by the Colombo Stock Ex-change (CSE) for hosting of virtual AGMs.

Hence, Notice is hereby given that the Annual General Meeting of the Company will be held by way of electronic means on 30th June 2025 at 10.00 am centered at the Registered Office located at No.11 A, Milepost Avenue, Colombo 03.

AGENDA

01. To receive and consider the Annual Report of the Board of Directors and the Financial Statements of the Company for the year ended 31st March 2025 and the Report of the Auditors thereon.
02. To re-elect as a Director, Mr. Sattar Kassim who retires by rotation in terms of Article 78 of the Articles of Association of the Company and being eligible, offers himself for re-election as a Director.
03. To re-elect as a Director, Mr. Uduwage Don Wadeepa Chathuranga Abeyratne who retires by rotation in terms of Article 78 of the Articles of Association of the Company and being eligible, offers himself for re-election as a Director.
04. To re-appoint the retiring Auditors Messrs. Ernst & Young, Chartered Accountants as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Directors to determine their remuneration.
05. To consider any other business of which due notice has been given.

By Order of the Board
EX-PACK CORRUGATED CARTONS PLC

(Sgd.)
Business Intelligence (Private) Limited
Director/Secretaries
5th June 2025
Colombo.

NOTICE OF MEETING

NOTICE

01. Below mentioned documents can be now downloaded via the corporate website [https:// www.expack.lk/reports](https://www.expack.lk/reports) or the Colombo Stock Exchange website on <https://www.cse.lk/pages/company-profile/company-profile.coponent.html?symbol=-PACK.N0000>
 - a) Annual Report
 - b) Notice of Meeting
 - c) Circular to Shareholders
 - d) Form of Proxy
 - e) Guidelines and Registration Process to join the AGM virtually
 - f) Registration Form for the AGM
 - g) Request form for the printed copy of the Annual Report.
02. A shareholder entitled to participate and vote at the above virtual meeting is entitled to appoint a proxy to participate and vote in his/her place by completing the Form of Proxy which can be downloaded as above.
03. Shareholders who are unable to participate in the above virtual meeting are also encouraged to submit a duly completed Form of Proxy appointing the Chairman or any other Member of the Board to participate and vote on their behalf.
04. A proxy need not be a shareholder of the Company.
05. For more information on how to participate by virtual means in the above virtual meeting, please refer Registration Process which can be downloaded as above.

FORM OF PROXY

I/We, of
 being a shareholder/s
 of Ex-Pack Corrugated Cartons PLC do hereby appoint
 (holder of NIC No of.....
 or failing him/her.

Mr. Sattar Kassim or failing him,
 Mr. M Z M Ghouse or failing him,
 Mr. Shafik Kassim or failing him
 Mr. W B W M R A M T G Aluwihare or failing him,
 Mr. A O Kassim or failing him,
 Mrs. S de Silva or failing him,
 Mr. U K D Dharmadasa or failing him,
 Mr. U D W C Abeyratne

As my/our Proxy to represent me/us and vote on my/our behalf at the Annual General Meeting of Ex-Pack Corrugated Cartons PLC to be held by way of electronic means 30th June 2025 at 10.00 am. centered at the Board- room, No. 11 A, Milepost Avenue, Colombo 03 and at any adjournment thereof, and at every poll which may be taken in consequence thereof.

I/We, the undersigned, hereby direct my/our Proxy to vote for me/us and on my/our behalf on the specified Resolution as indicated by the letter "x" in the appropriate cage ;

		For	Against	Abstain
1.	To re-elect as a Director, Mr. Sattar Kassim who retires by rotation in terms of Article 78 of the Articles of Association of the Company and being eligible, offers himself for re-election as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	To re-elect as a Director, Mr. Uduwage Don Wadeepa Chathuranga Abeyratne who retires by rotation in terms of Article 78 of the Articles of Association of the Company and being eligible, offers himself for re-election as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	To re-appoint the retiring Auditors Messrs. Ernst & Young, Chartered Accountants as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day of Two Thousand and Twenty-five
 Signature /s of Shareholder/s

NOTICE

01. * Please delete the inappropriate words.
02. Instructions as to completion are noted on the reverse hereof.

FORM OF PROXY

INSTRUCTIONS AS TO COMPLETION

01. The full name, National Identity Card number and the registered address of the share- holder appointing the Proxy and the relevant details of the Proxy should be legibly entered in the Form of Proxy which should be duly signed and dated.
02. The Proxy shall –
 - a. In the case of an individual be signed by the shareholder or by his/her attorney, and if signed by an attorney, a notari- ally certified copy of the Power of Attorney should be attached to the completed Proxy if it has not already been registered with the Company.
 - b. In the case of a company or corporate/statutory body either be under its common seal or signed by its Attorneys or by an Officer on behalf of the company or corporate/statutory body in accordance with its Articles of Association or the Constitution or the Statutes (as applicable).
03. Please indicate with a "X" how the Proxy should vote on each resolution. If no indica- tion is given, the Proxy in his/her discretion will vote as he/she thinks fit.
04. To be valid, the completed Form of Proxy should be deposited with the Registered Office of the Company at No. 11 A, Milepost Avenue, Colombo 03, Sri Lanka or must be emailed to shamil@expack.lk or by facsimile to +94 114 741751 by 48 hours before the AGM.

REGISTRATION FORM

**ANNUAL GENERAL MEETING (AGM) OF EX-PACK CORRUGATED CARTONS PLC
TO BE HELD AS A VIRTUAL MEETING ON
30TH JUNE 2025 AT 10.00 A.M.**

DETAILS OF SHAREHOLDER

Full Name of the Principal Shareholder:

NIC No./Passport No./Company Registration No.:

CDS Account No.:

Residential Address:

Telephone No/s:

Email:

Full Name of 1st Joint Holder:

NIC No./Passport No.:

Full Name of 2nd Joint Holder:

NIC No./Passport No.:

In the event Proxyholder is appointed by the Shareholder following details of his/her's will also be required.

DETAILS OF PROXYHOLDER: (only if a proxyholder is appointed)

Full name of Proxyholder:

NIC No./Passport No. of Proxyholder:

Telephone No/s:

Email:

PARTICIPATION AT THE AGM ONLINE – Please tick the cage below

I/My Proxyholder am/is willing to participate at the AGM

Signature/s
	Principal Shareholder	1st Joint holder	2nd Joint holder

Date:

Note:

In the case of a Company/Corporation, the Shareholder Registration Form must be signed in the manner prescribed by its Articles of Association/Statute and in the case of the Registration Form is signed by an Attorney, the Power of Attorney, must be deposited at No. 11 A, Milepost Avenue, Colombo 03, Sri Lanka or emailed to shamil@expack.lk.

CORPORATE INFORMATION

NAME OF COMPANY

Ex-Pack Corrugated Cartons PLC

Incorporated in Sri Lanka as a private limited company on 19th March 2002 under the Provisions of Companies Act No.17 of 1982 and on 16th April 2008 under provisions of the Companies Act No.07 of 2007. The legal form of the company was changed from Private Limited to a Public limited Company under provisions of the companies Act No. 07 of 2007 on 27th March 2019. The company is listed on the Colombo Stock Exchange w.e.f 10th of November 2021.

COMPANY REGISTRATION NUMBER

PQ00250068

REGISTERED OFFICE AND CURRENT PLACE OF BUSINESS

11A, Milepost Avenue, Colombo 03
Tel: +94 11 2 689 618
Fax: +94 11 2 689 618
Website: www.expack.lk

FACTORY

79, Pattiwila Road, Gonawala, Kelaniya
Tel: +94 11 4 891 891
Fax: +94 11 4 741 751

DIRECTORS

Sattar Kassim (Chairman)
M Z M Ghouse (Managing Director)
Shafik Kassim
W B W M R A M T G Aluwihare
U K D Dharmadasa
Shehara De Silva
A O Kassim
U D W Chathuranga Abeyratne

SUBSIDIARY COMPANY

Neptune Papers (Pvt) Limited.
Neptune Servicers (Pvt) Limited.
Neptune Eco Friends (Pvt) Limited.
Neptune Recyclers (Pvt) Limited.

AUDITORS (EXTERNAL)

Ernst & Young Chartered Accountants
109, Rotunda Towers, Galle Road, Colombo 03
Tel: +94 11 2 463 500
Fax: +94 11 2 697 369

AUDITORS (INTERNAL)

KPMG Chartered Accountants
32A, Sir Mohamed Macan Markar Mawatha
Colombo 03
Tel: +94 11 5426 426
Fax: +94 11 244 5872

SECRETARIES

Business Intelligence (Pvt) Limited
10, Gothami Road, Colombo 08
Tel: +94 11 2 015 900

BANKERS

Amana Bank PLC
486, Galle Road, Colombo 03

National Development Bank PLC
40, Navam Mawatha, Colombo 02

Bank of Ceylon
01, BOC Square, Bank of Ceylon Mawatha, Colombo 01

Hatton National Bank PLC
Level 19, 479, T B Jayah Mawatha, Colombo 10

Pan Asia Bank PLC
450, Galle Road, Colombo 03

Standard Chartered Bank (Sri Lanka) Limited
37, York Street, Colombo 01

Seylan Bank PLC
90, Galle Road, Colombo 03

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